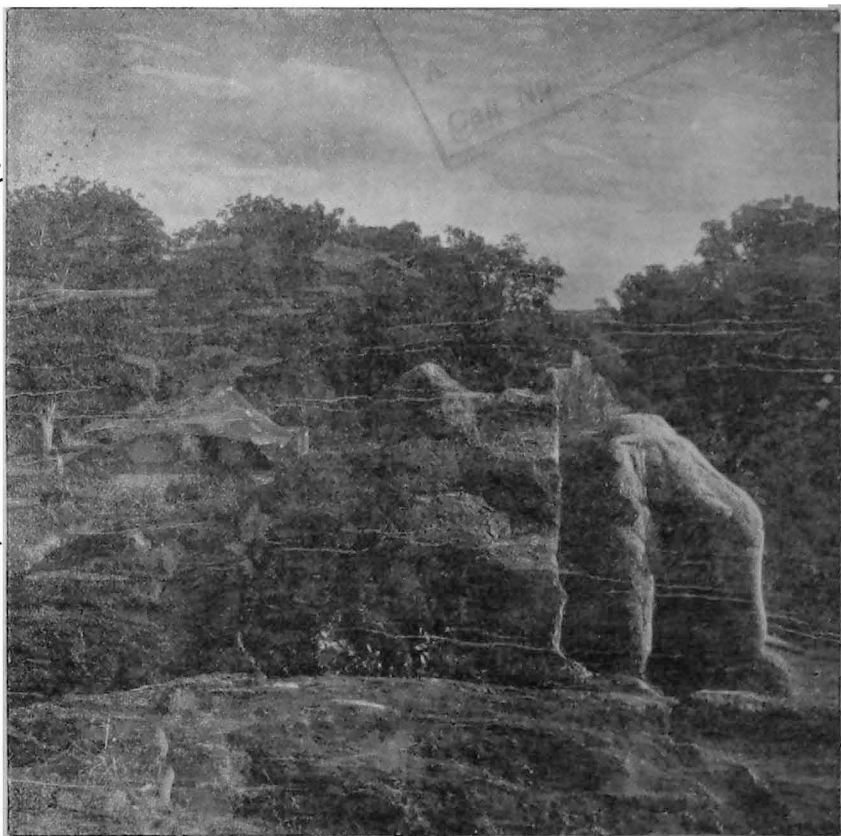


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THE
ECONOMIC HISTORY
OF
BRITISH INDIA

A RECORD OF AGRICULTURE AND LAND
SETTLEMENTS, TRADE AND MANUFACTUR-
ING INDUSTRIES, FINANCE, AND
ADMINISTRATION

*FROM THE RISE OF THE BRITISH POWER IN 1757 TO THE
ACCESSION OF QUEEN VICTORIA IN 1837*

BY

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PREFACE

EXCELLENT works on the military and political transactions of the British in India have been written by eminent historians. No history of the people of India, of their trades, industries, and agriculture, and of their economic condition under British administration, has yet been compiled.

Recent famines in India have attracted attention to this very important subject, and there is a general and widespread desire to understand the condition of the Indian people—the sources of their wealth and the causes of their poverty. A brief Economic History of British India is therefore needed at the present time.

Englishmen can look back on their work in India, if not with unalloyed satisfaction, at least with some legitimate pride. They have conferred on the people of India what is the greatest human blessing—Peace. They have introduced Western Education, bringing an ancient and civilised nation in touch with modern thought, modern sciences, modern institutions and life. They have built up an Administration which, though it requires reform with the progress of the times, is yet strong and efficacious. They have framed wise laws, and have established Courts of Justice, the purity of which is as absolute as in any country on the face of the earth. These are results which no honest critic of British work in India regards without high admiration.

On the other hand, no open-minded Englishman contemplates the material condition of the people of

India under British rule with equal satisfaction. The poverty of the Indian population at the present day is unparalleled in any civilised country; the famines which have desolated India within the last quarter of the nineteenth century are unexampled in their extent and intensity in the history of ancient or modern times. By a moderate calculation, the famines of 1877 and 1878, of 1889 and 1892, of 1897 and 1900, have carried off fifteen millions of people. The population of a faired-sized European country has been swept away from India within twenty-five years. A population equal to half of that of England has perished in India within a period which men and women, still in middle age, can remember.

What are the causes of this intense poverty and these repeated famines in India? Superficial explanations have been offered one after another, and have been rejected on close examination. It was said that the population increased rapidly in India, and that such increase must necessarily lead to famines; it is found on inquiry that the population has never increased in India at the rate of England, and that during the last ten years it has altogether ceased to increase. It was said that the Indian cultivators were careless and improvident, and that those who did not know how to save when there was plenty, must perish when there was want; but it is known to men who have lived all their lives among these cultivators, that there is not a more abstemious, a more thrifty, a more frugal race of peasantry on earth. It was said that the Indian money-lender was the bane of India, and by his fraud and extortion kept the tillers of the soil in a chronic state of indebtedness; but the inquiries of the latest Famine Commission have revealed that the cultivators of India are forced under the thralldom of money-lenders by the rigidity of the Government revenue demand. It

was said that in a country where the people depended almost entirely on their crops, they must starve when the crops failed in years of drought; but the crops in India, as a whole, have never failed, there has never been a single year when the food supply of the country was insufficient for the people, and there must be something wrong, when failure in a single province brings on a famine, and the people are unable to buy their supplies from neighbouring provinces rich in harvests.

Deep down under all these superficial explanations we must seek for the true causes of Indian poverty and Indian famines. The economic laws which operate in India are the same as in other countries of the world; the causes which lead to wealth among other nations lead to prosperity in India; the causes which impoverish other nations impoverish the people of India. Therefore, the line of inquiry which the economist will pursue in respect of India is the same which he adopts in inquiring into the wealth or poverty of other nations. Does agriculture flourish? Are industries and manufactures in a prosperous condition? Are the finances properly administered, so as to bring back to the people an adequate return for the taxes paid by them? Are the sources of national wealth widened by a Government anxious for the material welfare of the people? These are questions which the average Englishman asks himself when inquiring into the economic condition of any country in the world; these are questions which he will ask himself in order to ascertain the truth about India.

It is, unfortunately, a fact which no well-informed Indian official will ignore, that, in many ways, the sources of national wealth in India have been narrowed under British rule. India in the eighteenth century was a great manufacturing as well as a great

agricultural country, and the products of the Indian loom supplied the markets of Asia and of Europe. It is, unfortunately, true that the East Indian Company and the British Parliament, following the selfish commercial policy of a hundred years ago, discouraged Indian manufacturers in the early years of British rule in order to encourage the rising manufactures of England. Their fixed policy, pursued during the last decades of the eighteenth century and the first decades of the nineteenth, was to make India subservient to the industries of Great Britain, and to make the Indian people grow raw produce only, in order to supply material for the looms and manufactories of Great Britain. This policy was pursued with unwavering resolution and with fatal success; orders were sent out, to force Indian artisans to work in the Company's factories; commercial residents were legally vested with extensive powers over villages and communities of Indian weavers; prohibitive tariffs excluded Indian silk and cotton goods from England; English goods were admitted into India free of duty or on payment of a nominal duty.

The British manufacturer, in the words of the historian, H. H. Wilson, "employed the arm of political injustice to keep down and ultimately strangle a competitor with whom he could not have contended on equal terms;" millions of Indian artisans lost their earnings; the population of India lost one great source of their wealth. It is a painful episode in the history of British rule in India; but it is a story which has to be told to explain the economic condition of the Indian people, and their present helpless dependence on agriculture. The invention of the power-loom in Europe completed the decline of the Indian industries; and when in recent years the power-loom was set up in India, England once more acted towards India with unfair jealousy. An excise duty has been imposed on

the production of cotton fabrics in India which disables the Indian manufacturer from competing with the manufacturer of Japan and China, and which stifles the new steam-mills of India. . . .

Agriculture is now virtually the only remaining source of national wealth in India, and four-fifths of the Indian people depend on agriculture. But the Land Tax levied by the British Government is not only excessive, but, what is worse, it is fluctuating and uncertain in many provinces. In England, the Land Tax was between one shilling and four shillings in the pound, *i.e.*, between 5 and 20 per cent. of the rental, during a hundred years before 1798, when it was made perpetual and redeemable by William Pitt. In Bengal the Land Tax was fixed at over 90 per cent. of the rental, and in Northern India at over 80 per cent. of the rental, between 1793 and 1822. It is true that the British Government only followed the precedent of the previous Mahomedan rulers, who also claimed an enormous Land Tax. But the difference was this, that what the Mahomedan rulers claimed they could never fully realise; what the British rulers claimed they realised with rigour. The last Mahomedan ruler of Bengal, in the last year of his administration (1764), realised a land revenue of £817,553; within thirty years the British rulers realised a land revenue of £2,680,000 in the same Province. In 1802 the Nawab of Oudh ceded Allahabad and some other rich districts in Northern India to the British Government. The land revenue which had been claimed by the Nawab in these ceded districts was £1,352,347; the land revenue which was claimed by the British rulers within three years of the cession was £1,682,306. In Madras, the Land Tax first imposed by the East India Company was one-half the gross produce of the land! In Bombay, the land revenue of the territory conquered from the Mahrattas in 1817 was £800,000 in

the year of the conquest; it was raised to £1,500,000 within a few years of British rule; and it has been contipuously raised since. "No Native Prince demands the rent which we do," wrote Bishop Heber in 1826, after travelling all through India, and visiting British and Native States. "A Land Tax like that which now exists in India," wrote Colonel Briggs in 1830, "professing to absorb the whole of the landlord's rent, was never known under any Government in Europe or Asia."

The people of Bengal and of Northern India gradually obtained some relief from the heavy land assessment of the early years of British rule. In Bengal the assessment was made permanent; and as it has not been raised with the extension of cultivation, it now bears (including Road and Public Work cesses, which have been since imposed on the rental) a ratio of about 35 per cent. on the rental. In Northern India the assessment was not made permanent, but it was reduced to slightly over 50 per cent., including all cesses, in 1855. But new cesses were added; calculations were made, not on the current, but on the prospective rental, until the tax rose to close upon 60 per cent. on the rental.

In Madras and Bombay*things are worse. There the Land Tax is paid generally by the cultivators of the soil, there being, in most parts of those provinces, no intervening landlords. The British Government declared its intention in 1864 of realising as Land Tax about one-half of the economic rent. But what the British Government does take as Land Tax at the present day sometimes approximates to the whole of the economic rent, leaving the cultivators little beyond the wages of their labour and the profits of their agricultural stock. The Land Tax is revised once every thirty years; the cultivator does not know on what grounds it is enhanced; he has to submit to each

renewed assessment, or to leave his ancestral fields and perish. This uncertainty of the Land Tax paralyzes agriculture, prevents saving, and keeps the tiller of the soil in a state of poverty and indebtedness. -

It will appear from the facts stated above that the Land Tax in India is not only heavy and uncertain, but that the very principle on which it is raised is different from the principle of taxation in all well-administered countries. In such countries the State promotes the accumulation of wealth, helps the people to put money into their pockets, likes to see them prosperous and rich, and then demands a small share of their earnings for the expenses of the State. In India the State virtually interferes with the accumulation of wealth from the soil, intercepts the incomes and gains of the tillers, and generally adds to its land revenue demand at each recurring settlement, leaving the cultivators permanently poor. In England, in Germany, in the United States, in France and other countries, the State widens the income of the people, extends their markets, opens out new sources of wealth, identifies itself with the nation, grows richer with the nation. In India, the State has fostered no new industries and revived no old industries for the people; on the other hand, it intervenes at each recurring land settlement to take what it considers its share out of the produce of the soil. Each new settlement in Bombay and in Madras is regarded by the people as a wrangle between them and the State as to how much the former will keep and how much the latter will take. It is a wrangle decided without any clear limits fixed by the law—a wrangle in which the opinion of the revenue officials is final, and there is no appeal to judges or Land Courts. The revenue increases and the people remain destitute.

Taxation raised by a king, says the Indian poet, is like the moisture of the earth sucked up by the

sun, to be returned to the earth as fertilising rain; but the moisture raised from the Indian soil now descends as fertilising rain largely on other lands, not on India. Every nation reasonably expects that the proceeds of taxes raised in the country should be mainly spent in the country. Under the worst governments that India had in former times, this was the case. The vast sums which Afghan and Moghal Emperors spent on their armies went to support great and princely houses, as well as hundreds of thousands of soldiers and their families. The gorgeous palaces and monuments they built, as well as the luxuries and displays in which they indulged, fed and encouraged the manufacturers and artisans of India. Nobles, and Commanders of the army, Subadars, Dewans, and Kazis, and a host of inferior officers in every province and every district, followed the example of the Court; and mosques and temples, roads, canals and reservoirs, attested to their wide liberality, or even to their vanity. Under wise rulers, as under foolish kings, the proceeds of taxation flowed back to the people and fructified their trade and industries.

But a change came over India under the rule of the East India Company. They considered India as a vast estate or plantation, the profits of which were to be withdrawn from India and deposited in Europe. They reserved all the high appointments in India for their own nominees seeking a lucrative career in the East. They bought their merchandise out of the revenues of India, and sold it in Europe for their own profit. They vigorously exacted from India a high interest on their stock-in-trade. In one shape or another all that could be raised in India by an excessive taxation flowed to Europe, after paying for a starved administration.

The East India Company's trade was abolished

in 1833, and the Company was abolished in 1858, but their policy remains. Their capital was paid off by loans which were made into an Indian Debt, on which interest is paid from Indian taxes. The empire was transferred from the Company to the Crown, but the people of India paid the purchase-money. The Indian Debt, which was £51,000,000 in 1857, rose to £97,000,000 in 1862. Within the forty years of peace which have succeeded, the Indian Debt has increased continuously, and now (1901) amounts to £200,000,000. The "Home Charges" remitted annually out of the Indian revenues to Great Britain have increased to sixteen millions. (*Vide* Appendix.) The pay of European officers in India, virtually monopolising all the higher services, comes to ten millions. One-half of the nett revenues of India, which are now forty-four millions sterling, flows annually out of India. Verily the moisture of India blesses and fertilises other lands.

For one who has himself spent the best and happiest years of his life in the work of Indian administration, it is an ungracious and a painful task to dwell on the weak side of that administration, the financial and economic policy of the Indian Government. I have undertaken this duty because at the present moment the economic story of British India has to be told, and the deep-seated cause of the poverty of the Indian people has to be explained. Place any other country under the same condition, with crippled industries, with agriculture subject to a heavy and uncertain Land Tax, and with financial arrangements requiring one-half of its revenues to be annually remitted out of the country, and the most prosperous nation on earth will soon know the horrors of famine. A nation prospers if the sources of its wealth are widened, and if the proceeds of taxation are spent among the people, and for the

people. A nation is impoverished if the sources of its wealth are narrowed, and the proceeds of taxation are largely remitted out of the country. These are plain, self-evident economic laws, which operate in India, as in every other country, and the Indian statesman and administrator must feel that the poverty of India cannot be removed until Indian industries are revived, until a fixed and intelligible limit is placed on the Indian Land Tax, and until the Indian revenues are more largely spent in India.

The statesman and administrator in India labours under peculiar difficulties. Three successive Governors-General, Lord Wellesley, Lord Minto, and Lord Hastings, desired to place a permanent limit to the Land Tax of India, but the East India Company overruled them, and would consent to no limit to their demands. Three Viceroys under the Crown, Lord Canning, Lord Lawrence, and Lord Ripon, pressed again for some limitation of the Land Tax, but the Secretary of State for India rejected their proposals. Three times within the present generation have the Indian tariffs been altered, under the dictation of British manufacturers, against the interests of India, and sometimes against the opinions of the majority of the Viceroy's Council. Three times within this period have endeavours been made to grant adequate protection to Indian labourers, recruited for the tea-gardens of Assam, who cease to be free men and free women after they have once signed their contracts, sometimes under misapprehension or fraud. The penal laws which chain them to the gardens still remain on the Statute Book, the proposals recently made by the Honourable Mr. Cotton, Chief Commissioner of Assam, to assure them adequate pay, were whittled down in the Viceroy's Council, and their operation was then suspended for two years by Lord Curzon, because British shareholders in the tea con-

cerns objected to them. Administrators in India are helpless on such occasions. Remedial measures, placing equitable limits on the taxes of India, have been vetoed by the Home Authorities, and protective measures needed for the welfare of the people of India have been sacrificed, when they were supposed to touch the interests of any class of capitalists or manufacturers commanding votes in Parliament.

Nor are Indian administrators strong in the support of the Indian people. The Indian Government means the Viceroy and the Members of the Executive Council, viz., the Commander-in-Chief, the Military Member, the Public Works Member, the Finance Member, and the Legal Member. The people are not represented in this Council; their agriculture, their landed interests, their trades and industries, are not represented; there is not, and never has been, a single Indian Member in the Council. All the Members of the Council are heads of spending departments, as was lately explained by Sir Auckland Colvin and Sir David Barbour before the Royal Commission on Indian expenditure. The Members are high English officials, undoubtedly interested in the welfare of the people, but driven by the duties of their office to seek for more money for the working of their departments; there are no Indian Members to represent the interests of the people. The forces are all arrayed on the side of expenditure, there are none on the side of retrenchment. "The tendency is," said Sir David Barbour, "ordinarily for pressure to be put on the Financial Department to incur expenditure. It is practically pressure. The other departments are always pressing to spend more money; their demands are persistent and continuous." There is no counter-pressure to reduce expenditure, to moderate taxation, to safeguard the agricultural interests of the people, to encourage their industries and manufactures. Thus

the constitution of the Indian Government makes an alien rule still more isolated and weak. Every grave question is virtually decided *ex parte*. The Members of the Council are able, wise, experienced, and conscientious men; but the wisest judges will fail to decide cases rightly if they hear the evidence of one party only. And the Indian Government, with every honest desire to do its duty, is unable to secure the material welfare of the people, because it is not in touch with the people, does not accept the co-operation of the people, cannot by its constitution act in the interests of the people.

"The government of a people by itself," said John Stuart Mill, "has a meaning and a reality; but such a thing as government of one people by another does not, and cannot exist. One people may keep another for its own use, a place to make money in, a human cattle-farm to be worked for the profits of its own inhabitants."

There is more truth in this strongly worded statement than appears at first sight. History does not record a single instance of one people ruling another in the interests of the subject nation. Mankind has not yet discovered any method for safeguarding the interests of a subject nation without conceding to that nation some voice in controlling the administration of their own concerns. What is more, such an exclusive and absolute rule does not benefit the ruling nation. England's trade, which is her greatest interest in India, is practically at a standstill during these ten years. The average annual import of merchandise to India (largely but not wholly British) has, during the last ten or twelve years, remained stationary at somewhat under fifty millions sterling. It means a consumption of three shillings per head of the population of India. It might increase to five or six shillings per head if India was prosperous; it is likely to decrease with the poverty

and the famines of India. Thus, British trade, which is a legitimate and invigorating source of wealth both to India and to Great Britain, languishes with the poverty of India, the money drawn from the revenues of India, "without a direct equivalent," as Lord Salisbury described it, impoverishes India; and it does not add to the strength of England or to the freedom of her institutions. The manufacturing, the working, and the progressive capacities of a nation, do not increase by the accession of wealth received "without a direct equivalent." It is with nations as with individuals. The bread which we earn by our labour nourishes and invigorates; the food that we consume without toil is poison to our system. And the history of past times and past nations has been recorded in vain if it does not teach us that large tributes from subject empires have led to luxury and decay in ancient as in modern times.

The Empire of India was won by England before her present colonies rose to importance. And it is possible to conceive, though it may be a heresy to say it in these days, that the Empire of India will last after the British Colonies have ceased to owe allegiance to the British Crown. Colonies have been described as fruits, which ripen only to fall from the parent tree; and he will be a bold prophet who will assert that, with some addition to their present population, power, and resources, Australasia and Canada will remain under the sovereignty of Great Britain, even to the middle of the twentieth century. In India, the people honestly desire a longer connection with Great Britain, not through sentimental loyalty, but, as Lord Dufferin once said, through a sense of self-interest. They still believe that they have much to gain by being in close touch with the West, through the rule of a Western Power. They have cast in their lot with Great Britain; they have identified themselves with British rule; they

honestly desire that rule to last. But they do not desire the administration to last in its present absolute and exclusive form. This form of administration, shaped by Warren Hastings and Cornwallis, and improved by Munro, Elphinstone, and Bentinck, requires some change after seventy years. Education has spread within these seventy years; educated men are a growing power in India. They demand a fair share in the higher services of their own country; they desire to have a voice in the highest Councils of the Empire. It is easy to disregard this demand, to alienate the educated and influential sections of the Indian population, to increase discontent and dissatisfaction in the country, and to weaken the Empire by continuing an exclusive rule. It would be wiser, on the other hand, to array the rising forces on the side of the Government, to make educated and influential men in India partakers in the control of the administration, to make them represent their own interests, industries, and agriculture, and to make them responsible for improving the material condition of their countrymen and the prevention of famines. To quote once more from John Stuart Mill: "It is an inherent condition of human affairs that no intention, however sincere, of protecting the interests of others, can make it safe or salutary to tie up their own hands. By their own hands only can any positive and durable improvement of their circumstances in life be worked out."

The people of India are not fond of sudden changes and revolutions. They do not ask for new constitutions, issuing like armed Minervas from the heads of legislative Jupiters. They prefer to work on lines which have already been laid down. They desire to strengthen the present Government, and to bring it more in touch with the people. They desire to see some Indian members in the Secretary of State's Council, and in the Viceroy's Executive Council, repre-

PREFACE,

senting Indian agriculture and industries. They wish to see Indian members in an Executive Council for each Province. They wish to represent the interests of the people in the discussion of every important administrative question. They seek that the administration of the Empire and its great provinces should be conducted with the co-operation of the people.

There is a Legislative Council in each large Indian Province, and some of the members of these Councils are elected under the Act of 1892. The experiment has proved a success, and some expansion of these Legislative Councils would strengthen administration and bring it more in touch with the people. Each Indian Province is divided into twenty or thirty or more Districts, corresponding to English counties, and each District has a population of a million or more. The time has come when each District might elect its own member for the Legislative Council of the Province. A Province with thirty Districts and a population of thirty millions may fairly have thirty elected members on its Legislative Council. Each District should feel that it has some voice in the administration of the Province.

The higher services in India, which were theoretically declared open to the people in 1833, in 1853, and by Queen Victoria's famous proclamation of 1858, should be practically opened to the people, and not reserved for English boys seeking a career in the East. In the great Indian Civil Service, as well as in the Education, Engineering, Postal, Telegraph, Police, and Medical departments, Indians should find it possible to obtain high employment. We want Englishmen in all these departments, we welcome them to help us, but we do not wish them to monopolise all the higher services to the virtual exclusion of the children of the soil.

In each Indian District there is a District Officer

who is the head Executive and Police Officer as well as the Magistrate. These duties should now be separated. Administration would be purer, as well as more popular, in India if the Chief Executive and Police Officer ceased to be a Magistrate.

In each Indian District again there is a District Board, and Village Unions are being formed. These Unions are the modern counterparts of those ancient Village Communities which have been described repeatedly in the following pages, and which were self-governing little republics all over India under Hindu and Mahomedan Governments. They have been swept away, somewhat hastily and unwisely, under British rule; but it is possible to revive them under modern conditions with some care and foresight. Some degree of trust and confidence should be reposed in them; some practical and useful work should be entrusted to them. Above all, the whole mass of civil and criminal village disputes should be sent to them, not for adjudication, but for amicable settlement. They could decide and settle such matters better on the spot than our courts at a distance of twenty or thirty miles. Millions of witnesses would thus be saved the trouble and expense of attendance at distant courts; millions of simple villagers would be saved the baneful lessons of litigation and perjury which are learned in law courts. More than this, the Village Unions and their members would form a link between the people and the rulers, which does not at present exist.

These are a few of the measures which could wisely be adopted to bring the Indian Government more in touch with the people, and to make it more popular and more efficacious for the good of the people. Isolation does not strengthen the Empire; it leads to ill-judged, unwise, and hasty measures of legislation, and spreads dissatisfaction and discontent among the people. It leads to sudden and bewildering changes

in the policy of the Indian Government as a result of party government in Great Britain. It leads to increasing expenditure, and not to retrenchment, which can only be secured, as it has been secured in other countries, through the watchfulness of those who pay the taxes. It renders the administration incapable of improving the economic condition of the people, which can be improved only through the co-operation of the people themselves. It alienates the best educated, the most moderate, and the most influential sections of the Indian people, instead of making them partakers in the work of administration and responsible for the welfare of their countrymen. It impoverishes the nation and weakens the Empire.

The wisest administrators in the past, like Munro, Elphinstone, and Bentinck, whose work has been narrated in the following pages, sought to promote the welfare of the people by accepting the co-operation of the people, as far as was possible, in their day. What is needed to-day is a continuance and development of the same policy, not a policy of exclusiveness and distrust. What is needed to-day is that British rulers, who know less of India to-day than their predecessors did fifty years ago, should descend from their dizzy isolation, and should stand amidst the people, work with the people, make the people their comrades and collaborators, and hold the people responsible for good administration. The co-operation of the people is essential to successful administration in every civilised country; the co-operation of the people is more needful in India than anywhere else on earth.

The dawn of a new century finds India deeper in distress and discontent than any preceding period of history. A famine, wider in the extent of country affected than any previous famine, has desolated the country. In parts of India, not affected by this famine, large classes of people attest to semi-starvation by their poor phy-

sique (*vide* the last chapter of this work); considerable numbers of them suffer from a daily insufficiency of food; and the poorer classes are trained by life-long hunger to live on less food than is needed for proper nourishment. In the presence of facts like these, party controversy is silenced; and every Englishman and every Indian, experienced in administration and faithful to the British Empire, feel it their duty to suggest methods for the removal of the gravest danger which has ever threatened the Empire of India.

ROMESH DUTT.

LONDON, *January* 1902.

NOTE.—Since the above lines were written, the Indian Government has published an important Resolution on Land Revenue, in reply to a Memorial submitted by retired Indian officials, and referred to in p. 171 of the present work. Lord Curzon has approached the subject with a true appreciation of its national importance, and has affirmed some of the principles urged in the Memorial. Where the Land Tax is paid by landlords, and is not permanently settled, Lord Curzon has virtually accepted the principle of limiting it to one-half the *actual* rental; and there are grounds for hope that the rule of making Settlements for thirty years will be extended to all the older provinces of India. But where the Land Tax is paid directly by cultivators, as in Madras and Bombay, Lord Curzon has placed no clear and definite limits on the State-demand. The equitable rule framed by Lord Ripon, claiming enhancement of revenue only when there is increase in the price of crops, has not been revived by Lord Curzon; and the protection given by law to the tenants of private landlords has not been extended to tenants living directly under the State. An unwillingness to place even reasonable limits on the Land Revenue prevents the present Government from improving and strengthening the position of the cultivator. And thus the shadow of uncertainty in the State-demand will continue to depress agricultural industry in India until some future ruler is impelled, by a truer sympathy and a higher statesmanship, to come to the relief of Indian cultivators—placing *their* security and protection above all other considerations.

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THE ECONOMIC HISTORY OF BRITISH INDIA

CHAPTER I .

GROWTH OF THE EMPIRE

"I AM sure that I can save the country, and that no one else can." So spoke the great William Pitt, afterwards Lord Chatham, not boastfully, but with that consciousness of power, and that clear prevision of great events, which sometimes come to men inspired by a lofty mission. William Pitt more than redeemed his pledge. He directed the administration of his country from 1757 to 1761, and, singularly enough, these five years mark the rise of the modern British Empire. England's ally, Frederick the Great, won the battle of Rossbach in 1757, made Prussia, and humbled France. Wolfe took Quebec in 1759, and the whole of Canada was conquered from the French in 1760. Clive won the battle of Plassy in 1757, and Eyre Coote crushed the French power in India in 1761. Within five years England's greatness as a world-power was assured; France was humbled in Europe, and effaced in Asia and in America.

Our story concerns itself with the growth of the British Empire in India, or rather with the economic condition of the people under that Empire. And it will enable us to trace the economic history of

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the people more clearly if we briefly review in this preliminary chapter those great political events which led to the steady rise and expansion of the British power during the period of eighty years which forms the subject of this volume, from the battle of Plassy in 1757 to the accession of Queen Victoria in 1837.

Three generations of British statesmen and administrators laboured to extend and consolidate the Indian Empire within these eighty years, and each generation had a distinct and characteristic policy of its own. The first was the age of Clive and Warren Hastings, an age of bold adventures and arduous struggles, which made a Company of traders a great territorial power in India. This age ended with Pitt's India Act of 1784 and the retirement of Warren Hastings from India in the following year. The second age was the age of Cornwallis, Wellesley, and Lord Hastings, the age of the final wars with Mysore and the Mahrattas, which made the Company the supreme power in India. This age ended with the annexation of the province of Bombay in 1817, and the capture of the last of the Peshwas in the following year. The third age was an age of peace, retrenchment, and administrative reforms, the age of Munro, Elphinstone, and Bentinck, whose names are more gratefully cherished in India to the present day than the names of warriors and conquerors. This age ended with the arrival of Lord Auckland in India in 1836, and the accession of Queen Victoria in the following year.

I.—THE PERIOD OF CLIVE AND WARREN HASTINGS, ENDING 1785.

The East India Company was founded in 1600 with a capital of £70,000. The Company built Fort St. George

in Madras in 1639; bought the island of Bombay from King Charles II., and removed their factories to that place in 1687; and made their Bengal headquarters in Calcutta in 1700. The French had a settlement at Pondicherry, south of Madras, and another at Chandranagar, north of Calcutta.

The wars of Frederick the Great found the English and the French opposed to each other in the battlefields of Europe, Asia, and America, for well nigh twenty years, from 1744 to 1763. The servants of the English and the French Companies eagerly took up the contest in India, made alliances with Indian princes, besieged each other's commercial settlements, and evinced in the East those bitter jealousies which divided them in the West. The three wars between the English and the French, which were carried on in India within these twenty years, are known as the Karnatic wars.

In the first Karnatic war the French had decidedly the advantage. They took Madras from the English, and they beat back the army of the Nawab of the Karnatic which came to retake the town. Madras was, however, restored to the British by the Peace of Aix-la-Chapelle in 1748.

Dupleix, the Director-General of the French Company, was, however, fired by a lofty ambition to make his countrymen supreme in India; and for a time his success was complete. He helped an Indian ally to become Nizam of the Deccan, and he enabled another ally to become Nawab of the Karnatic. He was thus the most powerful "king-maker" in Southern India, and the influence of the British seemed completely annihilated. The genius of Robert Clive now turned the scales. He first distinguished himself by recovering and holding Arcot, the capital of the Karnatic, for a rival Nawab, an ally of the British. The second Karnatic war was at last con-

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cluded; the ally of the British remained Nawab of the Karnatic, and the ally of the French remained Nizam of the Deccan. There was thus a balance of power between the two European nations in Southern India, and the French obtained the whole of the eastern seaboard, called the Northern Circars, from the Nizam.

The third Karnatic war ended in the complete destruction of the French power. Lally, the patriotic but impulsive leader of the French, besieged the fort of Madras, but failed to take it. He was then beaten by Eyre Coote in the battle of Wandewash in 1761, and the French settlement of Pondicherry was taken by the British after an obstinate defence. Pondicherry was restored by the Peace of Paris in 1763, but the power of the French in India had been irrevocably extinguished. After 1763, the British had no European rivals in India.

Great events had in the meantime taken place in Bengal. Suraj-ud-Dawla, Nawab of Bengal, had taken Calcutta in 1756 from the English, and most of the English prisoners died in one hot summer night in a small and ill-ventilated prison-room, known as the Black Hole. Clive, on his return from Europe, recovered Calcutta in the following year; made peace with the Nawab; and then entered into a secret conspiracy against him. When everything was ready, he marched against the Nawab; defeated him in the battle of Plassy in 1757; and thus virtually conquered Bengal. Clive also conquered the Northern Circars from the French; and thus made the East India Company a great territorial power in India before he sailed for Europe in 1760.

The Nawabs of Bengal had now become mere puppets in the hands of the Company's servants. Mir Jafar was set up as Nawab after the battle of Plassy, and was deposed in 1760, when Mir Kasim was made

Nawab. This last was a strong ruler, and tried to check the abuses of the Company's servants in the inland trade of Bengal. A war followed; Mir Kasim was beaten and fled; and Mir Jafar was once more made Nawab. The feeble old man died shortly after, and his illegitimate son was then hastily set up as the nominal ruler of Bengal. The administration of Bengal was in the utmost disorder; the people were grievously oppressed.

Clive came to India for the third and last time in 1765, and initiated a new and a memorable policy. The feeble descendant of the Emperor of Delhi was now a homeless wanderer, but was still recognised as the titular Sovereign of India. All the kings and chiefs in the vast continent still owned nominal allegiance to him; all pretended to derive from him their power in the kingdoms and provinces which they conquered by force of arms. Clive imitated this example. He had conquered Bengal by force of arms, in 1757; in 1765 he obtained from the Emperor of Delhi a charter making the East India Company the Dewan or administrators of that province. The East India Company thus obtained a legal status, and also formally took upon themselves the responsibility of administering the province which they had conquered eight years before. Lord Clive effected some other reforms in civil and military administration, and finally left India in 1767.

His scheme of administration did not succeed. The people of Bengal were grievously oppressed under the dual government of the Nawab and the Company; the revenues failed; and a serious famine carried off one-third of the population of Bengal in 1770-71.

In Madras the British authorities had got themselves involved in a war with Haidar Ali, the most capable military commander that India produced in the latter half of the eighteenth century. Haidar Ali devastated

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the Karnatic, and appeared within a few miles of Madras. The Council was struck with panic, and made peace with the terrible invader in 1769.

The British Parliament passed a measure called the Regulating Act of 1773 to improve the state of affairs in India. This Act gave a parliamentary title to the Company's administration in India, and created the post of a Governor-General for all the Company's possessions in that country. Warren Hastings, who was then Governor of Bengal, became the first Governor-General in 1774.

There was no abler Englishman in India at that time than Warren Hastings, and none who knew the country and its people more intimately. He had come out to India, almost as a boy, in 1750; he had protested against the abuse of power by his own countrymen both in Bengal and in Madras; and he was animated by a sincere desire, as he was now invested with the power, to improve the administration. But his financial difficulties, the opposition in his own Council led by Philip Francis, his frequent wars, and his own despotic instincts, led him to arbitrary acts which formed the subjects of his subsequent impeachment in the British Parliament.

Hastings stopped the stipulated tribute to the Emperor of Delhi; he took away the Emperor's possessions at Kora and Allahabad, and sold them to the Nawab of Oudh for £500,000; and he lent an English brigade to the same Nawab to crush the Rohillas for another sum of £400,000.

The Bombay Government had got themselves involved in difficulties with the Mahrattas, then the greatest power in India. There were two claimants to the post of Peshwa or the head of the Mahratta confederacy; the Bombay Government entered into a treaty to help one of them, and thus began the first Mahratta war. The British troops distinguished them-

selves by capturing Amadabad and Gwalior, but the war failed in its object. The ally of the British retired on a pension, but Salsette and some other islands were added to the British possessions by the peace of 1782.

A second war with Mysore had broken out with the great Haidar Ali of Mysore. He was defeated in four engagements by Sir Eyre Coote, who had, twenty years before, beaten the French at Wandewash; but Haidar Ali succeeded in safely withdrawing his troops from each battlefield, and his strength was not broken. On the other hand, by his excellent manœuvres, he surrounded two British detachments, commanded by Colonel Baillie and Colonel Brathwaite, and completely destroyed them. But Haidar Ali died in 1782, and the war ended in a peace with his son, Tipu Sultan, in 1783.

On the death of the Nawab of Oudh in 1775, Warren Hastings had obtained a cession of the state of Benares from his successor; and the Raja of Benares thus became a British vassal. Hastings demanded large contributions from the Raja in addition to the stipulated tribute; imposed a heavy fine; arrested and confined him, and drove his subjects to rebellion. The Raja was deposed, and a relation of his was made Raja on condition of paying an enhanced tribute.

The new Nawab of Oudh was also called upon to pay the arrears due from him; and as he pleaded inability, he was helped to rob his mother and his grandmother of their treasures, until over a million sterling was obtained to pay the debt. Assignments of the land revenue to British creditors, both in Oudh and in Madras, caused much hardship to the people; and in Bengal, Warren Hastings disregarded the hereditary rights of Zemindars or landlords, and sold their estates by auction to get an enhanced revenue for the Company.

All these acts cast a shadow over the administration

subsidies to the Indian princes to maintain their inefficient armies; Wellesley, therefore, obtained subsidies from them to maintain contingents of the British army in their dominions. This at once brought money to the Company, and kept the Indian princes under British control; and this policy is known as the policy of "subsidiary alliances."

The restless Tipu Sultan of Mysore had opened negotiations with the French and must be crushed. A fourth war was therefore undertaken against Mysore, and Tipu fell in the defence of his capital in 1799. Portions of Mysore were annexed by the conquerors. A portion was offered to the Mahrattas if they would form a subsidiary alliance, but they declined. Another portion was given to the Nizam of the Deccan, but was subsequently taken over by Wellesley in lieu of the annual subsidy which the Nizam was to pay for the British contingent. What remained of Mysore was formed into a little kingdom, and the old Hindu house was restored.

Weaker States were dealt with more summarily, and Wellesley was not very particular in his methods. The Nawab of Surat died in 1799; Wellesley made his brother retire on pension, and annexed his State. The Rajah of Tanjore was set aside; his brother resigned his powers to the British, and retired on pension. The Nawab of the Karnatic died in 1801, and his successor declined to abdicate; another prince was set up in his place, gave his kingdom to the British, and retired on pension. The boy-Nawab of Farakkabad was about to attain his majority; he was made to transfer the State to the British, and retired on pension. The Nawab of Oudh was asked either to make over the civil and military administration of his kingdom to the British, or to enter into a subsidiary alliance ceding one-half of his kingdom for the maintenance of the British contingent. He was

compelled to accept the latter proposal, and ceded Allahabad and other districts to the British in 1801.

One great power in India still remained—the Mahrattas. Fortunately for Lord Wellesley, the Peshwa, or head of the Mahratta confederacy, was hard pressed by other Mahratta chiefs, and was compelled to seek British aid. A subsidiary alliance was concluded in 1802, and the Peshwa was placed on his throne by the help of British troops. The other Mahratta chiefs, Sindia, Holkar, and Bhonsla, were taken aback by this introduction of British power in their dominions, and then followed what is known as the second Mahratta war. General Wellesley, afterwards the famous Duke of Wellington, crushed the armies of Sindia and Bhonsla in the battles of Assye and Argaon in 1803, and Lord Lake triumphantly entered Delhi in the same year, and defeated Sindia's troops at Laswari. But Holkar, who was playing a waiting game, now joined in; and the interminable war with the many-headed Mahratta confederacy was still going on, when the alarmed Directors of the Company recalled their too warlike Governor-General, and once more sent out Lord Cornwallis to restore peace in India.

The great Pro-Consul of the East hastened to pay a visit to the great Commoner of England, whose European policy had so much shaped his own in India. And Wellesley arrived only in time to see William Pitt on his death-bed. Pitt had failed to conclude the European wars, as Wellesley had failed to end the Indian wars. "Roll up that map," Pitt had said, pointing to a map of Europe, "it will not be wanted these ten years." There was a touching meeting between the bed-ridden Prime Minister and the recalled Governor-General; it was the last interview which Pitt gave any one before his death. The wars had a further course to run; in Europe they were concluded in 1815; in India, in 1817.

Meanwhile, there was temporary peace in India. Cornwallis died in India shortly after his arrival, and his successors, Sir John Barlow and Lord Minto, left the Mahrattas alone. The East India Company's charter was renewed once more in 1813, but their monopoly of trade with India was abolished. Trade with the East, which had been granted to the Company by the charter of Elizabeth in 1600, was now opened to all British traders, except only with regard to China tea.

When Lord Moira, afterwards Marquis of Hastings, succeeded Lord Minto in 1813, the time had come for a final contest with the Mahrattas. A war with Nepal brought in some Himalayan territory to the Company, and a war was undertaken to crush the Pindarees—swarms of Afghan, Jat, and Mahratta condottieri—who offered their services to any chief who paid them, and often plundered villages on their own account. Last came the third and conclusive war with the Mahrattas. The Peshwa had formed a subsidiary alliance with the British in 1802, but chafed under the restraint. At last he threw off all disguise, and other Mahratta chiefs joined him. But the Peshwa was beaten at Khirki, Bhonsla's army was defeated at Sitabaldi, and Holkar's army was crushed by Sir John Malcolm at Mehidpur. The Peshwa's dominions were annexed in 1817 and formed into the province of Bombay; and he himself was captured in the following year, and retired on a pension. Minor Mahratta chiefs, Sindia and Holkar, Bhonsla and the Gaekwar, were allowed to rule in their own States under the imperial power of England.

Such is briefly the history of the political and military transactions of the second period of British rule in India. The Permanent Settlement of the land revenues, which was concluded in Bengal in 1793, and extended to Benares in 1795, and to the Northern

Circars and other tracts between 1802 and 1805, stands out as the most notable and the most beneficent act of civil administration within this period. The final quelling of the power of Mysore and the Mahrattas is the leading political achievement of the same period.

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III.—PERIOD OF MUNRO, ELPHINSTONE, AND
BENTINCK, 1817—1837.

We now enter upon a period of peace, retrenchment, and reform, in Europe and in India. The nations of Europe were tired of the Napoleonic wars, and enjoyed a long term of peace after the battle of Waterloo. Everywhere there was an endeavour to effect reforms and to secure civil rights for the people. In France this continual struggle ended in the Revolution of 1830. In England it secured the Reform Act of 1832. Belgium separated itself from Holland and formed its own national government. In Germany and in Italy there were movements after national unity and national independence. Greece became independent in 1830. Slavery was abolished in 1833. The spirit of the times was for reforms and for bettering the condition of the people everywhere, and this spirit inspired the policy of the administrators in India.

Lord Hastings established the Hindu College of Calcutta in 1817, and was succeeded by Lord Amherst in 1823 as Governor-General. A short Burmese war brought in Assam, Arracan, and Tenasserim to the Company's dominions in 1826, and two years after Lord William Bentinck arrived in Calcutta as Governor-General. He, too, made some additions to the British territory, by annexing Coorg and taking over the administration of Mysore in 1830. But these

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few annexations were the least important features of the period we are now describing; the great civil reforms connected with the names of Munro, Elphinstone, and Bentinck, characterise the age.

The system of judicial administration organised by Warren Hastings and Cornwallis had failed, because the people of the country had been excluded from any real share in the administrative work. Judicial work fell into arrear; the delay in the disposal of cases by British judges amounted to a failure of justice. Crimes multiplied in the Company's dominions, and the measures adopted for employing secret informers and arresting men on suspicion aggravated the evil. Lord Minto wrote in 1810 that robbery, accompanied by murder, was prevailing in every part of Bengal. It was then that the ablest servants of the Company perceived the necessity of entrusting a larger share of administrative work in India to the people themselves. "In a civilised, populous country like India," wrote Sir Henry Strachey, Judge of Calcutta, "justice can be well dispensed only through the natives themselves."

Thomas Munro was the first Englishman in India who reduced this principle into practice, and who initiated a policy of trust and confidence in the people. He had come out to India as a young soldier in 1780; he had fought in the wars with Haidar Ali, and had distinguished himself in the revenue settlements made in the tracts of country acquired from Mysore and from the Deccan in 1793, 1799, and 1800. He had come to India a second time in 1814 as the head of a Commission to revise and improve the judicial system of Madras, and had passed those famous Regulations which gave a wider employment to the people of India in responsible administrative work. Munro came out to India for the third and last time as Governor of Madras in 1820; he effected the *Ryotwari Land Settlement* of Madras; and he died in India in

July 1827, loved and lamented by the people for whom he had worked all his life.

What Sir Thomas Munro did in Madras, Mountstuart Elphinstone did in Bombay. Younger than Munro by eighteen years, he too came to India in early life in 1796, distinguished himself in his work, and was a sort of political secretary to the Duke of Wellington when he won the battle of Assye in 1803. He was selected by Lord Minto for a mission to Afghanistan in 1808, and wrote the first and perhaps the only standard work on the Afghans and their country. Returning to Poona as Resident in the Peshwa's court in 1811, he took an important part in the last Mahratta war of 1817; and his great experience in Mahratta affairs led to his appointment as Governor of Bombay in 1819, after the Mahratta dominions had been annexed. For eight years he performed the duties of this high office; he codified the Regulations of Bombay, gave a wider employment to the people of India in administrative work, and spread education in the province. He retired from Bombay in November 1827, a few months after the death of Sir Thomas Munro in Madras.

Therefore, when Bentinck arrived in India in 1828 as Governor-General, the work of reform had been more than half done. Bentinck's early career was eventful. He had gone out as Governor of Madras early in the nineteenth century, but had been recalled on the occurrence of a mutiny. Plunging into European politics, he had captured Genoa in 1814, restored to it its old constitution, and conceived the idea of a free and united Italy. Fourteen years after he came to India as Governor-General at the mature age of fifty-four.

The Regulations recommended by Munro had been passed in Madras, and had virtually transferred the administration of civil justice to Indian judges; and

Elphinstone had effected similar reforms in Bombay. Lord William Bentinck entrusted the administration of civil justice in Bengal to Indian judges, fixing their powers and emoluments on a liberal and comprehensive scale, and appointed Indian deputy-collectors to assist European collectors in revenue administration. The more extended employment of the people of India in the work of administration enabled Lord William Bentinck to change an annual deficit of a million to a surplus of two millions. A reformed *Mahalwari Settlement* in Northern India was begun in 1833, and a *Ryotwari Settlement* in Bombay in 1835.

The East India Company's charter was renewed in 1833 on the condition that they should give up trade altogether, and should henceforth be only administrators and rulers of India. And it was provided at the same time that no native of India "shall by reason only of his religion, place of birth, descent, colour, or any of them, be disabled from holding any place, office, or employment."

Sir Charles Metcalfe acted as Governor-General after Bentinck, and was succeeded by Lord Auckland, who arrived in 1836; and in the following year Queen Victoria ascended the throne of the British Empire.

The date of the accession of the Great Queen is a memorable and convenient historical date for all countries forming the British Empire. But in India, as will appear from the foregoing narrative, it really marks the end of one historical epoch, and the commencement of another. Before 1837, the provinces of Bengal, Madras, Bombay, and the fairest tracts of Northern India, had passed under British rule. The great Civil Service of India had been organised. After many failures and unsuccessful experiments, the judicial administration of the country had been formed on a satisfactory basis. The still more difficult problem

of land revenue administration had been settled, wisely or unwisely, in Bengal in 1793, in Madras in 1820, in Northern India in 1833, in Bombay in 1835. Peace had been secured all over the country. The Company had ceased to be traders in 1833, and stood forth as rulers and administrators of India. English colleges had been opened in Calcutta in 1817, and in Bombay in 1834; the liberty of the press had been granted in 1836. Communication by steam had been opened between Europe and India; retrenchment in expenditure had been effected; an annual surplus had been secured; a wider field of administrative work had been opened out for the people. The good of the people of India was recognised, at least in principle, as the great aim of the British Government. The people responded to this desire; there was an intellectual awakening among them; there were signs of progress and advancement. There is, therefore, a natural pause in the history of India about 1837, and with that date closes our present narrative of eighty years' British work in India.

CHAPTER II

INLAND TRADE OF BENGAL (1757-1765)

IN the eighteenth century, the transit of goods by roads and navigable rivers was subject to inland duties in India, as in other parts of the world. The East India Company had, however, obtained a Firman, or royal order, exempting their export and import trade from these payments. The goods which the Company imported from Europe, and those which they purchased in India for export to Europe, were thus permitted to pass through the country without duties. A Dustuck, or certificate, signed by the English President or by chiefs of English factories, was shown at the toll-houses, and protected the Company's merchandise from all duties.

The victory of Plassy in 1757 raised the prestige of the British nation in Bengal; and the servants of the East India Company, engaged in the inland trade of Bengal on their own account, now claimed as private traders that exemption from duties which had been granted only for the import and export trade of the Company. It is necessary to understand this point clearly, because it underlies the economic, commercial, and political history of Bengal during the succeeding years.

The Nawabs of Bengal recognised the right granted to the Company to carry on the Company's *import and export trade* duty-free; but the servants of the Company, who had taken to private trade on their own account, conveyed goods from one part of Bengal to

another, and claimed exemption from duties for this *private inland trade*.

After the battle of Plassy, Clive had made Mir Jafar Nawab of Bengal in 1757. Mir Jafar made an incompetent ruler, and was unable to fulfil his engagements to the British. He was accordingly set aside, in 1760, and Mir Kasim was set up as Nawab. The new Nawab agreed to assign the revenues of three districts—Burdwan, Midnapur, and Chittagong—to the East India Company; and he also agreed to pay the balance which Mir Jafar had left unpaid, and to make a present of five lakhs of Rupees (£50,000) as a contribution towards the Company's wars in Southern India. Mir Kasim faithfully fulfilled these engagements, and in less than two years discharged all his pecuniary obligations to the British.

But the difficulty about the inland trade increased from year to year. The Company's servants conveyed their goods from place to place duty-free, while the goods of the country merchants were heavily taxed in the transit. The country traders were ruined; the Nawab's revenues declined; and the servants of the Company monopolised the trade and reared colossal fortunes.

Henry Vansittart, who succeeded Clive as Governor in 1760, marked the growing evil and described its causes.

"With respect to trade, no new privileges were asked of Meer Jaffier; none indeed were wanted by the Company, who were contented with the terms granted them in 1756, and only wished to be relieved from the impositions to which they had been exposed from the arbitrary power of the Nabob. However, our influence over the country was no sooner felt than many innovations were practised by some of the Company's servants, or the people employed under their authority. They began to trade in the articles which

were before prohibited, and to interfere in the affairs of the country."¹

Mr. Verelst, who afterwards succeeded as Governor, also wrote to the same effect.

"A trade was carried on without payment of duties, in the prosecution of which infinite oppressions were committed. English agents or Gomastahs, not contented with injuring the people, trampled on the authority of government, binding and punishing the Nabob's officers whenever they presumed to interfere. This was the immediate cause of the war with Meer Cossim."²

The Nawab Mir Kasim himself presented a strong remonstrance to the English Governor against the oppressions of the Company's servants.

"From the factory of Calcutta to Cossim Bazar, Patna, and Dacca, all the English chiefs, with their Gomastahs, officers, and agents, in every district of the government, act as Collectors, Renters, Zemindars, and Taalookdars, and setting up the Company's colours, allow no power to my officers. And besides this, the Gomastahs and other servants in every district, in every Gunge, Perganah, and Village, carry on a trade in oil, fish, straw, bamboos, rice, paddy, betel-nut, and other things; and every man with a Company's Dusstuck in his hand regards himself as not less than the Company."³

Mir Kasim's complaints were not unfounded; and Ellis, the Company's agent at Patna, made himself specially obnoxious to the Nawab by his hostile attitude. An Armenian merchant had been accused of purchasing a small quantity of saltpetre for the use of the Nawab; this was deemed an infringement of the Company's rights, and Ellis had him seized and sent

¹ *A Narrative of the Transactions in Bengal*, vol. I. p. 24.

² *View of Bengal*, p. 48.

³ Mir Kasim's Letter, dated 26th March 1762.

in irons to Calcutta. Two deserters from the British army were supposed to have taken shelter in the Nawab's fort of Monghyr. Ellis sent his soldiers to search the fort, but no deserters were found. Warren Hastings, then a member of the Governor's Council, felt the impropriety of such defiance of the Nawab's authority, and foresaw an open rupture.

“With regard to Mr. Ellis, I am at a loss to act; his behaviour, in my opinion, has been so imprudent and his disaffection to the Nabob so manifestly inveterate, that a proper representation of it cannot fail to draw upon it the severest resentment of the Company. . . . The world, judging only from facts, sees the Nabob's authority publicly insulted, his officers imprisoned, Sepoys sent against his forts, and is told that the Chief of the English in these parts disavows the Nabob's right to the Subahship. The obvious end of such symptoms is an open rupture.”¹

It is to the credit of Warren Hastings that he consistently protested against the claims of the Company's servants to carry on their private trade duty-free, and deplored the ruin which was thus caused to the trade of the people of Bengal. His eyes were not blinded by self-interest, and his natural leaning towards his own countrymen did not prevent him from condemning in the strongest terms the injustice done to the people of Bengal.

“I beg leave to lay before you a grievance which loudly calls for redress, and will, unless duly attended to, render ineffectual any endeavours to create a firm and lasting harmony between the Nabob and the Company. I mean the oppression committed under the sanction of the English name. . . . I have been surprised to meet with several English flags flying in places which I have passed, and on the river I do not believe I passed a boat without one. By whatever

¹ Letters of Hastings to the Governor, dated 13th and 26th May 1762.

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title they have been assumed (for I could trust to the information of my eyes without stopping to ask questions), I am sure their frequency can bode no good to the Nabob's revenues, the quiet of the country, or the honour of our nation, but evidently tends to lessen each of them. A party of Sepoys who were on the march before us afforded sufficient proofs of the rapacious and insolent spirit of those people where they are left to their own discretion. Many complaints against them were made me on the road, and most of the petty towns and Serais were deserted at our approach and the shops shut up from the apprehensions of the same treatment from us. You are sensible, sir, that it is from such little irregularities, too trivial perhaps for public complaint and continually repeated, that the country people are habituated to entertain the most unfavourable notions of our government."¹

Hastings had been long in India, and was not mistaken in speaking of the unfavourable opinion entertained by the people of the administration of the Company's servants. The writer of the well-known chronicle known as *Siyar Mutakharin*, while admiring the conduct of the British troops on the field of battle, gives us a lamentable picture of their civil administration.

"They [the English] join the most resolute courage to the most cautious prudence; nor have they their equals in the art of ranging themselves in battle array and in fighting order. If to so many military qualifications they knew how to join the arts of government; if they showed a concern for the circumstances of the husbandman and the gentleman, and exerted as much ingenuity and solicitude in the relieving and easing the people of God as they do in whatever concerns their military affairs, no nation in the world would be

¹ Hastings' Letter, dated 25th April 1762.

preferable to them, or prove worthier of command. But such is the little regard which they show to the people of these kingdoms, and such their apathy and indifference for their welfare, that the people under their dominion groan everywhere, and are reduced to poverty and distress. O God! come to the assistance of thine afflicted servants, and deliver them from the oppressions they suffer."¹

The Nawab of Bengal continued to make just but futile complaints to the English Governor.

"In every Perganah, every village, and every factory, they [the Company's Gomastahs] buy and sell salt, betel-nut, ghee, rice, straw, bamboos, fish, gunnies, ginger, sugar, tobacco, opium, and many other things, more than I can write, and which I think it needless to mention. They forcibly take away the goods and commodities of the Raiats, merchants, &c., for a fourth part of their value; and by ways of violence and oppressions they oblige the Raiats, &c., to give five rupees for goods which are worth but one rupee. . . . The officers of every district have desisted from the exercise of their functions; so that by means of these oppressions, and my being deprived of my duties, I suffer a yearly loss of nearly twenty-five lakhs of Rupees. . . . By the grace of God, I neither have transgressed, nor do, nor will transgress the treaty and agreement which I have made; why then do the chiefs of the Englishmen render my government contemptible and employ themselves in bringing a loss upon me?"²

A still more detailed account of the doings of the Company's Gomastahs is to be found in the letter of Sergeant Brego.

"A gentleman sends a Gomastah here to buy or sell; he immediately looks upon himself as sufficient

¹ *Siyar Mutakhirin*, vol. ii. p. 101. Quoted in Mill's *History of British India*.

² Nawab's Letter, written May 1762.

to force every inhabitant either to buy his goods or sell him theirs; and on refusal (in case of non-capacity) a flogging or confinement immediately ensues. This is not sufficient even when willing, but a second force is made use of, which is to engross the different branches of trade to themselves, and not to suffer any person to buy or sell the articles they trade in; and if the country people do it, then a repetition of their authority is put in practice; and again, what things they purchase, they think the least they can do is to take them for a considerable deal less than another merchant, and oftentimes refuse paying that; and my interfering occasions an immediate complaint. These, and many other oppressions more than can be related, which are daily used by the Bengal Gomastahs, is the reason that this place [Backerjunj, a prosperous Bengal district] is growing destitute of inhabitants; every day numbers leave the town to seek a residence more safe, and the very markets, which before afforded plenty, do hardly now produce anything of use, their peons being allowed to force poor people; and if the Zemindar offers to prevent it, he is threatened to be used in the same manner. Before, justice was given in the public Catcheree, but now every Gomastah is become a judge, and every one's house a Catcheree; they even pass sentences on the Zemindars themselves, and draw money from them by pretended injuries, such as a quarrel with some of the peons, or their having, as they assert, stole something, which is more likely to have been taken by their own people."¹

A similar detailed account is given in the letter of Mahomed Ali, Collector of Dacca, to the English Governor at Calcutta.

"In the first place, a number of merchants have made interest with the people of the factory, hoist English colours on their boats, and carry away their

¹ Letter dated 26th May 1762.

goods under the pretence of their being English property, by which means the Shah-bunder and other customs are greatly determined. Secondly, the Gomastahs of Luckypoor and Dacca factories oblige the merchants, &c., to take tobacco, cotton, iron, and sundry other things, at a price exceeding that of the bazaar, and then extort the money from them by force; besides which they take diet money for the peons, and make them pay a fine for breaking their agreement. By these proceedings the Aurungs and other places are ruined. Thirdly, the Gomastahs of Luckypoor factory have taken the Talookdars' talooks [the farmers' farms] from the Tahsildar by force for their own use, and will not pay the rent. At the instigation of some people, they, on a matter of complaint, send Europeans and Sepoys, with a Dustuck, into the country, and there create disturbances. They station chowkeys [toll-houses] at different places, and whatever they find in poor people's houses they cause to be sold, and take the money. By these disturbances the country is ruined, and the Raiats cannot stay in their own houses, nor pay the malguzaree [rents]. In many places Mr. Chevalier has, by force, established new markets and new factories, and has made false Sepoys on his own part, and they seize whom they want and fine them. By his forcible proceedings many hants, gauts, and perganas [markets, landing-places, and fiscal divisions] have been ruined."¹

While the entire inland trade of Bengal was thus disorganised by the Company's servants and their agents in every important district, the methods by which they secured the manufactures to themselves were equally oppressive. These are fully described by William Bolts, an English merchant who saw things with his own eyes.

"It may with truth be now said that the whole inland trade of the country, as at present conducted, and that of the Company's investment for Europe in a

¹ Letter received in October 1762.

more peculiar degree, has been one continued scene of oppression; the baneful effects of which are severely felt by every weaver and manufacturer in the country, every article produced being made a monopoly; in which the English, with their Banyans and black Gomastahs, arbitrarily decide what quantities of goods each manufacturer shall deliver, and the prices he shall receive for them. . . . Upon the Gomastah's arrival at the Aurung, or manufacturing town, he fixes upon a habitation which he calls his Catcherry; to which, by his peons and hircarahs, he summons the brokers, called dallals and pykars, together with the weavers, whom, after receipt of the money despatched by his masters, he makes to sign a bond for the delivery of a certain quantity of goods, at a certain time and price, and pays them a certain part of the money in advance. The assent of the poor weaver is in general not deemed necessary; for the Gomastahs, when employed on the Company's investment, frequently make them sign what they please; and upon the weavers refusing to take the money offered, it has been known they have had it tied in their girdles, and they have been sent away with a flogging. . . . A number of these weavers are generally also registered in the books of the Company's Gomastahs, and not permitted to work for any others, being transferred from one to another as so many slaves, subject to the tyranny and roguery of each succeeding Gomastah. . . . The roguery practised in this department is beyond imagination; but all terminates in the defrauding of the poor weaver; for the prices which the Company's Gomastahs, and in confederacy with them the Jachendars [examiners of fabrics] fix upon the goods, are in all places at least 15 per cent., and some even 40 per cent. less than the goods so manufactured would sell in the public bazaar or market upon free sale. . . . Weavers, also, upon their inability to perform such agreements as have been

forced upon them by the Company's agents, universally known in Bengal by the name of Mutchulcahs, have had their goods seized and sold on the spot; to make good the deficiency; and the winders of raw silk, called Nagoads, have been treated also with such injustice, that instances have been known of their cutting off their thumbs to prevent their being forced to wind silk."¹

Not the industries alone, but agriculture also declined in Bengal under this system; for the manufacturers of the country were largely peasants as well:

"For the Ryots, who are generally both landholders and manufacturers, by the oppressions of Gomastahs in harassing them for goods are frequently rendered incapable of improving their lands, and even of paying their rents; for which, on the other hand, they are again chastised by the officers of the revenue, and not unfrequently have by those harpies been necessitated to sell their children in order to pay their rents, or otherwise obliged to fly the country."²

These extracts are enough. They have been made from different sources,—from the letters and writings of an English Governor, an English Member of Council, and an English merchant, as well as from the complaints of the Nawab himself, the report, of a Mahomedan collector, and the chronicles of a Mahomedan historian. And all these records tell the same melancholy tale. The people of Bengal had been used to tyranny, but had never lived under an oppression so far reaching in its effects, extending to every village market and every manufacturer's loom. They had been used to arbitrary acts from men in power, but had never suffered from a system which touched their trades, their occupations, their lives so closely. The springs of their industry were stopped, the sources of their wealth were dried up.

¹ *Considerations on India Affairs* (London, 1772), p. 191 to 194.

² *Ibid.*

There were two Englishmen in Bengal who endeavoured to put a stop to this state of things; they were Henry Vansittart and Warren Hastings. They came to Monghyr to see the Nawab Mir Kasim, and to settle matters amicably. Mir Kasim was a despot, but he was clear-sighted. He had proved himself strong and self-willed, but he knew himself powerless against the Company, and he felt that Vansittart and Hastings were his only friends. He made concessions where concessions were demanded, and the three came to an agreement.

The terms of the agreement were recorded under nine heads,¹ the first three being most important. They were that—

(1) For all trade, import or export, by shipping, the Company's *Dustuck* should be granted, and it should pass unmolested and free of the customs.

(2) For all trade from one place within the country to another, in commodities produced in the country, the Company's *Dustuck* should be granted.

(3) That duties should be paid on such commodities according to rates which shall be particularly settled and annexed to the agreement.

Nothing could be more equitable than this agreement, but it aroused an outburst of indignation in Calcutta. Amyatt, Hay, and Watts recorded on the 17th January 1763, "that the regulations proposed by him [Vansittart] are dishonourable to us as Englishmen, and tend to the ruin of all public and private trade." The General Council met on the 15th February. A solemn consultation was held on the 1st March. It was determined (Vansittart and Hastings dissenting) that the Company's servants had the right to carry on the internal trade duty-free; and that, as an

¹ See *Mongheer Treaty* in the Third Report of the House of Commons Committee on the Nature, &c., of the East India Company, 1773, Appendix, p. 361.

acknowledgment to the Nawab, a duty of $2\frac{1}{2}$ per cent. would be paid on salt alone, instead of 9 per cent. on all articles, to which Vansittart had agreed.

This was the decision of selfish men fighting for their selfish interests. The dissentient opinion of Warren Hastings was that of a just man pleading for justice. One passage from Hastings' long statement should be quoted and remembered.

"As I have formerly lived among the country people, in a very inferior station, and at a time when we were subject to the most slavish dependence in the Government, and met with the greatest indulgence, and even respect, from the Zemindars and officers of the Government, I can with the greatest confidence deny the justice of this opinion; and add further, from repeated experience, that if our people, instead of erecting themselves into lords and oppressors of the country, confine themselves to an honest and fair trade, and submit themselves to the lawful authority of the Government, they will be everywhere courted and respected, and the English name, instead of becoming a reproach, will be universally revered; the country will reap a benefit from our commerce; and the power of the English, instead of being made a bugbear to frighten the poor inhabitants into submission to injury and oppression, will be regarded by them as the greatest blessing and protection."¹

Nawab Mir Kasim heard of the rejection of the Agreement by the Calcutta Council, and of the resistance offered to his officers in the execution of his orders in accordance with the Agreement. In his noble indignation, Mir Kasim did one of the best and most benevolent acts which have ever been done by

¹ Fourth Report of the House of Commons Committee, 1773, Appendix, p. 486.

any king or ruler in the East. He sacrificed his revenues and abolished all inland duties, so that his subjects might at least trade on equal terms with the servants of the East India Company.

It is scarcely possible to believe, but it is nevertheless the fact, that the Calcutta Council, with the exception of Vansittart and Hastings, protested against this repeal of all duties as a breach of faith towards the English nation! "The conduct of the Company's servants upon this occasion," says James Mill in his *History of British India*, "furnishes one of the most remarkable instances upon record of the power of interest to extinguish all sense of justice, and even of shame." "There can be no difference of opinion," adds H. H. Wilson in his note, "on the proceedings. The narrow-sighted selfishness of commercial cupidity had rendered all Members of the Council, with the two honourable exceptions of Vansittart and Hastings, obstinately inaccessible to the plainest dictates of reason, justice, and policy."

The dissentients, Vansittart and Hastings, recorded their opinion pointedly, and argued that "although it may be for our interests to determine that we will have all the trade in our hands, that we will employ all our own people to make salt, take every article of produce of the country off the ground . . . yet it is not to be expected that the Nabob will join us in endeavouring to deprive every merchant of the country of the means of carrying on their business." This puts before us clearly the issues which were involved. The Company's servants, in order to make private fortunes for themselves, desired to deprive the population of a rich and civilised country of those sources of wealth which they had hitherto enjoyed under good and bad government alike, and those rights of free production and free barter which belong to all civilised communities on earth. The Company's servants

desired not for a monopoly in one or two commodities, but for a distinction between their trade and the trade of the country merchants in all commodities, such as would eventually deprive the people of Bengal of one of the commonest rights of all human societies. History, perhaps, does not record another instance of foreign merchants asserting such far-reaching claims by the force of arms, in order to divert into their own hands virtually the entire trade of a great and populous country. Nawab Mir Kasim resisted the claims, and the result was war.

Henry Vansittart, who was Governor in Calcutta from 1760 to 1765, covering the entire period of Mir Kasim's administration of Bengal, thus sums up his opinion of that administration :

“ He [Mir Kasim] discharged the Company's debt and the heavy arrears of his army, retrenched the expenses of his court, which had consumed the income of his predecessors, and secured his own authority over the country by reducing the power of the Zemindars, who were before continual disturbers of the peace of the province. All this I saw with pleasure, well knowing that the less need he had of our assistance, the less would be the Company's expenses, and the better able they would be to attend to the care of their own possessions ; at the same time that we might depend upon him as a sure and useful ally against any common enemy. I was convinced that whilst we did not encroach upon the Nabob's rights or disturb his government he would never wish to quarrel with us ; and, in effect, so cautious was he of giving occasion for dispute, that not one instance can be produced of his sending a man into any of the lands ceded to us, or molesting us in a single article of our commerce, till the contention which he was drawn into by the usurpation of our Gomastahs and our new claims with respect to our private trade, and even to the breaking out of

the war during the height of our disputes, the Company's business, in every part, went on without the least interruption, excepting one or two aggravated complaints of Mr. Ellis's concerning the saltpetre business. How different was the conduct of the gentlemen who had formed themselves into a party against him! From the time of his advancement to the Subahship, scarce a day passed but occasion was taken from the most trifling pretences to trample on his government, to seize his officers, and to insult them with threats and invectives. I need not point out instances of this, they will be seen in every page of this narrative."¹

It is not the purpose of the present work to narrate the military transactions of the East India Company. The issue of the war with Mir Kasim in 1763 was never doubtful for a moment. Mir Kasim fought better than any Indian prince or army had ever fought in Bengal against the English, but was beaten at Gheria and then at Uday-Nala. In a fit of fury he caused the English prisoners at Patna to be massacred, and then left his dominions for ever. Old Mir Jafar, who had been set aside in 1760, was now set up again as Nawab. But he died shortly after; and his illegitimate son, Najim-ud-Daula, was hastily created Nawab in 1765.

Every occasion for setting up a new Nawab was considered a suitable opportunity for shaking the proverbial pagoda-tree of the East. When Mir Jafar was first made Nawab after the battle of Plassy in 1757, the British officers and troops had received a bonus of £1,238,575, out of which Clive himself had taken £31,500 besides a rich jaigir or estate in Bengal. When Mir Kasim was made Nawab in 1760, the presents to the British officers came to £200,269, out of which Vansittart had taken £58,333. When Mir

¹ *Narrative*, vol. lii. p. 381.

Jafar was made Nawab a second time in 1763, the presents amounted to £500,165. And now, when Najim-ud-Daula was set up in 1765, further presents came in to the extent of £230,356. Besides these sums received in presents, amounting within eight years to £2,169,665, further sums were claimed and obtained as restitution within this period amounting to £3,770,833.¹

The receipt of these sums was proved or acknowledged before the House of Commons Committee which inquired into the condition of the East India Company in 1772-73. Clive justified his own conduct.

"I never sought to conceal it, but declared publicly in my letters to the Secret Committee of the India Directors that the Nabob's generosity had made my fortune easy, and that the Company's welfare was now my only motive for staying in India. . . . What pretence could the Company have to expect, that I, after having risked my life so often in their service, should deny myself the only opportunity ever offered of acquiring a fortune without prejudice to them, who it is evident would not have had more for my having had less?"²

It never struck Clive that the treasure belonged neither to the Company nor to him, but to the country, and should have been devoted to the good of the people.

It is due, however, to the East India Company to state that they set their face against these exactions recovered under the name of presents, and condemned also the internal trade carried on by their servants in Bengal. In 1765 they sent out orders against the receipt of presents, and despatched Clive once more to put a stop to the internal trade of their servants,

¹ House of Commons Committee's Third Report, 1773, p. 311.

² House of Commons Committee's First Report, 1772, p. 148.

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which they had already prohibited. The orders had arrived in Bengal, and the covenants to be signed by the Company's servants were shortly expected. - There was no time to lose, so the Calcutta Council hastily set up Najim-ud-Daula, and reaped their last harvest of presents.

CHAPTER III

LORD CLIVE AND HIS SUCCESSORS IN BENGAL (1765-1772)

THE year 1765 marks a new epoch in the history of British India.

Lord Clive returned to India in that year for the third and last time, and obtained from the Great Moghal a charter making the East India Company the DEWAN or the administrators of Bengal. Though the Great Moghal had no real power, he was still the titular sovereign of India, and his charter gave the East India Company a legal status in the country.

Lord Clive had an arduous duty to perform. The Company's affairs were in a bad way; their servants were corrupt; their subjects were oppressed. It was Clive's endeavour to rectify all this within the brief period of his stay in India, and his letter to the Court of Directors from Calcutta, dated 30th September 1765, is one of the most memorable documents contained in the published volumes on Indian affairs. In this letter Lord Clive described the state of affairs as he found them on his last arrival in India, and also the measures he adopted to put things into order. It is necessary to describe Clive's work in Clive's own words.

"2. Upon my arrival, I am sorry to say, I found your affairs in a condition so nearly desperate as would have alarmed any set of men whose sense of honour and duty to their employers had not been estranged by the too eager pursuit of their own advantage. The sudden, and, among many, the unwarrantable acquisi-

tion of riches, had introduced luxury in every shape and in the most pernicious excess. These two enormous evils went hand in hand together through the whole Presidency, infecting almost every member of each Department; every inferior seemed to have grasped at wealth that he might be able to assume that spirit of profusion which was now the only distinction between him and his superior. . . . It is no wonder that the lust of riches should readily embrace the proffered means of its gratification, or that the instruments of your power should avail themselves of their authority, and proceed even to extortion in those cases where simple corruption could not keep pace with their rapacity. Examples of this sort, set by superiors, could not fail of being followed in proportionable degree by inferiors; the evil was contagious, and spread among the civil and military, down to the writer, the ensign, and the free merchant. . . .

"9. Two paths were evidently open to me; the smooth one, and strewed with abundance of rich advantages that might be easily picked up; the other untrodden, and every step opposed with obstacles. I might have taken charge of the government upon the same footing on which I found it; that is, I might have enjoyed the name of Governor, and have suffered the honour, importance, and dignity of the post to continue in their state of annihilation. . . . An honourable alternative, however, lay before me; I had the power within my own breast to fulfil the duty of my station, by remaining incorruptible in the midst of numberless temptations artfully thrown in my way; by exposing my character to every attack which malice or resentment are apt to invent against any man who attempts reformation; and by encountering, of course, the odium of the settlement. I hesitated not a moment which choice to make; I took upon my shoulders a burden which requires resolution, perseverance, and

constitution to support. Having chosen my part, I was determined to exert myself in the attempt, happy in the reflexion that the honour of the nation, and the very being of the Company would be maintained by the success. . . .

" 12. The sources of tyranny and oppression, which have been opened by the European agents acting under the authority of the Company's servants, and the numberless black agents and sub-agents acting also under them, will, I fear, be a lasting reproach to the English name in this country. . . . I have at last, however, the happiness to see the completion of an event, which, in this respect as well as in many others, must be productive of advantages hitherto unknown, and at the same time prevent abuses that have hitherto had no remedy: I mean the Dewanee, which is the superintendency of all the lands and the collection of all the revenues of the Provinces of Bengal, Behar, and Orissa. The assistance which the Great Moghal had received from our arms and treasury made him readily bestow this grant upon the Company; and it is done in the most effectual manner you can desire. The allowance for the support of the Nabob's dignity and power, and the tribute to His Majesty [the Great Moghal] must be regularly paid; the remainder belongs to the Company. . . .

" 13. Your revenues, by means of this acquisition, will, as near as I can judge, not fall far short for the ensuing year of 250 lacks of Sicca Rupees, including your former possessions of Burdwan, &c. Hereafter they will at least amount to twenty or thirty lacks more. Your civil and military expenses in time of peace can never exceed sixty lacks of Rupees; the Nabob's allowances are already reduced to forty-two lacks, and the tribute to the King [the Great Moghal] at twenty-six; so that there will be remaining a clear gain to the Company of 122 lack of Sicca Rupees, or £1,650,900 sterling. . . .

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" 16. A competency ought to be allowed to all your servants from the time of their arrival in India, and advantages should gradually increase to each in proportion to his station. . . . This certainty would arise from the freight-ships, from the privileges of trade (the advantages of which you are not unacquainted with), and also upon the profits upon salt, betel and tobacco, agreeable to the new regulation which we have made in order to rectify the abuses that have been so long committed. . . .

" 19. Having now fully submitted to you my sentiments on the Civil Department, permit me to trouble you with a few observations on the Military. . . . The evil I mean to apprise you is of the encroachment of the military upon the civil jurisdiction, and an attempt to be independent of their authority. . . . The whole Army should in like manner be subordinate to the Civil Power. If at any time they should struggle for superiority, the Governor and Council must strenuously exert themselves, ever mindful that they are the trustees of the Company in this settlement, and the guardians of public property under a civil institution. . . .

" 26. Permit me now to remind you that I have a large family who stand in need of a father's protection, that I sacrifice my health and hazard my fortune with my life by continuing in this climate. . . . I now only wait to be informed whether my conduct thus far be approved of, and whether the whole or part of the regulations I have had the honour to lay before you are conformable to your ideas of the reformation necessary to be established. If they meet with your approbation, I doubt not you will immediately empower me, in conjunction with the Select Committee, to finish the business so successfully begun, which may easily be effected before the end of the ensuing year; when I am determined to return to

Europe, and hope to acquaint you in person with the accomplishment of every wish you can form for the prosperity of your affairs in Bengal.”¹

We have here in Clive's own language an account of a transaction which marks an important step in the rise of British power in India. Hitherto the British had appeared only as traders in India, and though they had virtually been the masters of Bengal since the battle of Plassy in 1757, nevertheless it was the concession of the Dewani by the titular Emperor of Delhi in 1765 which gave the East India Company a legal status in India, and formally imposed upon them the duties of the administration of Bengal. How Lord Clive proposed to perform those duties has been described in his own words. His endeavours to introduce reforms both in the civil and military administration deserve all the praise that has been bestowed upon them by historians; but when we examine the essential features of his scheme, we find that it was framed—as so many schemes have since been framed in India—mainly in the interests of the British rulers, and not in the interests of the people. The whole of Bengal was considered as an estate, a source of profit to the East India Company.

The taxes raised from thirty millions of people were, after deduction of expenses and allowances, not to be spent in the country and for the benefit of the country, but to be sent to England as profits of the Company. An annual remittance of over a million and a half sterling was to be made from a subject country to the shareholders in England. A stream of gold was to flow perennially from the revenues of a poor nation to add to the wealth of the richest nation on the face of the earth.

We thus find that the very first scheme which

¹ House of Commons Committee's Third Report, 1773, Appendix, p. 391-392.

was framed by British rulers for the administration of India involved that fatal Economic Drain which has now swelled to an annual remittance of many millions sterling. The victory of British arms in India, the organised rule introduced into that country by the British, the maintenance of peace, the dispensation of justice, and the spread of western education, deserve all the praise which has been bestowed upon them. But the financial relations between India and England have always from the very commencement been unfair; and India, with her vast resources, her fertile soil, and her industrious population, is now the poorest country on earth after a century and a half of British rule.

Not content with securing an annual profit of over a million and a half for the Company, Lord Clive insisted on keeping up the inland trade of Bengal for the profit of the Company's servants. He devised measures to do away with the oppression incident to this private trade; but the trade itself had been lucrative to Englishmen in Bengal, and Lord Clive would not give it up. Indeed, so determined was Lord Clive to continue the inland trade in salt, betel-nut, and tobacco, in spite of the known opposition of his masters, the East India Company, that on the 18th September 1765 he executed an indenture, jointly with other servants of the Company, to carry on the trade regardless of the orders of the Company. The following passage from the indenture is significant:

"Provided any order should issue or be made by the said Court of Directors in England, thereby ordering and directing the said joint trade and merchandise to be dissolved or put to an end, or that may hinder and stop the carrying on of the same, or any part thereof, or contain anything contrary to the covenants, clauses, grants, articles, or agreements in the said hereinbefore recited deed mentioned and contained, or any of them, so that the same may thereby become

void and of no effect; then, and in that case, they, the said Robert Lord Clive, as President, William Brightwell Sumner, &c., as Council of Fort-William aforesaid, shall and will, well and truly save harmless and keep indemnified, them; the said William Brightwell Sumner, Harry Verelst, Ralph Leycester, and George Grey, and all the proprietors entitled, or to be entitled, to the said exclusive joint trade, and their successors, their executors, and administrators; and shall and will, notwithstanding any order or direction to be issued to the contrary as aforesaid, keep up, continue, and enforce, or cause to be kept up, continued, and enforced, the said exclusive joint trade for the term of one year.”¹

On receipt of Lord Clive's important letter of the 30th September, the Court of Directors sent a reply to the Calcutta Committee, dated the 17th May 1766, and also a separate letter to Lord Clive, bearing the same date. The Directors thanked Lord Clive in warm terms for the great services rendered by him, and intimated their acceptance of the Dewani, or the administration of Bengal, Behar, and Orissa. But it is greatly to the credit of the Directors that they declined to approve of that scheme of inland trade which had been drawn up by Clive.

“Our letter to the Select Committee expresses our sentiments of what has been obtained by way of donations; and to that we must add, that we think vast fortunes acquired in the inland trade have been obtained by a scene of the most tyrannic and oppressive conduct that was ever known in any age or country. We have been uniform in our sentiments and orders on this subject, from the first knowledge we had of it; and your Lordship will not therefore wonder that, after the fatal experience we had of the violent abuses com-

¹ House of Commons Committee's Fourth Report, 1773, Appendix, p. 534.

mitted in this trade, that we could not be brought to approve of it, even in the limited and regulated manner with which it comes to us in the plan laid down in the Committee's proceedings."¹

The Directors had never spoken ambiguously on the subject of the inland trade carried on by the Company's servants. In their letter of the 8th February 1764 they had prohibited such inland trade; and in their letter of the 15th February 1765 they had repeated their prohibition in the strongest manner; but their orders had been disregarded by their servants in India. Now, in their letter of 17th May 1766, they refused to sanction Clive's scheme for continuing the trade under the regulations framed by him. But this order too was disregarded, and under the pretence of contracts formed and advances made, the inland trade was continued for two years more.

Lord Clive left India in 1767, and was succeeded as Governor by Verelst, who ruled until 1770; and he was succeeded by Cartier, who was Governor until 1772. The five years' administration of Verelst and Cartier was a continuation of the misgovernment from which Bengal had suffered during the preceding years. The scheme of administration introduced by Clive was a sort of dual government. The collection of revenues was still made for the Nawab's exchequer; justice was still administered by the Nawab's officers; and all transactions were covered by the mask of the Nawab's authority. But the East India Company, the real masters of the country, derived all the profits; and the Company's servants practised unbounded tyranny for their own gain, overawing the Nawab's servants, and converting his tribunals of justice into instruments for the prosecution of their own purposes. The English Governor saw this and condemned it, but was unable to remedy the state of affairs.

¹ House of Commons Committee's Third Report, 1773, Appendix, p. 400.

"We insensibly broke down the barrier betwixt us and Government, and the native grew uncertain where his obedience was due. Such a divided and complicated authority gave rise to oppressions and intrigues unknown at any other period; the Officers of Government caught the infection, and being removed from any immediate control, proceeded with still greater audacity."¹

Agriculture had always been the main source of the subsistence of the people of Bengal; but it declined under the new system of land settlements introduced by the Company's servants. From very ancient times the soil of Bengal was held by Zemindars or hereditary landlords, armed with quasi-feudal powers, paying revenues and rendering military service to the Nawab in times of need, and virtually ruling the people within their own estates. They were recognised as Rajas by their subjects and tenants; they maintained order, settled disputes, and punished crimes; they encouraged religion and rewarded piety; they fostered arts and learning, and were the patrons of letters. Arbitrary Nawabs, like Murshed Kuli in the seventeenth century and Mir Kasim in the eighteenth century, had "squeezed" the Zemindars with an iron hand, but had seldom ousted them from the estates which were considered hereditary by custom. The Company's servants, however, introduced a new system in Burdwan and Midnapur soon after they had acquired those districts from Mir Kasim in 1760; they disregarded the customary rights of the Zemindars, and sold their estates by public auction to increase the revenue, with the most lamentable results.

"In the provinces of Burwan and Midnapur, of which both the property and jurisdiction were ceded to the Company by Mir Kasim in the year 1760, those evils

¹ Governor Verelst's Letter to the Directors, dated 16th December 1769.

which necessarily flowed from the bad policy of the Moorish Government had in no sort decreased. On the contrary, a plan was adopted in 1762 productive of certain ruin to the province. The lands were let by public auction for the short term of three years. Men without fortune or character became bidders at the sale; and while some of the former farmers, unwilling to relinquish their habitations, exceeded perhaps the real value in their offers, those who had nothing to lose advanced yet further, wishing at all events to obtain an immediate possession. Thus numberless harpies were let loose to plunder, whom the spoil of a miserable people enabled to complete their first year's payment."¹

We shall see farther on that this new and oppressive system was subsequently extended all over Bengal by Warren Hastings, and caused the greatest discontent, disorder, and suffering. Throughout the administration of Verelst and Cartier the land revenue was exacted with the utmost rigour in order to meet the East India Company's demands.

"It was therefore to be wished," wrote Governor Verelst to the Court of Directors, "and was more than once proposed, that when their lands came under our management, we had lowered for a time the stated rents of most districts, as an incitement to cultivation and improvement, rather than have made the smallest attempt to increase. . . . Permit me to give you my most serious opinion, founded on almost nineteen years' experience in the various branches of your revenues, and in various districts of your possessions, that it is totally beyond the power of your administration to make any material addition to your rents."²

Trade and manufacture declined under a system of

¹ *View of the Rise, &c., of the English Government in Bengal*, by Harry Verelst, Esq., Late Governor of Bengal, London, 1772, p. 70.

² Letter to the Court of Directors, dated 26th September 1768.

monopoly and coercion. The Directors of the East India Company had tried to check their servants, but they themselves now perpetrated a greater offence. British weavers had begun to be jealous of the Bengal weavers, whose silk fabrics were imported into England, and a deliberate endeavour was now made to use the political power obtained by the Company to discourage the manufactures of Bengal in order to promote the manufactures of England. In their general letter to Bengal, dated 17th March 1769, the Company desired that the manufacture of raw silk should be encouraged in Bengal, and that of manufactured silk fabrics should be discouraged. And they also recommended that the silk-winders should be forced to work in the Company's factories, and prohibited from working in their own homes.

"This regulation seems to have been productive of very good effects, particularly in bringing over the winders, who were formerly so employed, to work in the factories. Should this practice [the winders working in their own homes] through inattention have been suffered to take place again, it will be proper to put a stop to it, which may now be more effectually done, by an absolute prohibition under severe penalties, by the authority of the Government."¹

"This letter," as the Select Committee justly remarked, "contains a perfect plan of policy, both of compulsion and encouragement, which must in a very considerable degree operate destructively to the manufactures of Bengal. Its effects must be (so far as it could operate without being eluded) to change the whole face of that industrial country, in order to render it a field of the produce of crude materials subservient to the manufactures of Great Britain."²

¹ Ninth Report of the House of Commons Select Committee on Administration of Justice in India, 1783, Appendix, 37.

² Ninth Report, 1783, p. 64.

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We shall see, as we proceed farther, that this continued to be the settled policy of England towards India for fifty years and more; that it was openly avowed before the House of Commons and vigorously pursued till 1833 and later; and that it effectually stamped out many of the national industries of India for the benefit of English manufactures.

But perhaps the greatest evil from which the country suffered was the continuous Economic Drain from Bengal, which went on year after year for the profit of the Company, or for their expenses in other parts of the world. A statement of the revenues and expenses of Bengal during the first six years after the grant of the Dewani to the East India Company is given in the Fourth Report of the House of Commons, 1773, from which the following figures are compiled:¹

Year.	Gross collection.	Nett revenues after deducting tribute to the Great Moghal, allowance to the Nawab, charges of collection, salaries, commissions, &c.	Total expenses, civil, military, buildings, fortifications, &c.	Nett annual balance.
May April 1765 to 1766	£ 2,258,227	£ 1,681,427	£ 1,210,360	£ 471,067
1766 ,, 1767	3,805,817	2,527,594	1,274,093	1,253,501
1767 ,, 1768	3,608,009	2,359,005	1,487,383	871,622
1768 ,, 1769	3,787,207	2,402,191	1,573,129	829,062
1769 ,, 1707	3,341,976	2,089,368	1,752,556	336,812
1707 ,, 1771	3,332,343	2,007,176	1,732,088	275,088
Total . . .	20,133,579	13,066,761	9,027,609	4,037,152

These figures show that nearly one-third of the nett revenues of Bengal was annually remitted out of the country. But the actual drain from the country was

¹ Fourth Report, 1773, p. 535.

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much larger. A large portion of the civil and military expenses consisted in the pay of European officials who sent all their savings out of India. And the vast fortunes reared by those who had excluded the country merchants from their legitimate trades and industries were annually sent out of India. The actual drain from Bengal is perhaps more correctly represented in the figures for imports and exports for the years 1766, 1767, and 1768, compiled by Governor Harry Verelst.¹

Imports.	Exports.
£624,375	£6,311,250

In other words, the country sent out about ten times what it imported. Mr. Verelst himself saw the magnitude of the evil, and was never tired of describing its lamentable consequences on the material condition of the people of Bengal.

“Whatever sums had formerly been remitted to Delhi were amply reimbursed by the returns made to the immense commerce of Bengal. . . . How widely different from these are the present circumstances of the Nabob’s dominions! . . . Each of the European Companies, by means of money taken up in the country, have greatly enlarged their annual Investments, without adding a rupee to the riches of the province.”²

“The great demands which have been made on this Presidency for supplies of money from every quarter have reduced your treasury to a very low state, and alarm us for the consequences which must inevitably attend such a vast exportation from this country.”³

“It will hardly be asserted that any country, how-

¹ *View of the Rise, &c., of the English Government in Bengal*, Appendix, p. 117.

² Letter dated 26th September 1767.

³ Letter dated 24th March 1768.

ever opulent, could long maintain itself, much less flourish, when it received no material supplies, and when a balance against it, of above one-third of its whole yearly value, was yearly incurred. But besides this, there are other concomitant circumstances, which have contributed to diminish the riches of the country, and must, if not remedied, soon exhaust them. I have observed that one great advantage the country formerly reaped was the diffusion of its revenues by large grants to different families, and by the expensive luxury of its governors. But now the whole amount of the lands is swallowed up in one gulf—your treasury; nor does any part of it return into the circulation, except the sum issued from our Investment and necessary expenses.”¹

What the *Investment* was, was fully explained by the Select Committee of the House of Commons in their Ninth Report of 1783.

“A certain portion of the revenues of Bengal has been, for many years, set apart in the purchase of goods for exportation to England, and this is called the Investment. The greatness of this Investment has been the standard by which the merit of the Company’s principal servants has been too generally estimated; and this main cause of the impoverishment of India has been generally taken as a measure of its wealth and prosperity. Numerous fleets of large ships, loaded with the most valuable commodities of the East, annually arriving in England in a constant and increasing succession, imposed upon the public eye, and naturally gave rise to an opinion of the happy condition and growing opulence of a country whose surplus productions occupied so vast a space in the commercial world. This export from India seemed to imply also a reciprocal supply, by which the trading capital employed in those productions was continually strengthened and

¹ Letter, dated 5th April 1769.

enlarged. But the payment of a tribute, and not a beneficial commerce, to that country, wore this specious and delusive appearance."¹

The evils of a perpetual Economic Drain from India, pointed out so clearly by Governor Verelst and by the Select Committee of the House of Commons, was also condemned by the greatest political philosopher of England in words which will be read as long as the English tongue is understood. In his speech on Fox's East India Bill, made in 1783, Edmund Burke described the desolating effects of the perpetual drain from India; and it is doubtful if even that great orator ever spoke anything more forcible, more eloquent, and more true, within the whole course of his brilliant parliamentary career.

"The Asiatic conquerors very soon abated of their ferocity, because they made the conquered country their own. They rose or fell with the rise and fall of the territory they lived in. Fathers there deposited the hopes of their posterity; the children there beheld the monuments of their fathers. Here their lot was finally cast; and it is the normal wish of all that their lot should not be cast in bad land. Poverty, sterility, and desolation are not a recreating prospect to the eye of man, and there are very few who can bear to grow old among the curses of a whole people. If their passion or avarice drove the Tartar lords to acts of rapacity or tyranny, there was time enough, even in the short life of man, to bring round the ill effects of the abuse of power upon the power itself. If hoards were made by violence and tyranny, they were still domestic hoards, and domestic profusion, or the rapine of a more powerful and prodigal hand, restored them to the people. With many disorders, and with few political checks upon power, nature had still fair play, the sources of

¹ Ninth Report, 1783, p. 54

acquisition were not dried up, and therefore the trade, the manufactures, and the commerce of the country flourished. Even avarice and usury itself operated both for the preservation and the employment of national wealth. The husbandman and manufacturer paid heavy interest, but then they augmented the fund from whence they were again to borrow. Their resources were dearly bought, but they were sure, and the general stock of the community grew by the general effect.

“But under the English Government all this order is reversed. The Tartar invasion was mischievous, but it is our protection that destroys India. It was their enmity, but it is our friendship. Our conquest there, after twenty years, is as crude as it was the first day. The natives scarcely know what it is to see the grey head of an Englishman; young men, boys almost, govern there, without society, and without sympathy with the natives. They have no more social habits with the people than if they still resided in England; nor, indeed, any species of intercourse but that which is necessary to making a sudden fortune, with a view to a remote settlement. Animated with all the avarice of age, and all the impetuosity of youth, they roll in one after another; wave after wave, and there is nothing before the eyes of the natives but an endless, hopeless prospect of new flights of birds of prey and passage, with appetites continually renewing for a food that is continually wasting. Every rupee of profit made by an Englishman is lost for ever to India.”

The administration of India has vastly improved since the days of Governor Verélt and Edmund Burke. The whole continent of India has enjoyed unbroken peace for half-a-century, such as was unknown in the eighteenth century. Trade and commerce have been freed from invidious and prohibitive duties.

The administration of justice and the protection of life and property have been more complete. And the spread of education has awakened a new life among the people, and befitted them for higher work and greater responsibilities. But nevertheless the evil of a perpetual Economic Drain from India, of which Verelst and Burke complained in their day, continues to this day in an ever-swelling current, and makes India a land of poverty and of famines.

Famines in India are directly due to a deficiency in the annual rainfall; but the intensity of such famines and the loss of lives caused by them are largely due to the chronic poverty of the people. If the people were generally in a prosperous condition, they could make up for local failure of crops by purchases from neighbouring provinces, and there would be no loss of life. But when the people are absolutely resourceless, they cannot buy from surrounding tracts, and they perish in hundreds of thousands, or in millions, whenever there is a local failure of crops.

Early in 1769 high prices gave an indication of an approaching famine, but the land-tax was more rigorously collected than ever. "The revenues were never so closely collected before."¹ Late in the year the periodical rains ceased prematurely, and the Calcutta Council in their letter of the 23rd November to the Court of Directors anticipated a falling off of the revenues, but specified no relief measures to be undertaken. On the 9th May 1770 they wrote: "The famine which has ensued, the mortality, the beggary, exceed all description. Above one-third of the inhabitants have perished in the once plentiful province of Purneah, and in other parts the misery is equal." On the 11th September they wrote: "It is scarcely possible that any description could be an exaggeration of the

¹ Resident at the Durbar, 7th February 1769. India Office Records, quoted in Hunter's *Annals of Rural Bengal*, London, 1868, p. 21, note.

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misery the inhabitants . . . have encountered with. It is not then to be wondered that this calamity has had its influence on the collections; but we are happy to remark they have fallen less short than we supposed they would." On the 12th February 1771 they wrote: "Notwithstanding the great severity of the late famine and the great reduction of people thereby, some increase has been made in the settlements both of the Bengal and the Behar provinces for the present year." On the 10th January 1772 they wrote: "The collections in each department of revenue are as successfully carried on for the present year as we could have wished."¹

It is painful to read of this rigorous collection of the land-tax during years of human sufferings and deaths perhaps unexampled in the history of mankind. It was officially estimated by the members of the Council, after they had made a circuit through the country to ascertain the effects of the famine, that about one-third of the population of Bengal, or about *ten millions of people*, had died of this famine. And while no systematic measures were undertaken for the relief of the sufferers perishing in every village, roadside, and bazaar, the mortality was heightened by the action of the Company's servants. Their *Gomasthas* not only monopolised the grain in order to make high profits from the distress of the people, but they compelled the cultivators to sell even the seed requisite for the next harvest. The Court of Directors were indignant on receiving this information, and hoped that "the most exemplary punishment had been inflicted upon all offenders who could dare to counteract the benevolence of the Company and entertain a thought of profiting by the universal distress."²

¹ Extracts from India Office Records, quoted in Hunter's *Annals of Rural Bengal*, 1868, pp. 399-404.

² *Ibid.*, p. 420.

But the "benevolence of the Company" was less conspicuous when their own interests were touched, and we find no indication of an abatement of the land-tax of Bengal after a third of its population had been swept away and a third of the lands had returned to waste. Warren Hastings wrote thus to the Court of Directors on the 3rd November 1772 :

"Notwithstanding the loss of at least one-third of the inhabitants of the province, and the consequent decrease of the cultivation, the nett collections of the year 1771 exceeded even those of 1768. . . . It was naturally to be expected that the diminution of the revenue should have kept an equal pace with the other consequences of so great a calamity. That it did not was owing to its being violently kept up to its former standard."¹

In the language of modern Indian administration this violently keeping up the land revenue would be described as the Recuperative Power of India!

¹ Extracts from India Office Records, quoted in Hunter's *Annals of Rural Bengal*, 1868, p. 381.

CHAPTER IV

WARREN HASTINGS IN BENGAL (1772-1785)

THE British Parliament passed the Regulating Act in 1773. Warren Hastings, who had succeeded as Governor of Bengal in 1772, became the first Governor-General in 1774 under the new Act. Three members of his Council, including Philip Francis, were appointed from England, and two other members were chosen from among the servants of the Company. A Supreme Court was established in Calcutta. It was hoped that the administration of India would be improved under these new arrangements.

The name of Warren Hastings recalls memorable events in Indian history, which formed the subjects of long debates in the Houses of Parliament. It brings back to mind the story of the Begams of Oudh, the Raja of Benares, and the war with the Rohillas. Less dramatic but far more important events connected with the administration of Hastings were the great struggles of the British with the Mahrattas in the west and with Haidar Ali in the south. And the conduct of Warren Hastings in respect of all these events has formed the subject of controversies which have not yet closed, after more than a century since the close of his administration.

It gives us unspeakable relief to be able to sweep aside all these controversies from the present narrative. In accordance with the scope of this work, we will confine our attention strictly to those measures of Warren Hastings which affected the material well-

being of the million, the economic condition of the nation. In the present volume we will only review the civil and revenue administration of Warren Hastings, leaving out those controversial matters which have engaged the tongue of the orator and the pen of the historian for over a hundred years.

We have met Warren Hastings before as a strong and able man, as a just and honourable man, striving manfully but in vain to save the clear rights of Mir Kasim against the usurpations of the Company's servants, to save the inland trade of the people of Bengal from the privileged rapacity of their new rulers. But the land system of Bengal was entirely a new problem to Hastings, as it was to all Englishmen of his time; and the continuous demands of the Directors of the Company for an increasing revenue from the land left him little opportunity to master the problem correctly or to deal with it fairly.

Englishmen in the eighteenth century were familiar only with the English land system, under which the soil belonged to landlords, was let to farmers, and was tilled by labourers. The Bengal system was entirely different; and the contending claims put forward from time to time by the State, by the landlords or Zemindars, and by the cultivators or Ryots, obscured for a long time the real features of the institution. The State was in no sense the proprietor, but was only entitled to a *revenue* from the soil. The Zemindars held their estates from generation to generation; were virtually feudal lords armed with civil and criminal powers; and were entitled to customary *rents* from the cultivators. The cultivators or Ryots were not mere labourers, but had rights to their holdings, which they transmitted from father to son, paying the customary rents to the landlords. Occasionally the Nawabs of Bengal re-surveyed the estates and enhanced the revenues; occasionally Zemindars increased their rents;

but, nevertheless, through long centuries the arrangements remained unchanged in their main features. The State was entitled to a revenue; the Zemindars were entitled to customary rents, paying a revenue to the State; the Ryots had a hereditary right to their holdings, subject to payment of customary rents to landlords.

In 1765, when the East India Company became the Dewan or administrators of Bengal under the Imperial grant, the Company's servants did not immediately take upon themselves either the management of the revenues or the administration of justice. The Mahomedan officer at Murshedabad continued to make revenue collections in Bengal under the superintendence of the Company's Resident at the Nawab's court; and Sitab Roy, a Hindu chief, continued to make revenue collections in Behar under the superintendence of the Company's Agent at Patna.¹ Only the Twenty-four Perganas, Burdwan, Midnapur, and Chittagong districts, which were the Company's old possessions, were managed by the Covenanted Servants of the Company.

In 1769, Supervisors were appointed by the Company, with powers to superintend the collection of revenue and the administration of justice. The "Dual Government" had not worked well. The real rulers of the land, screening themselves behind Hindu and Mahomedan revenue collectors, took over the collections, but did not feel the responsibilities of rulers. The Hindu and Mahomedan revenue collectors felt themselves as agents for the Company, and therefore failed to realise the responsibilities of rulers. The people were oppressed by both and protected by neither. The inquiries made by the Supervisors appointed in 1769 showed that the administration was in the utmost disorder. The collecting officers "exacted what they could from the Zemindars and great farmers

¹ Select Committee's Fifth Report, 1812, p. 5.

of revenue, whom they left at liberty to plunder all 'below, reserving to themselves the prerogative of plundering them in their turn." And with regard to the administration of justice, "the regular course was everywhere suspended; but every man exercised it who had the power of compelling others to submit to his decisions."¹

In 1772 it was decided to place the administration of the country in the hands of British officers. The Governor, Warren Hastings, and four members of his Council, formed a committee, and adopted measures for the management of the revenues and the administration of justice. The exchequer and the treasury were removed from Murshedabad to Calcutta, and were placed under a Board of Revenue composed of the Governor and his Council. In the provinces the European Supervisors, now called Collectors, were empowered to collect the revenues; a settlement of the land revenues for five years was adopted; and four junior members of the committee went on a circuit to carry this plan into execution. For the administration of justice a civil court and a criminal court were formed in each district; the Collector presided over the civil court; and he also attended the criminal court, where a Mahomedan Kazi, with the help of two Maulvies, dispensed justice. Appeals from these civil and criminal courts were allowed to two superior courts in Calcutta. A new system of police was organised; native police officers, called Fauzdars, were appointed in the fourteen districts into which Bengal was then divided; and regulations, framed for the guidance of the revenue and judicial officers, were printed and promulgated in the languages of the country. All these various administrative reforms bear testimony to the ability and capacity of Warren

¹ Letter from the President and Council, dated 3rd November 1772.

Hastings; but they also reveal that defect in British administration which has continued down to the present day—a want of trust and confidence in the people. Hindu and Mahomedan officers in the eighteenth century were corrupt and rapacious, as the Company's servants were corrupt and rapacious. Endeavours were made by Hastings, and by his successor Cornwallis, to make the British servants honest, by placing them in positions of trust and responsibility, and giving them adequate remuneration for their work. No endeavour was made to place Hindu and Mahomedan officers in positions of trust and responsibility, to pay them adequately, and to accept their co-operation in the work of administration.

In 1774 Warren Hastings became Governor-General under the Regulating Act. The settlement of the lands for five years had proved a failure. The rights of the Zemindars, who were hereditary landlords, had been ignored, and the settlement had been made by auction. Bidders at the auction had been led by the eagerness of competition to make high offers, had squeezed the cultivators of the soil, and had yet failed to pay the promised revenue. The land system of Bengal had been misunderstood, the ancient landed families had been ruined, the cultivating population had been grievously oppressed. In 1774 the European Collectors were recalled, the superintendence of collections was vested in Provincial Councils at Calcutta, Burdwan, Dacca, Murshedabad, Dinajpur, and Patna; and native Amils were appointed in districts to perform an impossible duty.

In 1776 the policy of an equitable land settlement was discussed at Calcutta. Warren Hastings and Barwell proposed that estates should be sold by public auction or farmed out on leases, and settlements should be made with purchasers or lessees *for life*. A wiser statesman, who is known to English literature

as the author of the "Letters of Junius," took a broader and juster view of the situation. Philip Francis was then a member of the Council of the Governor-General, and in one of the ablest minutes recorded in India, recommended that the land revenue demand of the State should be *permanently fixed*.

"The greater part of the Zemindars were ruined and dispossessed of the management of their lands, and there were few people of rank and family left, or of those who had formerly held high employments; such as there were, looked for large profits, which the country could not afford them and pay the rents also. People of lower rank were therefore of necessity employed as Amils or collectors on the part of the Government. These people executed a contract for a stipulated sum for the district to which they were appointed, and in effect they may be considered as farmers of revenue. They then proceeded from the Sudder, or seat of government, to the districts, to settle with the Zemindars or tenants for the revenue they had engaged to pay."

Having described the evils of this farming system, and its disastrous effects on the country, Philip Francis recommended a perpetual settlement of the land revenue as calculated to promote the prosperity of the people.

"The Jumma [assessment] once fixed, must be a matter of public record. It must be permanent and unalterable; and the people must, if possible, be convinced that it is so. This condition must be fixed to the lands themselves, independent of any consideration of who may be the immediate or future proprietors. If there be any hidden wealth still existing, it will then be brought forth and employed in improving the land, because the proprietor will be satisfied that he is labouring for himself."¹

¹ Philip Francis' Minute of 1776, published in London in 1782.

When these proposals came before the Directors in London, they hesitated to take a final step. With a policy of drift, truly British, they replied that, "having considered the different circumstances of letting the land on leases for lives or in perpetuity, we do not, for many weighty reasons, think it at present advisable to adopt either of these methods." This was the very worst decision which the Directors could come to; for it negated the life-leases proposed by Warren Hastings and the perpetual leases proposed by Philip Francis, and it permitted those short leases by auction which had already half ruined the Province of Bengal. The merchant rulers of India were keenly alive, "for many weighty reasons," to the constant and frequent increase of their revenue, and Bengal continued to be afflicted by the auction system, the short leases, and the imprisonment of defaulting Zemindars, for ten years more.

In 1777 the five-years' settlement made in 1772 came to an end. The auction system was somewhat modified, and preference was now given to hereditary Zemindars. But the harshness of the system was greatly exaggerated when it was declared that the estates would be let, not for five years, but annually. Lands were thus let annually to Zemindars in 1778, 1779, and 1780. The country groaned under this economic tyranny, the revenues failed once more.

In 1781 great changes were introduced. Thirteen Articles and Regulations were prepared for the guidance of civil courts, which were afterwards incorporated in the Civil Code of ninety-five Articles of Regulations, which were printed with translations in the Persian and Bengali languages. Civil Judges and Collectors were entrusted with the powers of magistrates to grapple with the increase of crime in the province. A Committee of Revenue was formed at Calcutta, and submitted a plan for a new settlement of the

land revenue for one year only, preference being given to Zemindars. The settlement was effected, and the land revenue was increased by twenty-six lakhs, or about £260,000.

All the great Zemindars of Bengal, all the ancient landed families, suffered under this system of annual settlements, frequent enhancements, and harsh methods of realisation, such as they had never known before. Descendants of old houses found their estates pass into the hands of money-lenders and speculators from Calcutta; widows and minor proprietors saw their peaceful subjects oppressed by rapacious agents appointed from Calcutta. It so happened that the three largest estates in Bengal, each paying a revenue of over a hundred thousand pounds sterling, were then under the administration of three distinguished ladies, who have left their names engraved in the memories of their countrymen. Burdwan, with its revenue of over £350,000, was held by the widow of the celebrated Tilak Chand, and mother of the equally celebrated Tej Chand. Rajshahi, with its revenue of over £260,000, was held by the venerable Rani Bhavani, whose name is cherished in India to this day for her high rank and abilities, as well as for her pious life and munificent charities. And Dinajpur, with its revenue of over £140,000, lost its Raja in 1780, and his widow was the guardian of the heir, then five years old. The history of these three estates will illustrate to some extent the sufferings of the people under the harsh and ever-changing revenue policy of Warren Hastings.

Dinajpur suffered most. An unscrupulous and rapacious agent, Debi Sing, was appointed from Calcutta to manage this estate during the minority, Debi Sing had been guilty of tyranny in Purnea and in Rungpur, and had been removed from his previous employment, and branded in the Company's

records; but he was chosen as a proper agent when the object was to screw up the revenues of Dinajpur during a minority. Debi Sing proved himself equal to the task. With a cruelty perhaps unparalleled even in Bengal in the eighteenth century, he imprisoned the Zemindars and flogged the cultivators in order to raise the revenue. Women were not exempted from his tyranny, and insult and indecent outrage were added to the tortures of the stake and the lash.

The oppression of Debi Sing drove the suffering cultivators of Dinajpur from their homes and villages. They attempted to leave the district, but bands of armed soldiers drove them back. Many fled into the jungles, and large numbers of the most passive and submissive race of cultivators on earth were goaded to rebellion. The insurrection spread through Dinajpur and Rungpur; soldiers were called in, and then followed punishments and cruel executions. Mr. Goodlad, the English chief of the district, described the rising as the greatest and most serious disturbance which had ever happened in Bengal; the cruel severity by which it was suppressed was also perhaps unexampled in Bengal.

The story of Burdwan is less tragic, because the great wrong done fell on the territorial house, and not to any great extent on the people. Maharaja Tilak Chand had died in 1767, and the succession of the minor son, Tej Chand, had been allowed and confirmed. Lalla Umi Chand, a friend of the family, had been appointed administrator of the estate by the deceased Zemindar; but John Graham, the British chief of the district, forced on the widow Rani a rapacious and unscrupulous manager in Braj Kisor. The Rani, as far as a woman could, endeavoured to stop his dishonesty, and refused him the great seal of the estate.

"My son's seal," she said in a petition to Warren

Hastings in 1774, "was in my own possession; and as I affixed it to no paper without first perusing it, Braj endeavoured by every method to get it into his own hands, which I constantly persisted in refusing him. Upon this, in the Bengal year 1179 [A.D. 1772], Braj Kisor, having prevailed upon Mr. Graham to come to Burdwan, took from me my son Tej Chand, then nine years of age, and confined him in a separate place under a guard. In this situation, through affliction and apprehension, having remained more than seven days without sustenance to the absolute endangering my life, and finding no resource, I gave up the seal."¹

The letter went on to say, that after thus obtaining the seal of the estate, Braj Kisor wasted the wealth of the estate, embezzled a large sum of money, and refused to submit any accounts. The Rani with her son was in dread of her life, and prayed to be allowed to proceed to Calcutta to reside in safety.

Clavering, Monson, and Francis, members of the Governor-General's Council, asked for an inquiry into the charge of embezzlement against Braj Kisor and John Graham. "We do not enter into the truth or falsehood," they wrote on 11th January 1775, "of the charge against Mr. Graham and the Dewan of Burdwan of an embezzlement of above eleven lakhs of rupees [£110,000], alleged to be the property of her infant son. It will be her business to make good the truth of her allegations. We are not so unjust as to give credit to charges against the honour or innocence of any man before the proofs are produced; neither does the Rani's petition require it of us. Let the prayer of the petition be granted."²

The dissensions in the Council, however, prevented a proper inquiry, and Warren Hastings defended John Graham. "Such inconsiderable presents," wrote Claver-

¹ Select Committee's Eleventh Report, 1783, Appendix D.

² *Ibid.*

ing, Monson, and Francis, "as the Governor-General says Mr. Graham received, could never have created the immoderate fortune he is known to possess." "I am totally unacquainted," replied Hastings, "with Mr. Graham's fortune; I know not on what foundation the majority style it immoderate. I thought it incumbent to vindicate him from the calumnies of the Burdwan Rani."

For the rest, the Burdwan estate was heavily assessed. Ganga Govind Sing, the Dewan of the Revenue Board, was no friend of the Burdwan house, and he fixed the assessment higher than in any other old zemindari in Bengal. For many decades Burdwan suffered from this; and the descendants of the feudal lords, who had been virtual rulers in their own estate, and had helped the old Nawabs of Bengal against the invasions of the Mahrattas, found themselves unable to meet the heavy pecuniary demands of the new masters of Bengal. The house was saved from utter ruin by the creation of a new order of permanent Jessees who shared the responsibilities of the Zemindar; but to the present day the Burdwan estate pays a larger proportion of its collections as Government revenue than any other of the great estates in Bengal.

But the venerable lady whose misfortunes were regarded with the greatest commiseration in the eighteenth century, and whose name is cherished with almost religious respect by millions of men and women in Bengal to this day, was Rani Bhavani of Rajshahi. Her great estates had virtually embraced the whole of Northern Bengal before Lord Clive won the battle of Plassy. She had witnessed the greatness and decadence of the Mahomedan power and the rise and extension of the British power. Her talents and abilities stood forth as a signal example of the capacity of Hindu women in administration. And her pious life and unbounded benevolence made her name cherished as a household

word in Bengal. To the present day her story is read by Hindu girls and boys as one of the nine women in history and fiction who are the models of Indian womanhood.

The new revenue system introduced by Warren Hastings, and the five-years' settlements made in 1772, affected Rajshahi as they affected every other estate in Bengal. The Governor and Council, in their letter of the 31st December 1773, remarked that "Rani Bhavani, the zemindar of Rajshahi, proves very backward in her payments." And on the 15th March 1774 they determined to make "a declaration to the Rani, that if she did not pay up the revenue due from her to the end of the Bengal month of Magh [10th February] by the 20th Phalgun [1st March], we should be under the necessity of depriving her of her zemindari, and putting it into the possession of those who would be more punctual in fulfilling their engagements with Government." In another letter, dated 18th October 1774, the Governor-General "resolved to dispossess her both of her farm and her zemindari, and of all property in the land, and to grant her a monthly pension of 4000 rupees (£400) during life, for her subsistence."¹

Among the many petitions which the aged Rani submitted to avert this disgrace and humiliation, there are some which are of more than usual interest. In one of these petitions she recounted the history of her estate since the five-years' settlement of 1772, the oppressions committed by the farmer, Dulal Roy, who had been appointed, and the depopulation of the country in consequence.

"In the year 1179 [A.D. 1772], the English gentlemen of the Sircar [Government] did blend all the old rents of my land together, and did make the Ziladari Mathote [exactions on tenants] and other temporary rents perpetual. . . . I am an old Zemindar; and not

¹ Select Committee's Eleventh Report, 1783, Appendix O.

being able to see the griefs of my Ryots, I agreed to take the country, as a farmer. I soon examined the country, and found there was not enough in it to pay the rents. . . .

" In Bhadra, or August 1773, the banks broke, and the Ryots' ground and their crops failed by being overflowed with water. I am a Zemindar, so was obliged to keep the Ryots from ruin, and gave what ease to them I could, by giving them time to make up their payments; and requested the gentlemen [English officials] would, in the same manner, give me time, when I would also pay up the revenue; but not crediting me, they were pleased to take the Cutchery [rent-collection office] from my house, and bring it away to Motijhil, and employed Dulal Roy as a servant and Sazawal, to collect the revenue from me and the country. . . .

" Then my house was surrounded, and all my property inquired into; what collections I had made as farmer and Zemindar were taken; what money I borrowed and my monthly allowances were all taken; and made together Rs.22,58,674 [£226,000].

" In the new year 1181 [A.D. 1774], for the amount of Rs.22,27,824 [£223,000] the country was given in farm to Dulal Roy, taking from me all authority. Then Dulal Roy and Paran Bose, a low man, put on the country more taxes, viz., another Ziladari Mathote [exaction on tenants], and Assey Jzaffer, loss of Ryots' desertion taken from present Ryots, &c. These two men issued their orders, and took from Ryots all their effects, and even seed grain and ploughing bullocks, and have depopulated and destroyed the country. I am an old Zemindar; I hope I have committed no fault. The country is plundered, and the Ryots are full of complaints.

" For these reasons I make my petition now; that as Rs.22,27,817 [£223,000] is become the revenue which Dulal Roy is to pay for this year, I am ready,

and will take care that the Sircar [Government] suffers no loss, and that this sum be paid."¹

These extracts are valuable because they give us an insight into what was going on in most parts of Bengal. Old zemindars, if they failed to compete with auction bidders, were turned out from estates which their fathers had held for generations. If they kept their estates as farmers at an enhanced revenue, and failed in prompt payment, managers were forced on their estates, and they plundered the tillers of the soil and caused misery and depopulation. The land revenues failed, however, in spite of the utmost coercion; one-third of the cultivated lands in Bengal were overgrown with jungles.

Fran Krishna, son of Rani Bhavani, submitted other petitions, and there were many revenue consultations. Philip Francis protested against the practice of European servants holding farms in the names of their Banians or Indian agents. "The country," he said, "belongs to the natives. Former conquerors contented themselves with exacting a tribute from the land. . . . Every variation hitherto introduced from the ancient customs and establishments of the country appears to have been attended with fatal consequences, insomuch that I understand it to be the general opinion, that at least two-thirds of the whole surface of Bengal and Behar are in a state of total depopulation. The timid Hindoo flies from the tyranny which he dare not resist."²

In the end, the majority of the Council resolved in 1775 "to deprive Raja Dulal Roy of the farm of Rajshahi, and that the Rani be reinstated in possession of her lands in farm." Hastings never entirely approved of this decision; he never appreciated, like his successor Lord Cornwallis, the claims of the old hereditary

¹ Select Committee's Eleventh Report, 1783, Appendix O.

² *Ibid.*

families of Bengal, he never withdrew his support from the auction purchasers and farmers, who grew up under his harsh and unsympathetic system. Large slices of the old Rajshahi estates were carved out to create a flourishing estate for Kānta Babu, the Banyan of Warren Hastings.

The evils of an oppressive and ever-changing system of land administration were aggravated by the fact that virtually the whole of the revenues of the province were drained out of the country, and did not return in any shape to the people, to fructify their trades, industries, and agriculture.

“Notwithstanding the famine in 1770, which wasted Bengal in a manner dreadful beyond all example, the Investment, by a variety of successive expedients, many of them of the most dangerous nature and tendency, was forcibly kept up. . . . The goods from Bengal, purchased from the territorial revenues, from the sale of European goods, and from the produce of the monopolies . . . were never less than a million sterling, and commonly nearer £1,200,000. This million is the lowest value of the goods sent to Europe, for which no satisfaction is made. About £100,000 a year is also remitted from Bengal on the Company’s account to China, and the whole of the product of that money flows into the direct trade from China to Europe. Besides this, Bengal sends a regular supply in time of peace to those Presidencies [in India] which are unequal to their own establishment. . . .

“When an account is taken of the intercourse, for it is not commerce, which is carried on between Bengal and England, the pernicious effects of the system of Investment from revenue will appear in the strongest point of view. In that view, the whole exported produce of the country, so far as the Company is concerned, is not exchanged in the course of barter, but it is taken away without any return or payment whatever. . . .

“ But that the greatness of these drains and their effects may be rendered more visible, your Committee have turned their consideration to the employment of those parts of the Bengal revenue which are not employed in the Company’s own Investments, for China and for Europe. . . . From the portion of that sum which goes to the support of civil government the natives are almost wholly excluded, as they are from the principal collections of revenue. With very few exceptions, they are only employed as servants and agents of Europeans, or in the inferior departments of collections, when it is absolutely impossible to proceed a step without their assistance.”¹

The following figures, showing the receipts and disbursements for Bengal for eight years, are taken from official records :²

Year.	Land revenue.	Total revenues.	Civil charges.	Military charges.	Total disbursements.
May to April	£	£	£	£	£
1771 " 1772	2,341,941	3,259,564	206,781	1,164,348	2,884,192
1772 " 1773	2,298,441	2,866,968	234,051	1,288,667	2,827,141
1773 " 1774	2,438,405	3,160,186	213,237	1,304,883	2,727,975
1774 " 1775	2,777,870	3,564,915	268,234	1,080,304	3,300,124
1775 " 1776	2,818,071	4,198,017	335,968	1,051,969	3,438,480
1776 " 1777	2,755,043	3,971,440	325,192	942,199	3,424,401
1777 " 1778	2,530,042	3,688,088	477,293	1,184,708	3,353,029
1778 " 1779	2,656,809	3,782,690	553,810	1,846,237	4,972,590

We have so far dwelt on the state of things in Bengal. If we travel out of Bengal, and briefly survey the condition of other provinces which came under the administration or the influence of Warren Hastings, we shall find that the first results of the extension of his power was not happy. Among the many little States into which Northern India was divided in the

¹ Select Committee’s Ninth Report, 1783, p 55.

² Volume ii. of the Six Reports of the Committee of Secrecy, 1782, p. 362.

eighteenth century, none was more flourishing and prosperous, according to the testimony of all eye-witnesses, than Benares. The people were industrious, agriculture and manufactures flourished, and Raja Balwant Sing had his capital in that sacred city which was revered by all Hindus in all parts of India.

Balwant Sing died in 1770, and his liege lord, the King of Oudh, known as the Vizir, confirmed his son, Chait Sing, in succession on receipt of a succession fee and on a slight increase of the revenue previously paid. The East India Company had interested themselves in this succession, and in a general letter to the Directors, dated 31st October 1770, the Governor of Bengal wrote that "the Vizir's readiness in complying with this our recommendation and request has offered us great satisfaction, and is a circumstance the most pleasing, as it must give strength to the opinions of the several Powers in Hindustan of the strict friendship subsisting between the English and him."¹

The King of Oudh, Suja-ud-Daula, himself died in 1775, and Warren Hastings, then Governor-General, took advantage of the death of the old ally of the British to extend British dominion and power. In May 1775 a new treaty was ratified between his son and successor, Asof-ud-Daula, by which Benares was ceded to the East India Company, and Raja Chait Sing became a vassal of the British.

"The cession of Benares and the other territories of the Raja Chait Sing," wrote the Governor-General to the Directors in August 1775, "to the Company, we flatter ourselves, will prove perfectly agreeable to your ideas, as it conveys a valuable acquisition to the Company. . . . The revenue which accrues from this acquisition amounts to Rs.23,72,656 [£237,000], and will be paid by the Raja in monthly payments as a neat tribute, without rendering any account of his

¹ Select Committee's Second Report, 1782, p. 452.

collections, or being allowed to enter any claims for deduction.”¹

Three years after this the unfortunate Chait Sing comprehended the full import of the change of his masters. “War having been declared between the Courts of Great Britain and France,” wrote Warren Hastings to Chait Sing in July 1778, “by the former on the 18th March . . . I am to request of you, in my own name and that of the Board, as a subject of the Company, bound to promote their interest on every occasion, to contribute your share of the burden of the present war.”²

In justice to one honest Englishman, it is necessary to record that Philip Francis endeavoured to oppose the demands and exactions of Warren Hastings. He had been the foremost to bring the State of Benares under British supremacy; but he protested against arbitrary demands on the Raja, who was now a vassal of the Company.

“There is no question but the Raja must yield to the power of this Government, and I shall be as ready as any member of this Board to support its authority as long as its power is directed by justice. I did from the first express a doubt whether we had strictly a right to increase our demands upon the Raja beyond the terms which we originally agreed to give him, which he consented to, and which, as I have constantly understood it, were made the fundamental tenure by which he held his zemindari. If such demands can be increased upon him at the discretion of the superior Power, he has no right, he has no property, or at least he has no security for either. Instead of five lakhs let us demand fifty, or whether he refuses or is unable to pay the money, the forfeiture of his zemindari may be the immediate consequence of it.”³

¹ Select Committee's Second Report, 1782, p. 460.

² *Ibid.*, p. 463.

³ *Ibid.*, p. 465.

These protests were made in vain. A second year's contribution of five lakhs (£50,000) was demanded from Chait Sing, then a third year's contribution of five lakhs, and then a fourth year's contribution, besides expenses of troops. He was reprimanded for failure of payment and then arrested; and when his people attacked the Company's guards, his fate was sealed. He fled from his estate; his sister's-son, Mahip Narayan, was seated in his place with a large increase of the revenue demand; and the administration was controlled by the Governor-General's own agents.

The administration was a ghastly failure—not because Warren Hastings was a less able administrator than Bulwant Sing and Chait Sing, under whom Benares had flourished—but because the increased revenue demand under the new administration crushed the agricultural industry of the State.

The first deputy whom Hastings appointed for the Raja was dismissed for the offence of not making punctual payments. The second accordingly acted upon the "avowed principle that the sum fixed as the revenue must be collected." Lands were over-assessed, collections were made with the utmost harshness, the population was plunged into misery, and the country was desolated by a terrible famine in 1784.

Hastings himself witnessed the effects of the desolation and the famine. "From the confines of Buxar," he wrote to the Council Board on the 2nd April 1784, "to Benares, I was followed and fatigued by the clamours of the discontented inhabitants. The distresses which were produced by the long-continued drought unavoidably tended to heighten the general discontent. Yet I have reason to fear that the cause existed principally in a defective, if not a corrupt and oppressive, administration. I am sorry to add, that from Buxar

to the opposite boundary, I have seen nothing but traces of complete devastation in every village. I cannot help remarking that, except the city of Benares, the province is in effect without a government. The administration of the province is misconducted, and the people oppressed, trade discouraged, and the revenue in danger of a rapid decline from the evident appropriation of its means."¹

Such was the condition of Benares nine years after it had passed from the dominions of Oudh to the dominions of the East India Company. We will now travel a step further and survey the condition of Oudh itself.

Suja-ud-Daula, the ally of the British, died in 1775, as has been stated before. He was cruel and relentless towards his enemies, but he left the population of his kingdom contented, prosperous, and happy; and English officers who visited Oudh during the last years of his administration bear testimony to the flourishing condition of the country and its people.

When Asof-ud-Daula ascended his father's throne, Warren Hastings extended the power of the East India Company in Oudh. The old treaty with Suja-ud-Daula was modified, and a new treaty was made with Asof-ud-Daula, "by which the latter eventually and necessarily became a vassal of the Company."²

This vassalage was the ruin of Oudh. Colonel Hanny, who was sent up to Oudh by Hastings in command of a brigade, shared with many of his countrymen of those days the desire to make the best of his opportunities, and to rear a rapid fortune in his new station. The practice of the assignment of the land revenues, which had proved so fatal in

¹ Quoted in Mill's *History of British India*, 1858, vol. iv. chapter vii.

² Select Committee's Tenth Report, 1783, Appendix 7.

Madras and elsewhere, was pursued in Oudh. Colonel Hanny exercised civil and military powers in Oudh, and became the farmer of the revenues of Barraich and Gorakpur. Rents were increased; collections were made with every circumstance of cruelty and coercion; the people fled from their fields and villages; the country became desolate.

Asof-ud-Daula saw the ruin he had brought on himself. In 1779 he wrote to the British Government: "From the great increase of expense, the revenues were necessarily farmed out at a high rate, and the deficiencies followed yearly. The country and cultivation is abandoned."¹ The Nawab accordingly protested against fresh assignments for the new brigade, declaring that the troops were quite useless to him, and were the cause of loss in the revenues and of confusion in the affairs of his government.

The Calcutta Council deliberated on this important communication. Philip Francis, with that instinct of justice which was natural to him, recorded a characteristic Minute.

"I have not been long enough in the habits of dominion to see anything offensive or alarming in the demand made by an independent prince to be relieved from the burden of maintaining a foreign army, which, it is notorious, have devoured his revenues and his country under colour of defending it. . . .

"The Court of Directors, in their letter of the 15th December 1775, approve of the keeping of a brigade in the service of the Soubah of Oudh, *provided it be done with the free consent of the Soubah, but by no means without it.*

"Concerning this part of the army, however, there is at present no dispute, since the Vizier does not desire to have it recalled; his demand goes solely to

¹ Select Committee's Tenth Report, 1783, Appendix 7.

the temporary brigade and independent battalions under Major Hanny and Captain Osborne; the former, he says, is not only quite useless to his government, but it is, moreover, the cause of much loss both in the revenues and customs; the latter, he asserts, bring nothing but confusion to the affairs of government, and are entirely their own masters. . . .

"The motion supposes not only a necessity of our compelling him to keep those troops in his pay, but that we ourselves should be collectors of the revenues which is to pay them; which, as things are now managed, is nearly equivalent to putting his country under military execution. Thus one necessity produces another, and will continue to do so as long as the Indian States possess anything that can tempt our avarice or gratify our ambitions, or until we ourselves are taught by experience that there is some self-wisdom in doing justice to others."¹

In the eyes of Warren Hastings, the pecuniary loss which would be inflicted on the Company by withdrawing the battalions had greater weight than the miseries imposed on the people of Oudh. The Nawab, he said, was the vassal of the Company, and the troops "cannot be withdrawn without imposing on the Company the additional burden of their expense." "It was for a great convenience, then," remarks the historian of India, James Mill, "and for nothing else, that the English, without any claim of right, compelled the Nawab Vizir to maintain their troops, that is, treated as the vassal which Hastings described him, and substantially seized and exercised the rights of sovereign and master over both him and his country."²

The demands of the British Government in 1780 stood at £1,400,000. How the Governor-General recalled Bristow from Lucknow and sent Middleton as

¹ Select Committee's Tenth Report, 1783, Appendix 7.

² *History of British India*, 1858, vol. iv. chapter viii.

Resident; how the Nawab was helped to rob his mother and his grandmother, the Begams of Oudh, to meet the demands of the Company's government; and how a large sum of money was extorted from them with every circumstance of oppression and indignity, are matters of history which it is unnecessary to narrate, in these pages. The condition of the cultivators of Oudh is of far greater importance for the purposes of the present work than the more dramatic story of the wrongs of the royal house.

The facts which were deposed to at the celebrated impeachment of Warren Hastings relating to the collection of rents from the impoverished tenantry are sufficiently dismal. It was stated that the defaulters were confined in open cages, and it was replied that confinement in such cages under the Indian sun was no torture. It was stated that fathers were compelled to sell their children, and it was replied that Colonel Hanny had issued orders against such unnatural sales. Large masses of the people left their villages and fled the country, and troops were employed to prevent their flight. At last a great rebellion broke out; farmers and cultivators rose against the unbearable exactions; and then followed horrors and executions with which the untrained tillers of the soil are put down by the infuriated soldiery.

Colonel Hanny was then recalled from Oudh, and the rebellion was quelled, but Oudh was in a state of desolation. Captain Edwards visited Oudh in 1774 and in 1783. In the former year he had found the country flourishing in manufactures, cultivation, and commerce. In the latter year he found it "forlorn and desolate." Mr. Holt, too, stated that Oudh had fallen from its former state, that whole towns and villages had been deserted, and that the country carried the marks of famine. A severe famine actually visited the province in 1784, and the horrors of

starvation were added to the horrors of misgovernment and war.

The cruel exactions of the East India Company, the miseries inflicted upon the people in every new territory added to their dominions, and the failure of the Regulating Act of 1773 to effect any adequate reforms, were revealed to the British Parliament by the Six Reports of the Committee of Secrecy, and the Eleven Reports of the Select Committee, published in 1782 and 1783. A reform in the administration was loudly called for. Fox's India Bill, supported by Edmund Burke, was rejected by the House; but at last Mr. Pitt's Bill for the better government of India was passed into law in 1784, and for the first time placed the administration of the Company under the control of the Crown. All civil, military, and revenue affairs of the Company were placed under the superintendence of six Commissioners appointed by the Crown. Warren Hastings resigned his post in the following year, and Lord Cornwallis, a nobleman of high character and of a generous disposition, was sent out as Governor-General to India.

In this brief narrative of the administration of Warren Hastings, we have strictly confined our attention to the economic condition of the people, and we deplore, with all impartial historians, that, from this point of view, his administration was a failure. In justice, however, to Warren Hastings, it is necessary to quote what was so ably urged in 1789 in his defence by Mr. Shore, afterwards Lord Teignmouth.

"A period of twenty-eight years has now elapsed since the Company first acquired a right to the revenues of any considerable part of the provinces, and of twenty-four years only since the transfer of the whole in perpetuity was regularly made by the grant of the Dewani. When we consider the nature and magnitude of this acquisition, the character of the people placed under

our dominion, their difference of language and dissimilarity of manners, that we entered upon the administration of the government ignorant of its former constitution and with little practical experience in Asiatic finance, it will not be deemed surprising that we should have fallen into errors, or if any should at this time require correction.”¹

There is a great deal of truth in these remarks; and yet they apply to Warren Hastings in a less degree than perhaps to any other Englishman of his time. Warren Hastings was not a stranger in India, and was not ignorant of the people. He had come to India almost as a boy. He had passed his early life in a humble capacity, had mixed with the people, and had studied and appreciated their character. “I affirm, by the oath that I have taken,” he said before the British Parliament, twenty-eight years after his retirement from India, “that this description of them [that the people of India were in a state of moral turpitude] is untrue and wholly unfounded. . . . They are gentle, benevolent, more susceptible of gratitude for kindness shown them than prompted to vengeance for wrongs inflicted, and as exempt from the worst properties of human passion as any people on the face of the earth.”² Such were the people whom Hastings knew, and among whom he worked, with brief intervals of absence, for thirty-five years of his life, from 1750 to 1785.

Nor were these sentiments of Warren Hastings towards the people altogether belied by his public acts in India. At a time when the Company's servants were engaged in acquiring sudden and large fortunes by robbing the people of Bengal of their inland trade, Warren Hastings stood forth alone by the side of his leader, Vansittart, to oppose the tyranny of his country-

¹ Select Committee's Fifth Report, 1812, p. 169.

² Minutes of Evidence taken before the Lords' Committees, 1813, p. 1.

men. And even during his own administration of thirteen years, from 1772 to 1785, he endeavoured to bring order out of chaos; he compiled and published the laws of the Hindus and the Mahomedans; he established courts to administer those laws; he shaped a system of administration which has been improved since, but of which he was the first great architect.

From a man so gifted with the power of organisation and so rich in the knowledge of the country and its people, a high degree of administrative success would naturally be expected. Yet, if the success of a government be judged by the happiness it confers on the people, the administration of Hastings was a ghastly failure. The extension of British power and influence did not ameliorate the economic condition of the people, but left behind it a dark trail of misery, insurrections, and famines, in Bengal, Benares, and Oudh.

It is possible for us, after the lapse of a century, to calmly inquire into the causes of this failure. Hastings shared with all other Englishmen of his age the ineradicable conviction that India was a great estate for the profit of the East India Company and its servants, and he applied the whole forces of his vigorous mind to make India pay. The good of the people was made subservient to this primary object of the Company's administration; the rights of princes and people, of Zemindars and Ryots, were sacrificed to this dominant idea of the commercial rulers of India. Land revenue was increased even after the famine of 1770 had swept away one-third of the population of Bengal; landed families who had owned their estates for centuries were made to bid for them as annual farmers against money-lenders and speculators, cultivators flying from their homes and villages or rising in insurrection were driven back by soldiers to their homes with cruel severity; and a great portion of the money so raised was annually sent in the shape of Investments

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to the gratified shareholders in England. No administrator however gifted, and no administration however perfect, could prevent national poverty and famines when the whole of their fiscal policy was to drain the resources of one country for the traders of another.

This was the main cause of the failure of the administration of Warren Hastings, and his harsh, despotic, and arbitrary measures deepened the evils. There is a verdict on the conduct of great rulers which is more true and more abiding than that of historians, and that verdict is the verdict of the people. The people of India look back with pain and horror on the administration of Hastings which impoverished the country, as they look back with feelings of gratitude on the administration of his successor, who had the sympathy to feel and the courage to act for the material well-being of the vast population entrusted to his charge.

CHAPTER V

LORD CORNWALLIS AND ZEMINDARI SETTLEMENT IN BENGAL (1785-1793)

Pitt's India Bill became law on the 13th August 1784. It placed the administration of the Company under the control of the Crown, and thus compelled some reforms. The Directors of the Company felt that they must put their house in order. They selected a nobleman of high character and broad sympathies to succeed Warren Hastings, and in their letter of the 12th April 1786 they gave the new Governor-General, Lord Cornwallis, full instructions for his guidance.

In this memorable letter the Directors expressed their disapprobation of the frequent changes in the revenue system of Bengal and their desire to pursue any one system under watchful superintendence. They condemned the endeavours which had been made to continually increase the land-tax, and to oust Zemindars in favour of farmers, Sazawals, and Amins, who had no permanent interest in the well-being of the cultivators. They expressed their opinion that the most likely means of avoiding defalcations would be to introduce a *Permanent Settlement* of the land revenue, estimated on reasonable principles, for the due payment of which the hereditary tenure of the possessor would be the best and the only necessary security. They directed that the settlement should be made in all practicable instances with the Zemindars, and they declared that "a moderate *jumma* or assessment, regularly and punctu-

ally collected, unites the consideration of our interests with the happiness of the natives and security of the landholders more rationally than any imperfect collection of any exaggerated *jumma* to be enforced with severity and vexation."¹ And while they intended the settlement to be ultimately made permanent, they desired that the first settlement should be concluded for ten years only. The reader will perceive from this brief summary of the Directors' letter of 1786 that the statesmanlike recommendations made by Philip Francis in 1776 had borne fruit in ten years. After a bitter experience of ten years—bitter in the miseries inflicted on the people of Bengal—the wisdom of the proposals of Philip Francis was vindicated, and the unwisdom of the harsh and varying schemes of Hastings was condemned.

The man who was chosen to give effect to the new scheme was worthy of his task. Without that minute knowledge of Indian affairs which Warren Hastings possessed, Lord Cornwallis was gifted with a real sympathy with the people over whom he was sent to rule. Not once or twice in the history of India has the administrator of strong and benevolent sympathies succeeded, where the administrator of larger local experience and narrower sympathies has failed. And hence the necessity which is felt to this day, as it was felt in the eighteenth century, of leavening Anglo-Indian administration by the wider statesmanship of Europe.

On his arrival in India, Lord Cornwallis found it impossible to conclude a ten years' settlement without some further inquiry into the question of usages, tenures, and rents, and he vigorously prosecuted these inquiries. The Committee of Revenue had already changed its name to that of Board of Revenue, and its authority and functions were continued. The

¹ Select Committee's Fifth Report, 1812, p. 13.

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European civil servants were vested with the combined powers of collector, judge, and magistrate,¹ and the administration of criminal justice still remained vested in the Deputy-Nawab of Bengal, to whose courts the European magistrates committed all serious cases for trial.

A great change in administration was effected in 1790. The Governor-General in Council accepted the superintendence of criminal justice throughout the provinces.² The chief criminal court was removed from Murshedabad to Calcutta. Four courts of circuit, superintended respectively by two covenanted officers, conducted the trial of offences not triable by magistrates. Regulations in the civil, criminal, and revenue departments were revised and printed in the English and Indian languages.

Further administrative and judicial reforms were effected in 1793. A separation of the judicial and executive duties was effected. The Board of Revenue and the District Collectors were deprived of their judicial functions in revenue cases. The Collectors were also divested of their magisterial authority. A covenanted officer of higher official rank than the Collector was appointed Judge and Magistrate in each division, and this officer was entrusted with the superintendence of the police within his division. Four appellate courts were established at Calcutta, Patna, Dacca, and Murshedabad respectively.³

The war with Tipu Sultan of Mysore compelled Lord Cornwallis to undertake the operations personally. He forced his way to the capital of Mysore, and dictated terms of peace to the Sultan in 1792. The British obtained Calicut and Coorg in the west, as well

¹ Regulations of June 1787.

² Bengal Consultations, 3rd December 1790. Lord Cornwallis's Minute.

³ Regulation V. of 1793. A fifth appellate court was established at Benares in 1795, and a sixth for the North-Western Provinces in 1803.

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as the district of Baramahal in the east, and it was in the revenue settlement of Baramahal, on which Thomas Munro was employed from 1792 to 1799, that he gained that experience and success which ultimately made him the most distinguished revenue officer in Madras.

In Bengal the revenue inquiries were proceeding rapidly to a conclusion. The famous Minute of Mr. Shore, afterwards Lord Teignmouth, dated 18th June 1789, "respecting the Permanent Settlement of the lands in the Bengal provinces," laid the foundation of that settlement on which the East India Company and Lord Cornwallis were determined. It is impossible within our limits to give any summary of this able and exhaustive Minute, which, with its appendices and propositions, covers seventy closely printed folio pages of the celebrated fifth report,¹ but it is necessary to mention a few facts elicited by Mr. Shore's exhaustive inquiry.

Mr. Shore refers to the revenue settlements made by Todar Mall in 1582 and by Jaffar Khan in 1722.

"If we suppose the assessment of Todar Mall to have been moderate in the first instance, the stated increase will not be deemed extravagant. Between the two periods of Todar Mall and Jaffar Khan the country had considerably improved in opulence, as new sources of trade had been opened, and commerce in general had become more diffused; specie, comparatively scarce in Akbar's reign, was afterwards poured into the country through new channels. On the contrary, we invest [respect?], acknowledge, and applaud that political wisdom which prescribed limits to exaction, and allowed the subjects of the State to enjoy the profits of their own industry and good management."²

¹ Fifth Report, 1812, pp. 169-238.

² Paragraph 14.

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Mr. Shore then refers to the subsequent enhancements made by Suja Khan, Alivardi Khan, and Mir Kasim; an appendix¹ furnishes us with the following figures for the land revenues of Bengal on different dates:

	Rupees.	£
By Todar Mall's settlement, 1582 . . .	10,693,152	[1,070,000]
By Sultan Suja's settlement, 1658 . . .	13,115,907	[1,312,000]
By Jaffar Khan's settlement, 1722 . . .	14,283,186	[1,429,000]
By Suja Khan's settlement, 1728 . . .	14,245,561	[1,425,000]

It will be seen that the amount of the land revenue was not much altered to the close of the Mahomedan rule, although sundry other taxes were imposed between 1722 and 1763.

Referring to the collections just before the commencement of British administration, Mr. Shore gives us the figures of four years (1762-1765). "The first year of this period belongs to Cossim Ali [Mir Kasim]; the second and third to Nundcomar under the authority of Mir Jaffer; and the fourth to Mahomed Reza Khan, being the first year of the Dewani."²

	Actual collection in rupees.	Actual collection in £
1762-63 . . .	6,456,198	[646,000]
1763-64 . . .	7,618,407	[762,000]
1764-65 . . .	8,175,533	[818,000]
1765-66 . . .	14,704,875	[1,470,000]

The peculiar economic feature of the British rule, as distinguished from the preceding Mahomedan rule, was the annual Economic Drain from the country which was introduced by the foreign rulers. This did not escape the observation of Mr. Shore.

"The Company are merchants as well as sovereigns of the country. In the former capacity they engross its trade, whilst in the latter they appropriate the revenues. The remittances to Europe of revenues are

¹ Appendix I. to the Minute.

² Paragraph 68. *

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made in the commodities of the country which are purchased by them."

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

"Every information from the time of Bernier to the acquisition of the Dewani shows the internal trade of the country, as carried on between Bengal and the upper parts of Hindustan, the Gulf of Moro, the Persian Gulf, and the Malabar coast, to have been very considerable. Returns of specie and goods were made through these channels by that of the foreign European companies, and in gold dust for opium from the eastward."

"But from the year 1765 the reverse has taken place. The Company's trade produces no equivalent returns. Specie is rarely imported by the foreign companies, nor brought into Bengal from other parts of Hindustan in any considerable quantities."

"Upon the whole, I have no hesitation in concluding that since the Company's acquisition of the Dewani the current specie of the country has been greatly diminished in quantity, that the old channels of importation by which the drains were formerly replenished are now in a great measure closed, and that the necessity of supplying China, Madras, and Bombay with money, as well as the exportation of it by Europeans to England, will continue still further to exhaust the country of its silver."¹

It will be seen that Mr. Shore specially dwells on the depletion of silver. Before the time of Adam Smith the precious metals were believed to represent

¹ Paragraphs 131, 132, 135, 136, 140.

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the wealth of a country. But the real exhaustion, which he so forcibly describes, was the exhaustion of the wealth, the produce, the food of the people.

Discussing the three possible methods of land settlements in Bengal, viz., a settlement with Ryots, a settlement with farmers of the revenue, and a settlement with Zemindars, Mr. Shore proves conclusively that the last one was the only one consistent with good government and the improvement of the country.

"We have admitted the property in the soil to be vested in the Zemindars. . . . The mere admission of the right, unless followed by the measures that will give value to it, will operate but little towards the improvement of the country. The demands of a foreign dominion like ours ought certainly to be more moderate than the impositions of the native rulers; and to render the value of what we possess permanent, our demands ought to be fixed. Removed from the control of our own Government the distance of half the globe, every practicable restriction should be imposed upon the administration in India, without circumscribing the necessary power, and the property of the inhabitants be secured against the fluctuations of caprice or the license of unrestrained control."¹

The State demand was fixed at nine-tenths of the actual rental, in the hope that Zemindars would succeed by the improvement of their estates to gradually increase the scanty one-tenth left to them.

"A proportion of nine-tenths of the zemindari receipts is surely as much as our Government ought to demand, if it means to regard the welfare of their subjects by zemindari receipts; I mean that proportion of the gross produce which comes to the Zemindar after deducting immediate profits and charges. I should hope that the profits of the Zemin-

¹ Paragraph 264.

dars would in time exceed this proportion by a due attention to the improvements of their lands and the encouragement of their Ryots."¹

Farther on, Mr. Shore describes clearly and forcibly what he understood to be the rights of the Zemindars of Bengal.

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

"Despotism could extend its claims to the subversion of the rights of the Zemindars without an avowed and direct infringement of them, but its practice, generally speaking, has been in favour of them. The Zemindars of Bengal were opulent and numerous in the reign of Akbar, and they existed when Jaffer Khan was appointed to the administration under him and his successors. Their respective territorial jurisdictions appeared to have been greatly augmented; and when the English acquired the Dewani, the principal Zemindars exhibited the appearance of opulence and dignity."²

So far with regard to the Zemindars. With regard to the Ryots or cultivators, Mr. Shore is equally emphatic.

"In every district throughout Bengal, where the licence of exaction has not superseded all rule, the rents of the land are regulated by known rates called Nirik, and in some districts each village has its own. These rates are formed, with respect of the produce

¹ Paragraph 355.

² Paragraphs 370 and 382.

of the land, at so much per bigha [a third of an acre]; some soil produces two crops in a year of different species, some three; the more profitable articles, such as mulberry plant, betel-leaf, tobacco, sugar-cane, and others, render the value of the land proportionably great."

"Pattahs [leases] to the Khod-Khast Ryots, or those who cultivate the land of the village where they reside, are generally given without any limitation of period, and express that they are to hold the land paying the rents from year to year. Hence the right of occupancy originates."

"Pykast Ryots, or those who cultivate the land of villages where they do not reside, hold their lands upon a more indefinite tenure. The Pattahs to them are generally granted with a limitation in point of time; where they deem the terms unfavourable, they repair to some other spot."¹

Towards the conclusion of his Minute, Mr. Shore gives a summary of his proposals.

"The leading principles upon which I shall ground my propositions for the ensuing settlement are two."

"The security of Government with respect to its revenues, and the security and protection of its subjects."

"The former will be best established by concluding a Permanent Settlement with the Zemindars or proprietors of the soil, the land, their property, is the security of the Government."

"The second must be ensured by carrying into practice, as far as possible, an acknowledged maximum of taxation. The tax which each individual is bound to pay ought to be certain, not arbitrary. The time of payment, the manner of payment, the quantity to be paid, ought all to be clear and plain to the contributor and every other person."

¹ Paragraphs 391, 406, 407.

"The settlement is then to be made for a period of ten years certain, but with a view to permanency."¹

The above is a bare outline of the exhaustive Minute of Mr. Shore, in which he supported the proposal of a Permanent Settlement, first advocated by Philip Francis. In a second Minute, submitted in the same year, Mr. Shore, however, suggested the omission of the proposed notification to Zemindars that the settlement made for ten years would be eventually made permanent. Lord Cornwallis objected to this omission, which might indicate some uncertainty as to the policy of the Government; and some of the remarks recorded by his Lordship are so clear, so cogent, and so forcible, that it is impossible to omit them even in this brief narrative.

"Mr. Shore has most ably, and, in my opinion, most successfully, in his Minute delivered in June last, argued in favour of the rights of the Zemindars to the property of the soil. But if the value of permanency is now to be withdrawn from the settlement now in agitation, of what avail will the power of his arguments be to the Zemindars, for whose rights he has contended? . . .

* When the landlord of the soil himself, the rightful owner of the land, is only to become a farmer for a lease of ten years, and if he is then to be exposed to the demand of a new rent, which may perhaps be dictated by ignorance or rapacity, what hopes can there be—I will not say of improvement—but of preventing desolation? . . .

"I may safely assert that one-third of the Company's territory in Hindustan is now a jungle inhabited only by wild beasts. Will a ten-years' lease induce any proprietor to clear away that jungle, and encourage the Ryots to come and cultivate his lands, when at the end of that lease he must either submit to

¹ Paragraphs 457, 458, 459, 460, 462.

be taxed *ad libitum* for their newly cultivated lands, or lose all hopes of deriving any benefit from his labour, for which perhaps by that time he will hardly be repaid? . . .

"I cannot avoid declaring my firmest conviction that if those provinces are let upon lease for that period only, they will find, at the end of it, a ruined and impoverished country."¹

In a subsequent Minute, Lord Cornwallis again recorded his statesmanlike views.

"If laws are enacted which secure to them [Zemindars] the fruits of industry and economy, and at the same time leave them to experience the consequence of idleness and extravagance, they must either render themselves capable of transacting their own business, or their necessities will oblige them to dispose of their lands to others, who will cultivate and improve them. This I conceive to be the only effectual mode which this or any other Government could adopt, to render the proprietors of the lands economical landlords and prudent trustees of the public interest. . . .

"Twenty years have been employed in collecting information. In 1769 Supervisors were appointed; in 1770 Provincial Councils were established; in 1772 a Committee of Circuit was deputed to make the settlement, armed with all the powers of the Presidency; in 1776 Amins were appointed to make a Hastbood [rent-roll] of the country; in 1781 the Provincial Councils of revenue were abolished, and Collectors were sent into the several districts, and the General Council and management of the revenues was lodged in a Committee of Revenue at Calcutta under the immediate inspection of Government. Like our predecessors, we set out with seeking for new information, and we have now been three years in collecting it.

¹ Lord Cornwallis's Minute, dated 18th September 1789.

Voluminous reports have been transmitted by the several Collectors on every point which was deemed of importance. . . .

"The consequences of the heavy drain of wealth from the above causes, with the addition of that which has been occasioned by the remittances of the private fortunes, have been for many years past, and are now, severely felt, by the diminution of the current specie, and by the languor which has thereby been thrown upon the cultivation and the general commerce of the country. . . .

"A very material alteration in the principles of our system of management has therefore become indispensably necessary, in order to restore this country to a state of prosperity, and to enable it to continue to be a solid support to the British interests and power in this part of the world. . . .

"We are, therefore, called upon to endeavour to remedy evils by which the public interests are essentially injured, and by granting perpetual leases of the lands at a fixed assessment we shall render our subjects the happiest people in India."¹

In November 1791 an amended and complete Code of Regulations was promulgated by the Government for a settlement of ten years, and the settlement was concluded in every district in Bengal in 1793. The whole amount of land revenue² obtained from the provinces of Bengal, Behar, and Orissa for the year 1790-91 was Rs.26,800,989 (£2,680,000). The amount was nearly double the assessment of Jaffer Khan and of Suja Khan in the early part of the century; it was three times the collections of Maharaja Nandkumar in the last year of the rule of Mir Jafar (1764-65); and it was nearly double the collections made by Mahomed Reza Khan, under British super-

¹ Lord Cornwallis's Minute, dated 3rd February 1792.

² Fifth Report, 1812, p. 19.

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vision, in the first year of the Company's Dewani (1765-66). The assessment was, therefore, as severe as it could possibly be made; and it was possible to raise it so high because it was declared to be final and permanent.

The Directors, in their letter of the 29th September 1792, expressed themselves in high terms of approbation of what had been done, and gave their assent to the settlement of the land revenue in perpetuity. On receipt of these orders, Lord Cornwallis issued a proclamation on the 22nd March 1793, announcing the permanency of the settlement which had just been concluded or was still in progress. The first three articles of the proclamation run thus:

Art. I. "In the original regulations for the decennial settlement of the public revenues of Bengal, Behar, and Orissa, passed for these provinces respectively on the 18th September 1789, the 25th November 1789, and the 10th February 1790, it was notified to the proprietors of land with or on behalf of whom a settlement might be concluded, that the jumma assessed upon the lands, under those regulations, would be continued after the expiration of the ten years, and remain unalterable for ever, provided such continuance should meet with the approbation of the Honourable Court of Directors for the affairs of the East India Company, and not otherwise."

Art. II. "The Marquis Cornwallis, Knight of the Most Noble Order of the Garter, Governor-General in Council, now notifies to all Zemindars, independent Talookdars, and other actual proprietors of land in the provinces of Bengal, Behar, and Orissa, that he has been empowered by the Honourable Court of Directors for the affairs of the East India Company to declare the jumma which has been or may be assessed upon their lands under the regulations above mentioned, fixed for ever."

• Art. III. "The Governor-General in Council accordingly declares to the Zemindars, independent Talookdars, and other actual proprietors of land, with or on behalf of whom a settlement has been concluded under the regulations above mentioned, that at the expiration of the term of the settlement no alteration will be made in the assessment which they have respectively engaged to pay, but that they and their heirs and lawful successors will be allowed to hold their estates at such assessment for ever."¹

Regulation I. of 1793, making the Permanent Settlement, was accordingly passed. It is the one act of the British nation within the century and a half of their rule in India which has most effectually safeguarded the economic welfare of the people. It is an act which is in consonance with the modern policy of civilised nations to permit the people to profit by their own industries, instead of paralysing their industries by an uncertain and increasing State demand. Agriculture has largely extended in Bengal within the last hundred years, and the land-tax of Bengal, which was fixed in 1793 at 90 per cent. of the rental, now bears a proportion of about 28 per cent. to the rental of landlords; and new taxes amounting to 6½ per cent. on the rental have been added for roads and public works.

* Since 1793 there has never been a famine in permanently settled Bengal which has caused any serious loss of life. In other parts of India, where the land-tax is still uncertain and excessive, it takes away all motives for agricultural improvements and prevents saving, and famines have been attended with the deaths of hundreds of thousands, and sometimes of millions. If the prosperity and happiness of a nation be the criterion of wisdom and success, Lord Cornwallis's Permanent Settlement of 1793 is the

¹ Fifth Report, 1812, p. 21.

wisest and most successful measure which the British nation has ever adopted in India.

We cannot conclude this account of the Permanent Settlement of the land-tax in Bengal without comparing it with the settlement of the land-tax which was made in England five years after, *i.e.* in 1798. The property-tax of William III., originally intended to bear on personal property and offices, was subsequently described as the annual land-tax, when personal property slipped out of the assessment. Raised for the war of the Spanish Succession to four shillings in the pound of annual value, *i.e.* 20 per cent. of the rental, it was reduced to two shillings, *i.e.* 10 per cent. of the rental, after the Peace of Utrecht in 1713. And down to the close of the eighteenth century it varied between four shillings and one shilling in the pound, *i.e.* between 20 per cent. and 5 per cent. of the rental.

Five years after the Permanent Settlement of Bengal, the great Minister, William Pitt, made the land-tax perpetual in England in the various districts specified in the Act, and landlords were enabled by this Act to redeem the tax altogether by the payment of a lump sum. £1,300,000 of the tax has been redeemed up to date, and over £1,000,000 remains yet unredeemed. This last is now regarded as a fixed charge upon estates, subject to which they are bought and sold.¹

There may be some doubt as to the wisdom of Pitt's Permanent Settlement of the land-tax in England; there can be no doubt as to that of Cornwallis's Permanent Settlement in Bengal. In England the settlement benefited the landed classes only; in Bengal the settlement has benefited the whole agricultural community; the entire peasant population

¹ Stephen Dowell's *History of Taxation and Taxes in England*, 1884, vol. III. pp. 97-101

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shares the benefit, and is more prosperous and resourceful on account of this measure. In England the settlement limited the tax on one out of the many sources of national income; in Bengal it has afforded a protection to agriculture which is virtually the only means of the nation's subsistence. In England it precluded the State from drawing a larger land-tax to be spent in the country for the benefit of the nation; in Bengal it has precluded the State from increasing the annual Economic Drain of wealth out of the country. In England it saved the landlord class from added taxation; in Bengal it has saved the nation from fatal and disastrous famines. •

CHAPTER VI

FARMING OF REVENUES IN MADRAS (1763-1785)

IN the preceding chapters we have narrated the economic history of Bengal from 1757 to 1793; and we must now turn to the state of things in Madras, where the long wars between the British and the French were at last concluded by the Peace of Paris in 1763.

The eventful history of these wars has been often told. It was a momentous struggle for the possession of Southern India. It was a contest between Dupleix, who began the construction of a French empire, and Robert Clive, who demolished that unfinished structure. Later on, it was a patriotic and persevering endeavour made by the talented Bussy and the impetuous Lally for saving the power of France in the East, which was finally destroyed by Eyre Coote. The Treaty of Paris finally recognised the success of England; France was never after her rival in India.

It is a great relief to us to turn from the twice-told tale of these wars to the economic condition of the people. The history of India is not the history of the British and French wars, but of the people of India—their material and moral condition, their trades, industries, and agriculture. And it is because this true history of the people has hitherto received scant attention, that we devote the present work entirely to that instructive subject, leaving the more dramatic story of wars to more brilliant writers.

The twenty years' struggle between the French and the English ended, as has been stated before, in

1763. The settlement of Pondicherry and a few other places were restored to the French, but the English remained supreme in Southern India. Mahomed Ali, a creature of the British, was recognised as Nawab of the Karnatic, while the immediate possessions of the British extended over some territory round Madras, and over the whole of the eastern seaboard stretching northwards to Bengal.

The character of Mahomed Ali, Nawab of the Karnatic, was the very opposite of that of his contemporary, Mir Kasim, Nawab of Bengal. Mir Kasim was a determined man and a strong ruler; Mahomed Ali was a feeble man and a luxurious prince. Mir Kasim removed his seat of government to Monghyr in order to organise his own administration away from British influence; Mahomed Ali left his own capital, Arcot, to live amidst the luxuries of the British town of Madras. Mir Kasim was a stern economist, and paid off all his pecuniary obligations to the British in two years after he had ascended the throne; Mahomed Ali never could liquidate the claims of the Company, and drifted more and more into debt. Mir Kasim fought with the British in order to keep the inland trade of Bengal in the hands of his own subjects; Mahomed Ali made assignments of his land revenues to his British money-lenders, until virtually the whole of his territories passed into the hands of his creditors. Mir Kasim was driven out of his dominions and died an exile; Mahomed Ali lived in inglorious dependence, luxury, and debt, and died in ripe old age. A strong ruler had no place in the scheme of British dominion in the East; a weak ruler was permitted to live and to borrow, and to pay the interest out of the revenues of his kingdom.

Under the administration of this feeble potentate the Company found it easy to extend its influence and power. The Company did not stand forth as the

Dewan of the Karnatic, as they had done in Bengal in 1765. On the contrary, Mahomed Ali remained nominally the Dewan or revenue administrator, as well as the Nizam or military governor, while the Company virtually enjoyed all real power. The military defence of the country was undertaken by the Company, and a part of the Nawab's revenues was assigned for this purpose. The demands of the Company increased with their wars, and the Nawab came to adopt the strange method of borrowing from the servants of the Company in order to meet the demands of the Company.

What was still more significant and fatal was the security which the Nawab offered for these private debts. Unable or unwilling to draw from his own hoards, he readily delivered up to his private creditors the revenues of his territories. The cultivators of the Karnatic passed from the rule of the Nawab's agents to the rule of British money-lenders. The crops that grew in the fields were subject to the inalienable claims of British creditors. The collections which were made by the Nawab's servants, often under coercion and the use of the whip, were handed over to the British servants of the Company in order to be remitted to Europe. The whole of the Karnatic resembled an egg-shell with its contents taken out. The fields and villages of Southern India were converted into a vast farm, and the tillers tilled and the labourers toiled in order that all the value of the produce might be annually exported to Europe.

A double injury was thus done to the country and to the people. The Nawab's methods of collection, though always harsh and severe, were elastic; and his demands were suited to the produce of the soil from year to year. But when his creditors appeared on the scene, the harshness of the Nawab's method was combined with the strictness and inelasticity of the British

procedure. The claims of the Nawab's creditors were strictly enforced, and the agriculturists felt a pressure which they had seldom known before. In the second place, so long as the revenues were enjoyed by the Nawab, they were spent in the country and flowed back to the people in one shape or another; but when the entire revenues of the assigned districts were claimed and obtained by the British money-lenders, they left the country once and for ever. The country became poorer, industries and trades declined.

We have evidence of this in the testimony of witnesses examined by the Select Committee of the House of Commons appointed in 1782 to inquire into the administration of justice in India.

"George Smith, Esquire, attending according to order, was asked how long he resided in India, where, and in what capacity? He said he arrived in India in the year 1764; he resided in Madras from 1767 to October 1779. Being asked what was the state of trade at Madras at the time when he first knew it, he said it was in a flourishing condition, and Madras one of the first marts in India. Being asked in what condition did he leave it with respect to trade, he replied at the time of his leaving it, there was little or no trade, and but one ship belonging to the place. Being asked in what state the interior country of the Karnatic was with regard to commerce and cultivation when he first knew it, he said at that period he understood the Karnatic to be in a well-cultivated and populous condition, and as such consuming a great many articles of merchandise and trade. Being asked in what condition it was when he left Madras with respect to cultivation, population, and internal commerce, he said in respect to cultivation, greatly on the decline, and also in respect of population; and as to commerce, exceedingly circumscribed."¹

¹ Ninth Report, 1783, Appendix, p. 120.

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The servants of the Company, comprising members of the Madras Council, were building up large fortunes from their loans to the Nawab, and were not anxious to keep the Court of Directors fully informed of their doings. Under the orders of the Court of Directors, however, they had consolidated their loans into one loan of 1767 at the moderate rate of 10 per cent. interest, and they even expressed a hope, from time to time, that the Nawab would pay off his loan. It was neither their interest, however, nor that of the effete and inefficient Nawab, to close the transaction; and it was never closed. And when the full official account of the transaction at last reached the Directors in 1769, their anger knew no bounds.

“As this whole transaction has, to your great reproach, been concealed from us, we cannot but suspect this debt to have had its weight in your proposed aggrandisement of Mahomed Ally; but whether it has or not, certain it is that you are guilty of a high breach of duty in concealing it from us.”¹

“Charged on our part with the recovery of a debt due from the Nawab, for supporting him in a war during almost twenty years, how can our servants, consistent with their duty and fidelity, neglect the discharge of so great a public trust, or suffer any interest of their own to come in competition with it? Or how can they dare to employ the forces, influence, and authority of the Company in collecting the revenues of the Nawab, mortgaged to themselves?”²

“The said Governor and Council have, in notorious

¹ Court of Directors to the President and Council at Fort St. George, dated 17th March 1769.

² Court of Directors to the Select Committee at Fort St. George, dated 17th March 1769. The reader will notice that the Directors represent the war of twenty years between the French and the English for the dominion of India, as a war waged for the Nawab, to be paid for by the Nawab.

violation of the trust reposed in them, manifestly preferred the interest of private persons to that of the Company, in permitting the assignment of the revenues of certain valuable districts to a very large amount from the Nawab to individuals which ought to have been applied towards the discharge of the Nawab's debt to the Company; the impropriety of which conduct is the more striking as those revenues, in a very great degree, owe their existence to the protection of the Company; and by such unnatural application of the said revenues, although the care and expense of protecting the Karnatic falls principally on the Company, the prospect of paying off the vast sums owing to us by the Nawab is postponed."¹

Warren Hastings, who had protested against the claim of the Company's servants to a virtual monopoly of the inland trade in Bengal, was now a member of the Madras Council, and he made an honest endeavour to terminate the assignment of land revenues made by the Nawab of Arcot to the Company's servants in Madras. In a clear and forcible letter, which bears the impress of his style, and which was signed by him and three other members of the Madras Council, the action taken at Madras on receipt of the Directors' letters is fully described.

"We understand the sense and spirit of your orders to us to be this: that whereas the Nawab having made an assignment, by deed under his hand and seal, to certain persons of the revenues of part of the Karnatic, in trust, that the same should be applied in discharge of his private debts in exclusion of the Company, you highly disapprove of, tell us that you will not suffer the idea of such an independent right to exist either

¹ Court of Directors to the Superintending Commissioners, dated 23rd March 1770. The assignment of revenues appeared "unnatural" to the Court, not because it impoverished the country, but because it postponed the prospect of the Nawab's repaying his debt to the Company.

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in the Nawab or your servants, and enjoin us to demand a renunciation of the right they claim under that deed of assignment; that done, you command us to inform the Nawab that his first obligation is to discharge the debt to the Company, and that being done you authorise us to give the sanction of the Company's authority to such measures as we shall concert with the Nawab for the discharge of his debts to individuals. . . .

"The President and Mr. Du Pre made their formal renunciation of all pretensions under the deed of assignment, and put themselves under the Company's protection for the recovery of their debts, and the example was followed by several others after your orders had been publicly made known to them; but a very large majority having in effect refused to submit themselves to the Company's protection on the mode we had proposed, we thought it not advisable to enforce the demand by any act of compulsion."¹

In another letter written in the same year, Warren Hastings indicated how the Nawab, who was a tool in the hands of his private creditors, was endeavouring to create influence in England against the Company, and in favour of his creditors.

"Till very lately the Nawab placed his dependence on the Court of Directors, and considered them as the Company; now he has been taught by ill-advisers that an interest out of doors may stand him in good stead; he has been made to believe that his private creditors have power and interest to overrule the Court of Directors; and what is worse than all, he seems to be strongly impressed with an opinion that the authority of Parliament and of the Crown will be exerted in his behalf against the Company."²

¹ Select Committee at Fort St. George to the Court of Directors, dated 31st January 1770.

² Select Committee at Fort St. George to the Court of Directors, dated 6th April 1770.

The Nawab had not been misinformed. His creditors, who amassed vast fortunes from the rents of the assigned districts, were soon able to qualify a large number of votes, and to make themselves masters of the Court of Directors, and, as we shall see farther on, all their claims were admitted eventually without inquiry.

In the meantime the Nawab had nearly exhausted the resources of his own kingdom by assignments to his creditors, and began to cast longing eyes on the rich state of the Raja of Tanjore. In the treaty which had been concluded between the British and Haidar Ali in 1769, the Raja of Tanjore had been recognised as an ally of the British. But even the Court of Directors became covetous of the wealth of their "ally," and gave a willing ear to the proposals of Mahomed Ali to rob Tanjore in order to repay his debts to the Company.

"It appears most unreasonable to us," wrote the Directors, "that the Raja of Tanjore should hold possession of the most fruitful part of the country, which can alone supply an army with subsistence, and not contribute to the defence of the Karnatic. . . . We therefore enjoin you to give the Nawab such support in his pretensions as may be effectual, and if the Raja refuses to contribute a just proportion to the expense of the war, you are then to pursue such measures as the Nawab may think consistent with the justice and dignity of his government. Whatever sums may, in consequence of the above orders, be obtained from the Raja of Tanjore, we expect shall be applied to the discharge of the Nawab's debt to the Company; and if more than sufficient for the purpose, to the discharge of his debts to individuals."¹

This was a broad hint, and was acted upon. Tan-

¹ Court of Directors to the Select Committee at Fort St. George, dated 17th March 1769.

jore was besieged in 1771, and saved itself only by the payment of £400,000. But this only whetted the appetite of the Nawab, and his friends the British were easily led to think that "it is dangerous to have such a power in the heart of the province." Tanjore was besieged again and captured on the 16th September 1773, the unfortunate Raja and his family were taken prisoners in the fort; and his dominions were transferred to the Nawab.

Never was a flourishing and prosperous state so reduced within a few years of misgovernment as the State of Tanjore after it passed under the government of the Nawab. Regarding it as a hostile and conquered country, Mahomed Ali multiplied his exactions upon the people, made assignments of its revenues to his British creditors, and ruined its trade and industries; and within a few years Tanjore, the garden of Southern India, became one of the most desolate tracts on the eastern coast.

"Before I speak of the present state of Tanjore country," said Mr. Petrie in his evidence before the Committee of Secrecy in 1782, "it will be necessary to inform the Committee that not many years ago that province was considered as one of the most flourishing, best cultivated, populous districts in Hindustan. I first saw this country in 1768, when it presented a very different picture from its present situation. Tanjore was formerly a place of great foreign and inland trade, it imported cotton from Bombay and Surat, raw and worked silks from Bengal, sugar, spices, &c., from Sumatra, Malacca, and the eastern islands; gold, horses, elephants, and timber from Pegu, and various articles of trade from China. It was by means of Tanjore that a great part of Haidar Ali's dominions and the north-western parts of the Mahratta empire were supplied with many European commodities, and with a species of silk manufacture

from Bengal, which is almost universally worn as a part of dress by the natives of Hindustan. The exports of Tanjore were muslins, chintz, handkerchiefs, gingham, various sorts of long-cloths, and a coarse printed cloth, which last constitutes a material article in the investments of the Dutch and the Danes, being in great demand for the African, West Indian, and South American markets. Few countries have more natural advantages than Tanjore; it possesses a rich and fertile soil, singularly well supplied with water from the two great rivers Cavery and Coleroon, which, by means of reservoirs, sluices, and canals, are made to disperse their waters through almost every field in the country; to this latter cause we may chiefly attribute the uncommon fertility of Tanjore. The face of the country is beautifully diversified, and in its appearance approaches nearer to England than any other part of India that I have seen. Such was Tanjore not many years ago, but its decline has been so rapid, that in many districts it would be difficult to trace the remains of its former opulence. . . .

“At this period [1771], as I have been informed, the manufactures flourished, the country was populous and well cultivated, the inhabitants were wealthy and industrious. Since the year 1771, the era of the first siege, until the restoration of the Raja, the country having been during that period twice the seat of war, and having undergone revolutions in the government, trade, manufactures, and agriculture were neglected; and many thousands of inhabitants went in quest of a more secure abode.”¹

The time now came for the appointment of a new Governor of Madras. Mr. Pigot had been Governor of Madras at the time of the French wars, had returned to England in 1763, and had been successively raised to

¹ Fourth Report of the Committee of Secrecy, 1782, Appendix, No. 22.

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the dignity of a baronet and an Irish peer. Desirous of introducing reforms in the administration of the province, he was appointed Governor of Madras once more in 1775. The Directors had not altogether approved of the annexation of Tanjore by Mahomed Ali, and under their orders Lord Pigot resolved to restore the Raja. Mahomed Ali tried all his arts to prevent the restoration, but Lord Pigot was determined, and the Raja was seated on his throne once more on the 30th March 1776.

The Governor's difficulties now began. Among the many creditors of the Nawab of Arcot, one Paul Benfield had obtained an unenviable prominence. He had come out to India in 1763 in the Company's service as a civil architect, but had succeeded better as an architect of his own fortunes by usury. When the Raja of Tanjore was reseated on his throne, Benfield claimed that he had assignments upon the revenues of Tanjore to the amount of £162,000 for money lent to the Nawab, and that for money lent to individuals in Tanjore he had assignments upon the standing crops to the amount of £72,000. The incident throws a strong light on the times. Benfield was still a junior servant of the Company drawing a few hundred pounds a year, but he kept the finest carriages and horses in Madras, and he claimed a fabulous sum from the Nawab. The revenues of a rich state and the standing crops of a nation of agriculturists were supposed to be hypothecated for the satisfaction of his claim.

Lord Pigot laid Benfield's claims before the Board. Benfield was unable to produce vouchers, but urged that the Nawab would admit his debt. The Board resolved by a majority that Benfield's claims against individuals had not been sufficiently explained, and that the assignments of the Nawab on the revenues of Tanjore were not admissible. Benfield was not

satisfied, and he had friends and resources. His claims were again brought before the Council, and admitted. Lord Pigot's proposal to send Russell as Resident to Tanjore did not satisfy the majority of members. Colonel Stuart, who was supposed to have agreed to manage Tanjore affairs in the interest of the creditors, was chosen. Lord Pigot resisted the majority, and on the 24th August 1776 he was arrested by Colonel Stuart and imprisoned.

"Colonel Stuart dined with me, and after dinner I invited him to supper at the Company's garden house. . . . Between seven and eight o'clock at night I went from the fort-house with Colonel Stuart to my chaise. On the island, between the two bridges, I saw Lieutenant-Colonel Edington, the Adjutant-General, come running aslant the road, from the southern side, towards the chaise. Supposing he wanted to speak to us, I reined in the horses; and when Edington got near their heads, he waved his naked sword and cried 'Sepoys;' whereupon a party of Sepoys came from behind the trees on the other side, and Captain Lysaught, with a pistol in his hand, came up to the chaise from that side, and said to me, '*You are my prisoner.*' . . . I was then conducted by Captain Lysaught to Mr. Benfield's post-chaise."¹

The Court of Directors were staggered by this information, but there was a division of opinion among them. They ordered Lord Pigot to be restored to liberty, but they also ordered his recall. Before these orders could reach India, Lord Pigot had passed beyond the reach of honour or of disgrace. He died in confinement in 1777. Sir Thomas Rumbold succeeded as Governor of Madras in 1778.

The creditors of the Nawab, who had brought about the revolution of 1776, were not unmindful of their

¹ Lord Pigot's *Narrative of the Revolution in the Government of Madras*, dated 11th September 1776, p. 11 *et seq.*

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own interests. We have spoken before of the first loan of 1767. A second loan was now contracted in 1777. The Nawab was persuaded to discharge his useless cavalry, but had no money to pay them. Taylor, Majendie, and Call offered to advance £160,000 if the Company's sanction were given to the debt, and this was done. Assignments of revenues were of course made, and the Nawab's manager complained to him two years after: "The entire revenue of those districts is by your Highness's order set apart to discharge the Tuncaws granted to the Europeans. The Gomastas of Mr. Taylor . . . are there in order to collect those Tuncaws, and as they receive all the revenue that is collected, your Highness's troops have seven or eight months' pay due which they cannot receive."

A third loan of over two million pounds sterling was also consolidated in this eventful year, 1777, and Sir Thomas Rumbold, on his arrival at Madras, wrote of this new loan with just indignation.

"How shall I paint to you my astonishment on my arrival here, when I was informed that, independent of this four lakhs of pagodas [£160,000, the cavalry loan], independent of the Nabob's debt to his old creditors and the money due to the Company, he had contracted a debt to the enormous amount of sixty-three lakhs of pagodas [£2,520,000]. I mention this circumstance to you with horror, for the creditors being in general servants of the Company, renders my task on the part of the Company difficult and invidious."¹

From this miserable state of affairs in the Karnatic, Sir Thomas Rumbold turned his attention to the Northern Circars, the maritime country extending northwards which belonged to the British. The country was parcelled out among Zemindars, who were hereditary landlords as well as ruling chiefs within

¹ Letter to the Court of Directors, dated 15th March 1778.

their own estates. The Company's administration had been harsh towards these Zemindars, and their estates had been impoverished. Sir Thomas himself bears eloquent testimony to their former prosperity and their present decline.

"It will remain an eternal reproach to the Company's government in India, that it seems to have been a principle of their policy to drive every native of consequence out of their territories. Let any man who has traced the change from the happier days of Bengal and the Circars to their present desolate and deserted state, come forward and explain to the nation, whose name and honour are deeply concerned in the question, what is become of the train of princes, chiefs, and opulent landholders which once covered the face of these countries? . . .

"From the language which the Court of Directors have lately adopted, the public must be led to infer that the Company have not barely succeeded to some rights of sovereignty in this country, but they are become exclusive proprietors of the soil! And that these noble Zemindars, the real and sole holders of the lands, which they inherit from a line of ancestry that would appear fabulous in Europe, had on a sudden been converted into farmers, or rather peasants and labourers in the Company's fields. The *tribute*, not *rent*, paid by these chiefs to the Moghal invaders (who were never able entirely to subjugate their country) was a sort of ransom of their ancient independence. It was the price of a quiet possession of their property, privileges, customs, and habits. It was always assessed with moderation, and with a just regard to the immense establishments which the opinion of the country renders it necessary for persons of their consequence and distinction to keep on foot. The Soubah [the Great Moghal's Viceroy] settled with the Zemindars without ever attempting

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to interfere with the collection, It would have been happy for all parties, if the same wise maxims had continued to be respected after the cession of the Circars to the Company. The country would have flourished, and the Company would have prospered in the prosperity of their tributaries." ¹

It had been proposed to form a Committee of Circuit for settling the revenues payable by the Zemindars of the Northern Circars after local inquiries. Sir Thomas Rumbold suspended this Committee, and ordered the Zemindars to come down to Madras. This created much consternation among them; but eighteen of the thirty-one Zemindars summoned to Madras obeyed the order. Settlements were made for five years, and "the sum total of the additions made to the revenue at different times since the accession of the Company to the Circars amounts to above 50 per cent. upon the old establishment." ²

But the Directors were not satisfied. They believed that the Committee of Circuit would have shown still more satisfactory results. They charged Sir Thomas Rumbold with violation of orders in suspending the Committee, and with harshness to the Zemindars in summoning them to Madras. They also charged him with corruption, and pointed out that he had remitted £164,000 to Europe within two years. They accordingly dismissed him from the Company's service in January 1781.

Lord Macartney, a nobleman of great urbanity and moderation, of political experience and undoubted talents, was appointed Governor of Madras, and arrived in June 1781. The Province was in the lowest

¹ *An Answer to the Charges exhibited against Sir Thomas Rumbold* By himself, pp. 19 and 22.

² *Ibid*, p. 32. For instance, the Zemindar of Peddapore paid £37,000 under the Moghals. The revenue was increased to £56,000 by Sir Thomas Rumbold. Similar enhancements were made in all zemindaris except one poor estate.

depths of misery and wretchedness. To the effects of long misrule were added the misfortunes of a great war with Haidar Ali, the ruler of Mysore. His cavalry overran the country, spread ruin and desolation within a circle of many miles round Madras, and filled the Karnatic with dismay. The people fled to the woods, fields were left uncultivated, villages were burnt and destroyed. Alarm succeeded alarm, while the Council of Madras were vacillating in their plans for meeting this terrible enemy.

Into the events of this war it is not our purpose to enter. Warren Hastings, who was now Governor-General, sent the veteran commander, Sir Eyre Coote, to save Southern India once more. Sir Eyre fought four battles with Haidar Ali. Haidar Ali retreated, but was not crushed. In September 1782 Sir Eyre left Madras for Bengal, and in December 1782 Haidar Ali died. Peace was made with his son Tipu Sultan in 1783.

These accumulated misfortunes, coupled with the impoverishment of the people, brought on the widespread and terrible famine of Madras in 1783. The revenues of the Company generally showed a surplus, but their "Investments," *i.e.* commodities and merchandise purchased out of the revenues for sale in Europe, converted the surplus into a deficit. The following figures¹ are taken from official records:

¹ Fourth Report of the Committee of Secrecy, 1782, pp. 672 and 674.

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Receipts and Expenditure for Twelve Years in Madras Presidency.

Year	Total nett revenue.	Total charges, civil and military, defrayed by the Company.	Surplus.	Deficit.
May April	£	£	£	£
1767 to 1768	381,330	489,012	..	107,682
1768 " 1769	369,720	691,471		321,751
1769 " 1770	500,110	467,492	36,618	..
1770 " 1771	562,359	434,393	127,960	.
1771 " 1772	558,860	407,446	151,414	...
1772 " 1773	529,233	309,138	220,095	...
1773 " 1774	524,762	407,144	117,618	..
1774 " 1775	503,629	454,589	49,040	.
1775 " 1776	514,591	345,867	168,724	..
1776 " 1777	563,349	533,182	30,167	.
1777 " 1778	283,198	485,830	...	202,632
1778 " 1779	494,208	803,924	.	309,716
Total . .	5,785,349	5,829,488	897,642	941,781

Surplus or deficit, the purchase of Investments never ceased; and the amount of cargoes to Europe valued at prime cost during this period exceeded two million sterling.

But the oppressiveness of the Company's exactions was exceeded tenfold by that of the British creditors who had received assignments of revenues for their loans. And when the matter came for final settlement in the House of Commons, the influence created by those creditors in the House was so great, that all the supposed claims, fraudulent or otherwise, were admitted without inquiry.

Paul Benfield, the greatest and most successful of the creditors, used the vast wealth he had accumulated in India in creating parliamentary influence in England. He returned eight members to Parliament including himself, and he was a powerful and influential man whom the Ministry did not care to offend. "It was

to hold the corrupt benefit of a large parliamentary interest, created by the creditors and creatures, fraudulent and not fraudulent, of the Nawab of Arcot, that . . . the Ministry of 1784 decided that they should all, whether fraudulent or not fraudulent, receive their demands."¹

The historian of British India, from whose work we have made the above extract, proceeds to quote from the ever-memorable speech in which Edmund Burke condemned this most discreditable episode of British parliamentary history.

"Paul Benfield is the grand parliamentary reformer. What region in the empire, what city, what borough, what county, what tribunal in this kingdom, is not full of his labours? In order to station a steady phalanx for all future reforms, the public-spirited usurer, amidst his charitable toils for the relief of India, did not forget the poor rotten constitution of his native country. For her he did not disdain to stoop to the trade of a wholesale upholsterer for this House, to furnish it, not with the faded tapestry figures of antiquated merit, such as decorate, and may reproach, some other Houses, but with real, solid, living patterns of true modern virtue. Paul Benfield made, reckoning himself, no fewer than eight members of the last Parliament. What copious streams of pure blood must he not have transfused into the veins of the present. . . .

"For your Minister, this worn-out veteran [Benfield's agent] submitted to enter into the dusty field of the London contest; and you will remember that in the same virtuous cause he submitted to keep a sort of public office or counting-house, where the whole business of the last general election was managed. It was openly managed by the direct agent and attorney of Benfield. It was managed upon Indian principles and for an Indian interest. This was the golden cup

¹ Mill's *History of British India*, book vi. chap. 1.

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of abominations . . . which so many of the people, so many of the nobles of this land, had drained to the very dregs. Do you think that no reckoning was to follow this lewd debauch? That no payment was to be demanded for this riot of public drunkenness and national prostitution? Here you have it, here before you. The principal of the grand election manager must be indemnified. Accordingly the claims of Benfield and his crew must be put above all inquiry."¹

The golden cup was drained by the people and the nobles of England, and the payment was demanded from India! An inquiry was not made into Benfield's claims because the cultivators of the Karnatic were to pay. The admission of all such claims without inquiry exaggerated the evil, and shoals of British money-lenders flocked to the Karnatic to make rapid fortunes in a similar way. New claims against the Nawab of the Karnatic amounting to £20,390,570 were preferred, and Commissioners were appointed to decide on these claims. The Karnatic had by that time been annexed by Lord Wellesley and was British territory. The claims, if admitted, would have to be paid, not by a Nawab, but by the Company's Government. Therefore an inquiry was made; and the result of the inquiry was that a sum of only £1,346,796 was admitted as valid, the remainder, exceeding nineteen millions sterling, was rejected as fraudulent and bad.

¹ Burke's speech on the Nawab of Arcot's debts.

CHAPTER VII

OLD AND NEW POSSESSIONS IN MADRAS (1785-1807)

PITT'S India Bill became law in 1784, as has been stated before. The immediate possessions of the East India Company in the Province of Madras down to that date consisted of a small tract of country round the town of Madras, and the long strip of country along the sea known as the Northern Circars. The first land settlements in Madras were therefore made in these Circars or States.

As early as 1765, when Lord Clive obtained for the Company the Dewani of Bengal, he also obtained from the Great Moghal a grant of four of these Circars, viz. Cicacole, Rajamandri, Ellor, and Kondapily. After a period of native administration, these Circars were placed in 1769 under the charge of Provincial Chiefs and Councils, and the system of administration was similar to that of the Bengal Districts.

In 1775 the Court of Directors directed that a Committee of Circuit should be appointed to inquire into the state of the Northern Circars, in order to ascertain the population, the produce, and the state of manufactures, as well as the gross revenues of the States, and the customary rights of Zemindars and cultivators.¹ The Court also intimated their desire to secure to the Zemindars their annual incomes, and to save the cultivators from undue exactions; and they wished to ascertain if it was possible to introduce into the Circars such regulations as had been

¹ Second Report of the Committee of Secrecy, 1782, Appendix v.

established in Bengal. A Committee was accordingly appointed, but was abolished in 1778 by Sir Thomas Rumbold, as has been stated in the last chapter. It was revived in 1783, and continued its inquiries till 1788.

It appeared from the reports submitted by this Committee that lands in the Northern Circars were principally held by Zemindars. The Zemindars in the hill country, descended from the Rajas of the kingdom of Orissa, were virtually independent rulers within their States, and had only paid a fixed tribute to the Mahomedan Government. The Zemindars in the plains were more under the control of the Government, but had been allowed to appropriate to their uses the rents of their estates, so long as they paid a fixed revenue to the Government.

Besides these Zemindari lands, there were certain demesne or household lands of the Government, known as Haveli lands. They were tracts of country adjoining capital towns, and reserved for the supply of the garrisons and civil establishments of the Mahomedan rulers. "Since the establishment of the British Government they [the Haveli lands] may be correctly described as being portions of territory which were not in the hands of the Zemindars, but in those of the Government, and in which it was therefore optional to adopt any system of management for collecting the land revenues from the Ryots that might be preferred." The system which was actually adopted was not a wise one; the Haveli lands were farmed out to agents or large speculating renters, who were thus furnished with "the most ample means of oppression."¹

Both in the Zemindari territories and in the Haveli territories there existed from time immemorial the Village Community system, a simple form of self-government which protected the cultivators of every

¹ Fifth Report, 1812, p. 83.

village from the oppression of the Zemindars and the Government. This ancient institution—ancient in the days of Manu—had survived the wreck of dynasties and the downfall of empires, had secured peace and order in villages in times of war, and struck the servants of the East India Company in the eighteenth century as a unique and excellent institution.

“ A village, geographically considered, is a tract of country comprising some hundreds or thousands of acres of arable and waste land ; politically viewed, it resembles a corporation or township. Its proper establishment of officers and servants consists of the following descriptions. The *potail*, or head inhabitant, who has the general superintendence of the affairs of the village, settles the disputes of the inhabitants, attends to the police, and performs the duty, already described, of collecting the revenues within his village, a duty which his personal influence and minute acquaintance with the situation and concerns of the people renders him best qualified to discharge ; the *curnum*, who keeps the accounts of cultivation and registers everything concerned with it ; the *talliar* and *totie*, the duty of the former appearing to consist in a wider and more enlarged sphere of action, in gaining information of crimes and offences, and in escorting and protecting persons travelling from one village to another, the province of the latter appearing to be more immediately confined to the village, consisting, among other duties, in guarding the crops and assisting in measuring them ; the *boundary-man*, who preserves the limits of the village or gives evidence respecting them in case of dispute ; the *superintendent of tanks and water-courses* distributes the water therefrom for the purpose of agriculture ; the *Bramin*, who performs the village worship ; the *schoolmaster*, who is seen teaching the children in the villages to read and write in the sand ; the *calendar Bramin*, or astrologer, who proclaims the

lucky or unpropitious periods for sowing and threshing; the *smith* and *carpenter*, who manufacture the implements of agriculture and build the dwelling of the Ryot, the *potman*, or potter, the *washerman*; the *barber*; the *cowkeeper*, who looks after the cattle; the *doctor*; the *dancing-girl*, who attends at rejoicings; the *musician*, and the *poet*. These officers and servants generally constitute the establishment of a village; but in some parts of the country it is of less extent, some of the duties and functions above described being united in the same person, in others it exceeds the number of individuals which have been described.

“Under this simple form of municipal government the inhabitants of the country have lived from time immemorial. The boundaries of villages have been but seldom altered, and though the villages themselves have been sometimes injured, and even desolated, by war, famine, and disease, the same name, the same limits, the same interests, and even the same families have continued for ages. The inhabitants give themselves no trouble about the breaking up and divisions of kingdoms; while the village remains entire, they care not to what power it is transferred or to what sovereign it devolves; its internal economy remains unchanged; the Potal is still the head inhabitant, and still acts as the petty judge and magistrate and collector or renter of the village.”¹

The above extract is of the utmost importance, as it gives us an insight into the constitution of self-governing Indian villages, not in the mystic days of ancient Hindu rule, but in the eighteenth century; not described in old Sanscrit works like Manu, but depicted by the servants of the East India Company in official documents from actual observation and inquiry. It shows us at a glance how the great agricultural population of India tilled

¹ Fifth Report, 1812, p. 85.

their lands and manufactured their commodities in their own self-contained little republics through thousands of years, while dynasty succeeded dynasty and empires rose and fell. Happy it were if the British administrators of India had preserved and fostered and reformed these ancient institutions, and thus continued to rule the people through their organised assemblies. Two causes, however, operated from the commencement of the British rule to weaken the old village communities. An extreme anxiety to enhance the land revenue to its very utmost limits induced the administrators to make direct arrangements with every individual cultivator.¹ An equally unreasonable anxiety to centralise all judicial and executive powers in their own hands led the modern rulers to virtually set aside those village functionaries who had so long exercised these powers within the limits of their own villages. Deprived of their functions, the village communities rapidly fell into decay, and the Indian administration of the present day, better organised in many respects than the administration of the past, suffers from this disadvantage, that it is more autocratic, and rests in a far less degree on the co-operation of the people themselves.

But we must return to our narrative of the administration of *Zemindari lands* in the Northern Circars. These lands were annually settled with Zemindars until 1778, when Sir Thomas Rumbold made a five-years' settlement, as has been stated in the last chapter. The oppressive practice of annual settlements was resumed in 1783 and continued till 1786, when a three-years' settlement was concluded on an increased revenue demand by the Board of Revenue. In 1789 a settlement for three, and eventually for five, years was con-

¹ An interesting controversy between Sir Thomas Munro and the Board of Revenue about the continuance of the village system will be referred to in the next chapter.

cluded, and the Zemindars were assessed at two-thirds of their gross collections. The new Circar or State of Guntoor, which had come into the Company's possession in 1788, was settled in the same way.

Lord Hobart, who was appointed Governor of Madras in 1794, effected a great reform in abolishing the Company's Chiefs and Councils, and in appointing Collectors in all districts for the administration of the land revenue under the control of the Board of Revenue. The settlement of Zemindari lands continued to be made on the same principles as before. Lord Clive, son of the victor of Plassey, succeeded Lord Hobart, and it was during Lord Clive's administration that a Permanent Settlement of the land revenues, such as had been made in Bengal in 1793, was extended generally into the Northern Circars between 1802 and 1805. The general standard by which the revenue demand was regulated appears to have been two-thirds of the gross collections from the cultivators.¹

The *Haveli lands* of the Northern Circars have a somewhat different history. Collectors were first appointed in 1787, and they adopted two different methods for collecting the revenue in Haveli lands. In some places they collected it directly from the cultivators in kind, *i.e.* taking a share of the produce as the Government revenue; and in other places they farmed out the lands for stipulated sums. The general arrangement, however, was that the Collector made settlements with the head inhabitants of villages, and they made a separate arrangement with each individual cultivator.² When the Company's Chiefs and Councils were abolished in 1794, the Collectors became alone responsible for these settlements, subject to the control of the Board of Revenue; and when the Zemindari lands were permanently settled

¹ Fifth Report, 1812, p. 114.

² *Ibid.*, pp. 93 and 98.

between 1812 and 1804, the Haveli lands were parcelled out into mootas or blocks of a convenient size, yielding generally from 1000 to 5000 Star Pagodas as the annual revenue, and were sold by public auction as permanent Zemindaris.¹ The Jaigir lands round the town of Madras were also settled permanently at the same time.

Such is the history of land administration from 1765 to 1805 in the oldest portions of the Company's territory in Madras, embracing the Northern Circars and the tract of land round the city of Madras. But in the meantime, other tracts of country had come into the Company's possession, and it is necessary now to refer to these new acquisitions.

Lord Cornwallis's war with Tipu Sultan, concluded by the Peace of Seringapatam in 1792, brought in the districts of Salem and Krishnagiri, comprising the Baramahal. Lord Wellesley's final war with Tipu Sultan in 1799 brought in Canara, Coimbatore, Balaghat, and some other places. Tanjore was annexed by Lord Wellesley in 1799, and the whole of the country between the Krishna and the Tumbhadra was taken over from the Nizam of the Deccan in 1800. Lord Wellesley made the Nawab of Arcot retire on pension, and the whole of the Karnatic was added to the Company's dominions. Thus within ten years, between 1792 and 1802, the East India Company acquired the richest and fairest portions of that great territory which now forms the Province of Madras, and a new system of land settlements grew up with the acquisition of this new territory.

When the Baramahal districts were acquired by the East India Company in 1792, Lord Cornwallis entrusted their administration to Captain Read and three other military officers, who were better acquainted with the languages and the habits of the people than

¹ Fifth Report, 1812, p. 113.

the civilians of those times. The principle on which Captain Read formed settlements with individual cultivators was the principle which was subsequently developed and introduced into other parts of the province by his assistant, Thomas Munro, afterwards Sir Thomas Munro, Governor of the province. His name is as intimately connected with the *Ryotwari settlement* of Madras as the name of Lord Cornwallis is connected with the *Zemindari settlement* of Bengal.

Thomas Munro had arrived as a young man of nineteen at Madras in 1780, and had taken his share in the wars against Haidar Ali and Tipu Sultan. Later in life he won his laurels in the wars with the Mahrattas, and received encomiums from the British Parliament for his courage, ability, and success. But it is not as a successful soldier that Munro is remembered in India. He was one of the few of the Company's servants who devoted his life to promote the welfare of the people, and his name, therefore, is gratefully remembered by the people of Madras to this day, as the name of Cornwallis is in Bengal, and the name of Elphinstone in Bombay.

Employed under Captain Read on settlement work in the Barmahal districts, his keen eye detected the defects of the Company's system of administration; and his sympathetic judgment suggested the true remedies.

About the Karnatic he wrote: "A great part of the Nawab's revenues are remitted through agents in Madras at 3 per cent. and 4 per cent. per month. The rents in some parts of the Karnatic are regulated by the grain sown, every kind paying a different rate, and in others they are levied in kind, and in all the leases are annual. When the rents are fixed according to the grain, the lands are measured every year. The surveyors in making their reports are guided by the bribes they receive, and a thousand frauds are

practised both on the farmers and the Government; and where they are collected in kind, the produce of the land is either thrown upon the cultivator, at a price much above its value, or else a standard is fixed for the market below which no person can sell until the whole of the public grain has been disposed of. Such wretched management, one would think, must soon ruin the country."

Similarly of the British territory he wrote: "The Revenue Board made some time ago an application for an increase of salary to the Collectors, which Government rejected with great marks of displeasure, but in doing this, they showed little knowledge either of true policy or human nature, for when men are placed in situations where they can never become independent by their avowed emoluments, but where they may also, by robbing the public without any danger of discovery, become so on a sudden, the number of those who would balance which side to take is so small that it ought not to be brought into account. We see every day Collectors who have lived above their salary amassing great fortunes in a very few years. The operation by which this is accomplished is very simple. When rents are paid in money, by giving Government a rent roll below the real one; and when in kind, by diminishing the produce of the land or of the sales. It is vain to say that Collectors, being men of education and character, will not descend to such practices; the fact is against this conclusion."¹

By 1798 the Ryotwari settlement of the newly acquired Baramahal districts was completed.

"The Baramahal has now been completely surveyed and the rents of it fixed. . . . The great number of farmers in the Baramahal necessarily occasions much detail in the management of the revenue; but there

¹ Letter dated 31st January 1795.

is no difficulty in it—nothing is required but constant attention, and where this is given, it is both better for the country and easier for the Collector to receive the rents directly from 60,000 farmers than by the medium of ten or twelve Zemindars or great landholders. The rent of the division of the country under my charge last year was 165,000 Pagodas, which was collected within the year without a single Rupee outstanding, and without any trouble, from about 20,000 farmers.”¹

In this letter we see the growing partiality of Thomas Munro for the Ryotwari system in tracts of country where there were no hereditary Zemindars. In places like Bengal and the Northern Circars, where the prevailing system was the possession of lands by great landlords, the Government had continued that system and made settlements with Zemindars. In other places, where the prevailing system was the payment of the revenues by the Ryots or cultivators direct to the State, Munro continued that system and made settlements direct with the Ryots. It was necessary and essential to give some permanency to the Government demand, in both cases, for the improvement of agriculture and the prosperity of the people. This was done by Lord Cornwallis in Bengal; and this was desired and recommended by Thomas Munro for Madras, but has never been done. Herein lies the fatal defect in the land settlements of Southern India.

From Baramahal, Munro was transferred to Canara, where he completed the settlement work with his usual ability and success within one year, and the settlement here was made with landlords.

“I came here,” he wrote in 1800, “because, after having been named as a person qualified to ascertain the actual revenue of the country, I could not decline

¹ Letter dated 21st September 1798.

the task without seeming to desert my duty; but now that this is done, and that the collections, except where interrupted by invasion, are as regular as in the Baramahal, or even more so, I think my work is performed." ¹

"All my settlements were made with the landlords, or, in cases where there was no landlord, with the immediate occupant. . . . The produce was perfectly ascertained, because the accounts of it were brought forward by both parties. There was no instance in which the Sirkar's share [the Government's share] was more than one-third. In many it was not one-fifth or one-sixth, and in some not one-tenth of the gross produce." ²

When the country between the Krishna and the Tumbhadra was ceded by the Nizam of the Deccan to the East India Company in 1800, Thomas Munro, who had settled Baramahal and Canara, was chosen to settle that country. The Ceded Districts were therefore the third field of Munro's civil administration. That Munro performed his work in the new field with his usual ability and knowledge of details is beyond question; that the pressing demands of the revenue authorities prevented him from showing that consideration for the people which his own judgment suggested is admitted by him with a candour which almost disarms criticism.

"Were I sure that every succeeding Board of Revenue and Government would support the slow and gradual increase of assessment which has already been recommended, I would undoubtedly adhere to it; but it is not likely that I shall be permitted. The desire that men at the head of affairs usually have of seeing the country, or at least the public income, flourishing under their auspices, will most probably compel me to proceed too rapidly. . . . I may get nervous as I grow older, and become afraid of censure. If I leave room for my successor to

¹ Letter dated 13th July 1800.

² Letter dated 7th October 1800.

raise the revenue, it would be said that I allowed the inhabitants to defraud Government. . . . I have no thoughts at present of precipitating matters, though I shall, for the sake of assisting the public want of money, press the ryots more than I ought to do."¹

When Munro wrote this, he had in his mind the case of his friend G——, who was about to be removed from the service because he had made assessments in the Karnatic which the Board of Revenue had considered too low. It was by such undue pressure on its revenue officers that the Company's government raised the land revenues of their newly acquired territories to a point which was harsh and oppressive to the cultivators of the soil.

"The report is that the Board thinks that he was precipitate in his settlement of the Karnatic, that it was much too low, and that he trusted too much to his old friend, Lachman Row. G—— says, that he made it low on purpose, with the view of being better able to raise it hereafter. I shall be extremely concerned if he is removed, not only for my regard for him as an old friend, but because I am afraid that his marriage, after his long revenue life, has left him but little before the world. I think it hard, too, that a man should be removed merely for an error of judgment; censure would, I think, have been sufficient. You will observe, too, that his error is on the right side."²

After an administration of the Ceded Districts for seven years, Thomas Munro at last left India in 1807 for a well-earned rest. The authorities were highly pleased with the gradual increase of revenue which he showed, from £402,637 to £606,909, or an increase of 50 per cent. within seven years!³ It was by such results that the Company judged the work of its officers.

¹ Letter dated 5th September 1802.

² Letter dated 28th September 1802.

³ Fifth Report, 1812, p. 124.

Other districts were in the meantime settled by other officers. Malabar came into the possession of the Company in 1792, and was for a time included in the Bombay Presidency. The Bombay Government made two annual settlements with the Rajas and Nair chiefs of Malabar, followed by a five-years' settlement. On the failure of the Rajas and the Nair chiefs to make punctual payments, their lands were taken from them, and they rose in rebellion. The Bombay Government having thus failed in their administration, Malabar was transferred to the Madras Presidency in 1800. Lord Clive, then Governor of Madras, appointed a Principal Collector and Subordinate Collectors for the administration of the country. Settlements were made partly with landlords and partly with the tenants themselves, but the system of revenue management generally adopted was the Ryotwari system, which was now finding favour with the authorities.¹ And thus the hereditary Rajas and Nair chiefs who had owned lands in Malabar before the time of the British rule were gradually got rid of, and finally disappeared from the scene. True statesmanship would have continued the old order of things, and reduced the Rajas and Nair chiefs into loyal subjects of the British Government and leaders of the people. But the desire to make settlements immediately with the cultivators, in order to get as much revenue as the land could yield, steadily influenced the policy of the Company's government more and more as years passed by.

Tanjore was annexed by Lord Wellesley in 1799. The cultivators in this State used to pay their rents to their Raja through head-ryots, called Pattakdars. A Pattakdar's circle included from one to 128 villages; and many of the Pattakdars were virtually Zemindars. The British Government made a clean

¹ Fifth Report, 1812, pp. 124-127.

sweep of these Pattaqdars, introduced the Ryotwari system in 1804, and fixed the revenue with reference to the produce of an average number of years, not on a survey valuation of the lands.¹

The administration of the Karnatic was transferred to the East India Company, firstly by the treaty concluded by Lord Cornwallis with the Nawab in 1792, and finally by the annexation of the Karnatic made by Lord Wellesley in 1801. A great portion of this territory had been for many generations, often for centuries, under the rule of the local military chiefs, known as the Polygars.

The Polygars were "head-men of villages, or public servants of other descriptions, whose actual condition had become changed to that of military rulers during the revolutions of power in the Deccan, which had everywhere contributed to the usurpation of authority, and in no part more than in the southern division of the Peninsula. Though their Sunnuds, where Sunnuds could be produced, did not particularly describe the terms on which they held their Pollums [estates], they all bore internal evidence of their dependence on the Emperor, and of their subjection to the Subadars of the Karnatic, to whom they yielded tribute, and whose camp they were bound to attend, whenever summoned, with a military force proportioned to the extent of their local jurisdictions."²

The condition of the Polygars had formed the subject of much correspondence from the time of Warren Hastings. The Nawab of the Karnatic had frequently sought the help of his British allies to extirpate these local chiefs, in order to extend his own power over the people, but the Court of Directors had marked with concern the employment of British

¹ Fifth Report, 1812, p. 127.

² *Ibid.*, p. 143.

troops in the disagreeable service of helping the Nawab against the Polygars. They had given precise orders that "the native princes, called Polygars, should not be extirpated." They had considered it "repugnant to humanity to force them [the Polygars] to such dreadful extremities." They had feared that the Nawab's government was "none of the mildest," and that there was "great oppression in collecting his revenues." And while they were aware that the people of the Karnatic had suffered from many distresses, they had held that the oppression of the Nawab of the Karnatic was "greater than all."

After the conclusion of Cornwallis's treaty of 1792 with the Nawab of the Karnatic, the Directors entered into a full discussion of the principles of that treaty in their despatch of the 10th June 1795. This was followed by discussions in India, and in 1797 Lord Hobart, Governor of Madras, recorded a minute suggesting the means of rendering the Polygars useful subjects and obedient tributaries of the British Government. The Directors replied in their despatch of the 5th June 1799, in which they insisted on the absolute suppression of the military power of the Polygars, and on the institution of a pecuniary tribute higher than the Polygars had paid before.

Armed with this despatch, the Madras authorities went beyond all just and reasonable limits. They concluded a settlement in 1799-1800, by which they retained all lands held by the Polygars outside their own villages, and demanded a revenue which exceeded the previous demand by no less than 117 per cent. The Southern Polygars rose in insurrection. The rising was soon put down, and the insurgents were deprived of their estates, and in some cases capitally punished. The revenue was declared to be

progressive for several years, and afterwards to remain unalterable to an amount calculated to be equal to two-thirds of the gross collections. Finally, a Permanent Settlement was made in 1803 for the fourteen estates which still remained in the hands of the Southern Polygars, and the revenues fixed were more moderate than the exorbitant demands of 1799-1800, varying from 4 per cent. to 5 per cent. of the gross rental. These estates were principally situated in the Tinivelly district, and similar settlements were made with the Polygars in Sivaganga and Ramnad.¹

Permanent Settlements were also made with the Western Polygars in 1802; but for the Polygars of Chittoor, who came under British rule with the annexation of the Karnatic, a worse fate was reserved. They resisted the British claims and were mostly driven from their fastnesses, and took refuge in the jungles. With a few exceptions, all the estates of the Chittoor Polygars were resumed, and settlements were made with the tenants direct.

Looking back to these transactions after the lapse of a century, one cannot but regret the harsh policy which led to the virtual extirpation of the Polygars in the Karnatic. The Directors of the East India Company were right in depriving them of all military power, for under the modern system of administration that power must necessarily belong to the State alone. But it was not a just or wise policy to deprive them of their estates outside their own villages, to demand from them a sudden and exorbitant increase in revenue, or to punish their insurrection by virtually stamping them out. They had preserved some sort of peace and order in their estates during the harassing and troublesome wars of Southern India in the

¹ Fifth Report, 1812, pp. 146-147.

seventeenth and eighteenth centuries; they had protected weavers and manufactures and shielded the cultivators when there was hardly any other constituted authority in the land; they had excavated great canals and reservoirs for irrigation all over Southern India; and they had given shelter to the British themselves when Madras was taken by the French in the early Karnatic wars. If the Polygars were guilty of turbulence and oppression, they shared their faults with almost all chiefs and nobles in the seventeenth and eighteenth centuries in Asia and in Europe, and a wise statesmanship would have attempted to reduce them to order instead of trying to "root out the Polygars." It is not a wise policy for any Government to change the old institutions of a land; it is not a humane policy for an alien Government to suppress a class, and to confiscate its proprietary rights, in order to add to its income by direct settlements with the tillers of the soil.

The policy of Lord Wellesley's Government in Madras appears in strong and unfavourable contrast with the policy of Lord Cornwallis in Bengal. Lord Cornwallis found the Bengal peasantry living under hereditary Zemindars, and strengthened and perpetuated the Zemindari institution. Lord Wellesley's government found a large part of the Karnatic under the power of the Polygars, and virtually rooted them out in order to bring the people under its direct control. Lord Cornwallis respected an ancient institution, and has thus preserved in Bengal a large, prosperous, and contented middle class. Lord Wellesley's policy denuded Madras of a similar class, and the loss has not been repaired after a century of British rule. Madras has no strong, influential, prosperous middle class, forming a natural link between the cultivators and an alien Government.

The policy of Lord Wellesley's Government in Madras bore a resemblance rather to the policy of the French Revolution, which a few years before had confiscated the rights of the territorial aristocracy of France. Yet what the barons lost in France was a gain to the French nation; what the Polygars lost in Madras was a gain to an alien trading company. The rents which the Polygars had obtained from the people under their jurisdictions had been spent among the people, had flowed back to them through various channels, and had fructified their trades, manufactures, and industries. The land revenues which the Company obtained—after the Polygars had been virtually extirpated—were, after defraying the cost of administration, withdrawn from the country as the profits of foreign traders. "It cannot be concealed or denied," said one of the ablest of the Directors of the Company, "that the object of this [Ryotwari] system is to obtain for Government the utmost that the land will yield in the shape of rent."¹

We have in the foregoing pages given a brief but connected account of the land settlement in Madras down to 1807. We have reviewed the revenue arrangements in the Northern Circars, ending in the Permanent Settlement of 1802–1805. We have referred to the settlements of Thomas Munro in Baramahal, Canara, and the Ceded Districts. We have described the operations undertaken in Malabar and in Tanjore; and we have also described the transactions in the Karnatic, ending in Permanent Settlements with some of the remaining Polygars, while the greater portion of the province was settled with the cultivators direct.

¹ Henry St. John Tucker, *Memorials of Indian Government*. London, 1853. p. 113.

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The results of all these settlements can be best shown in the form of the appended list:¹

Permanently Settled

The Jaagir round Madras	1851-2
The Northern Circars,	1802-5
Salem	
Western Polygars' estates	} 1802-3
Chittoor Polygars' estates	
Southern Polygars' estates	
Ramnad	1803-4
Krishnagiri	1804-5
Dindigal	1804-5
Trevendapuram	} 1806-7
Jaagir villages	

Not Permanently Settled.

Mysore	} Malabar. Canara. Coimbatour. Ceded Districts. Balaghat.
Karnatic	} Palnad. Nellor and Ongole. Arcot. Sativad. Trichinopoly. Madura. Tinvilly.

It will appear from what has been stated before that, as the system of settlements with Zemindars, Polygars, and other head-men began to be looked upon with disfavour in Madras, direct settlements with Ryots or cultivators began to find favour. The story of the final acceptance of this Ryotwari system for the Province will be narrated in the two succeeding chapters.

¹ Fifth Report, 1812, p. 163.

CHAPTER VIII

VILLAGE COMMUNITIES OR INDIVIDUAL TENANTS ?— A DEBATE IN MADRAS, 1807-1820

THE table given at the close of the last chapter shows the districts in Madras which were permanently settled, and those which had not been so settled in 1807. The question was then discussed, what durable arrangements should be made with regard to these last.

Would a *Permanent Zemindari Settlement*, similar to that introduced by Lord Cornwallis in Bengal, be extended to these places ?

Would a *Permanent Ryotwari Settlement*, recommended by Thomas Munro, be adopted ?

Or would a *Permanent Mauzawari Settlement*, i.e. a collective settlement with each Village Community, as recommended by the Madras Board of Revenue, be finally decided upon ?

The economic history of India has no more interesting chapter than the debates on this momentous question.

On the eve of his departure for Europe in 1807, after his labour of seven years in the Ceded Districts, Thomas Munro recorded his famous report recommending a Permanent Ryotwari Settlement of those Districts. He described the exorbitant revenue he had raised, being 45 per cent. of the gross produce ; he recommended a reduction of this revenue by a quarter ; and he proposed that the assessment should then be made permanent.

"As one-third of the produce is, therefore, the highest point to which assessment can in general be carried without destroying landed property, and as it is also the point to which it must be lowered before persons who are not cultivators can occupy Circar lands without loss, it is obvious that unless the assessment is reduced to this rate, land can neither be occupied by all classes of inhabitants, nor ever become private property, nor can any Permanent Settlement be made, calculated to improve the condition of the Ryots or of the public revenue. I am, therefore, of opinion, that in a Permanent Settlement of the Ceded Districts, the rent of Government should be about one-third of the gross produce. The present assessment is about 45 per cent. To bring it to the proposed level would require a remission of 25 per cent., as may be seen from the following example:—

Total gross produce, say	100
Government share by the present assessment	45
Deduct 25 per cent. of assessment	11½
Government's share by proposed permanent assessment	33½

"I shall now proceed to state the manner in which I think a Permanent Ryotwari Settlement in the Ceded Districts may be made.

"1st. The settlement shall be Ryotwari.

"2nd. The amount of the settlement shall increase and decrease annually, according to the extent of land in cultivation.

"3rd. A reduction of 25 per cent. on all land shall be made in the survey rate of assessment.

"4th. An additional reduction in the assessment of 8 per cent., or 33 per cent. in all, shall be allowed

on all lands watered by wells, or by water raised by machinery from rivers and nullahs; provided the cultivators keep the wells or embankments (Dirroas) in repair at their own expense. A similar reduction shall be allowed on the lands watered by small tanks, wherever the cultivators agree to bear the expense of repairs.

"5th. Every Ryot shall be at liberty, at the end of every year, either to throw up a part of his land or to occupy more, according to his circumstances; but whether he throw up or occupy, he shall not be permitted to select, but shall take or reject proportional share of good and bad together.

"6th. Every Ryot, as long as he pays the rent of his land, shall be considered as the complete owner of the soil, and shall be at liberty to let it to a tenant without any limitation as to rent, and to sell it as he pleases.

"7th. No remission shall be made, on ordinary occasions, for bad crops or other accidents. Should failure occur which cannot be made good from the property or land of the defaulters, the village in which they happen shall be liable for them to the extent of 10 per cent. additional on the rent of the remaining Ryots, but no further.

"8th. All unoccupied land shall remain in the hands of the Government, and the rent or whatever part of it may be hereafter cultivated shall be added to the public revenue.

"9th. All taxes on houses, shops, and professions, all duties, licenses, &c., shall belong exclusively to Government. The Ryot on whose land houses or shops may be built shall not be entitled to receive a higher rent from them than the equivalent of the survey rent of the ground which they occupy.

"10th. The repairs of all tanks which are not rendered private property by an extra remission, or

Desivundum Enaum, shall be made at the expense of Government.

" 11th. Tuccavie shall be gradually discontinued.

" 12th. Potails, Curnums, and all other village servants shall remain as heretofore under the Collector.

" 13th. Private creditors, who may distrain the property of Ryots, shall discharge the rent which may be due from such Ryots to Government, and shall give security for it before they begin the distraint."¹

We have made this long extract because it is necessary to clearly understand the plan of a Ryotwari settlement as conceived by its real author. Thomas Munro desired a settlement with each individual Ryot, and desired it to be permanent, subject to increase or decrease of revenue as more or less land was taken under cultivation.

Lord William Bentinck, who succeeded Lord Clive as Governor of Madras in 1803, was precisely of the same opinion. In a minute recorded by him in 1806 he recorded that the Zemindari settlement suited Bengal, where there were hereditary Zemindars, but did not suit those parts of Madras where such landlords did not exist.

"I am satisfied that the creation of Zemindars is a measure incompatible with the true interests of the Government and of the community at large. . . . I am not at all at variance with the principles of the Permanent Settlement, which I admire, and which I believe to be applicable to this and to every part of the world."

And in a subsequent minute recorded in the same year the Governor said:

"If an annual settlement with the Ryots, founded upon fixed principles, the essential part of which was to secure to the Ryot for a year the fruits of his industry, had actually been productive of such decided advan-

¹ Report dated 15th August 1807.

tages, a Permanent Settlement founded upon the same principles, but, carried to a greater extent with regard to the benefit of the Ryot, would produce the same effect in an increased ratio.”¹

It will appear from these extracts that a Permanent Settlement was the predominant idea both of Thomas Munro and of Lord William Bentinck when they advocated the Ryotwari system. Six years after he had left India, Thomas Munro was examined by the Committee of the House of Commons, on the eve of the renewal of the Company's charter in 1813, and he explained his ideas before the Committee as forcibly, as lucidly, and as unmistakably, as he was capable of doing it.

“Has any permanent revenue arrangement been extended to the Ceded Districts of which you were the Collector?”

“Until the period that I left India no Permanent Settlement had been made, but the Ryots were so far protected in the enjoyment of their property, that a fixed rent had been settled upon all the land, and every Ryot could retain his own farm for ever, provided he paid that rent; no increase could be made upon the land rent.”

“Have the goodness to explain to the Committee what you understand by the Ryotwari system.”

“I shall state what I understand to be the principle of the Ryotwari system, the details will perhaps be too extensive. The principle of the Ryotwari system is to fix an assessment upon the whole land of the country; this assessment is permanent; every Ryot who is likewise a cultivating proprietor of the land which he holds is permitted to hold that land at a fixed assessment as long as he pleases, he holds it for ever without any additional assessment; if he occupies any waste or additional land, he pays the assessment that

¹ Minutes dated 29th April and 25th November 1806.

is fixed upon that land and no more; his rent undergoes no alteration."

"Is the Committee to understand that in respect to permanency there is no difference between the Ryotwari system and the Bengal Permanent Settlement?"

"With respect to permanency there is no difference between the two systems, but the Ryotwari leaves the Government an increasing revenue arising from the waste in proportion to its cultivation."¹

If language has any meaning, then it is clear that the Ryotwari settlements which Munro had already made, and which he desired to introduce in other parts of Madras, were on the condition that every Ryot would hold his land *for ever without any additional assessment*, except for new lands reclaimed. If words have any definite significance, then it is clear that *there was no difference with respect to permanency* between Cornwallis's Zemindari settlement and Munro's Ryotwari settlement, except that waste lands brought under cultivation had to be paid for under the latter system. It is necessary to comprehend this clearly, because the right of the cultivators in Madras to a fixed, unchanging, unalterable revenue for the same lands has been ignored by the Madras Government in the recent years, and the first principle of Munro's Ryotwari settlement has been disregarded.

While the idea of a Permanent Zemindari Settlement began to be looked upon with disfavour, and that of a Permanent Ryotwari Settlement received Munro's favour, a third system was advocated by the Madras Board of Revenue—a scheme of a Permanent Mauzawari Settlement, or a settlement with each village community. Referring to Munro's proposal of the 15th August 1807 in favour of a reduction of 25 per cent.

¹ Minutes of Evidence taken before the Committee of the whole House and the Select Committee on the affairs of the East India Company, 1813, pp. 149, 170, and 173.

on the exorbitant revenue which had been fixed, the Board of Revenue made this new suggestion.

“ 29. This is the outline of Colónel Munro's plan, which is not less applicable to all the districts as yet unsettled than to the Ceded Districts; and if the exigencies of Government allowed of so great a sacrifice as a remission on the present standard rent to the extent of 25 per cent., or even of 15 per cent., we should consider the measure highly advisable and calculated to produce great ulterior advantages. Indeed, it would be idle to dispute that the less we take from the cultivator of the produce of his labour the more flourishing must be his condition.

“ 30. But if the exigencies of Government do not permit them to make so great a sacrifice, if they cannot at once confer the boon of private property, they must be content to establish a private interest in the soil as effectually as they can under the farming system; if they cannot afford to give up a share of the landlord's rent, they must be indulgent landlords.

“ 31. Under such circumstances the transition from Ryotwari to Village-rents, as suggested by Mr. Hogdson, appears to us best adapted to secure the revenue of the State and the prosperity of the country. . . .

“ 38. Every village with its twelve Agagandees, as they are denominated, is a petty commonwealth, with its Mokuddum, Potal, Rapod, Reddy or chief inhabitant at the head of it, and India is a great assemblage of such commonwealths. The inhabitants, during war, look chiefly to their own head-inhabitants; they give themselves no trouble about the breaking up and division of kingdoms while the village remains entire; they care not to what power it is transferred, on whomsoever it devolves, the internal management remains unaltered; the head-inhabitant is still the collector, magistrate, and head-farmer.

" 39. From the age of Manu to the present day the settlements have been made either with or through the head-inhabitants. When the revenue was thought to be high enough, and the head-inhabitant agreed to it, he was usually left to settle with the Ryots; if it was too low and the head-inhabitant objected to an increase, the Amaldar settled with the Ryots in his presence. This system has stood the test of time, and as under it whole provinces have often been in a highly cultivated state, it must certainly be well calculated for the great object of promoting agriculture."¹

The Government of Madras, in their reply to the Board of Revenue, authorised the conclusion of triennial village settlements in many of the unsettled districts as a preparatory measure to the introduction of a Permanent Village Settlement.² And on the expiry of these triennial settlements they proposed in their letter to the Court of Directors the conclusion of a decennial settlement, to become permanent if approved by the Directors.³

The Directors were now alarmed at the idea of a Permanent Settlement, and they charged the Board of Revenue with having acted without orders in authorising the decennial settlement.

" In all the provinces that may be unsettled when the despatch shall reach you, the principle of the Ryotwari system, as it is termed, shall be acted upon, and that where the village rents upon any other principle shall have been established, the leases shall be declared terminable at the expiration of the period for which they may have been granted."⁴

The Government of Madras protested against this decision of the Directors.

"That agriculture was regarded as the basis of

¹ Letter dated 25th April 1808.

² Letter dated 25th May 1808.

³ Letter dated 29th February 1812.

⁴ Letter dated 16th December 1812.

national wealth and prosperity; that it was considered essential to the improvement and extension of agriculture to restrict the demands of Government upon landed property; that it was not supposed Government could lose by this restriction, since without it agriculture would never be improved and extended, nor the resources of the country increased. . . . In offering the foregoing remarks, we have considered the Permanent Settlement strictly as a question of fiscal policy. But it does not need to be shown that it is of vital importance also, as being calculated to give to the mass of the people, who are engaged in agriculture, a deep and permanent interest in the stability of our Government.”¹

In the following year, the Government of Madras made a still more eloquent appeal to the Court of Directors in favour of Permanent Village Settlements and against Permanent Ryotwari Settlements.

“If the primary object of a Permanent Settlement be to give the people the management of their own affairs, from the belief that their affairs will be indefinitely managed by themselves than by public officers, how little would that object be attained under such a system [the Ryotwari system]? How entirely would all management still remain in those hands from which it was meant to transfer it. It is singular that, under such a system, professedly designed to protect the rights and interests of landed proprietors, they are to forfeit all property in any land which, through general or peculiar calamity or indolence or mismanagement, they may any year fail to cultivate, and their property in it is, on every such occurrence, to escheat to the Government; assuredly a more violent encroachment on landed property, where it really exists, than ever was attempted under any other system. . . .

“He [the cultivator] is not secure against a fraudu-

¹ Letter dated 5th March 1813.

lent measurement on the estimation of the land he quits or the land he occupies; nay, if to escape from the mode of oppression he resolves not to alter his limits, the current business of agriculture, the means of irrigation, the distribution of Tuccavy, or of an abatement of rent on account of calamity, all must be regulated by men who have no interest in his property, no sympathy with his feelings. Surely it were better that confidence should be reposed where self-interest affords a security against its being abused, and that the people should be left to improve the country in their own way, without the encumbrance of useless and ill-judged aid from public officers, and without the dread of their oppression and rapacity. At any rate, we own that the Ryotwari system, proposed by Colonel Munro, seems to us in no respect to deserve the name of a Permanent Settlement of the land revenue, but, on the contrary, to leave land revenue and landed property as unsettled as ever, and the people liable to all that prying, meddling interference of public officers under which no private concern can prosper. . . .

“The grand difference between the view at present taken in England regarding Indian land revenue and that taken here, seems to be, that in England the fear is that the public demands upon the resources of India may not keep pace with its prosperity; while here the universal sentiment, we believe without any exception whatever, is, that the prosperity of the country is so much depressed by the public demands, that, without the most liberal and judicious management, there is more danger of its resources declining than room to hope for their speedy increase. This is a sentiment which we cannot too strongly convey to your Honourable Court. It is addressed to your wisdom, to your sense of justice, to your humanity; it concerns the successful administration of your Government no less than the welfare and happiness of a numerous population

and the prosperity of an extensive country, favoured by nature, protected from internal commotion and foreign assault, and requiring only moderation in the demands of Government upon its resources to render it rich and flourishing. Compared with the attainment of these great ends, of how little value appears every sacrifice which can be made for them?"¹

The decision of the question between Ryotwari settlements and Village settlements was delayed for a time, as judicial and administrative reforms claimed more immediate attention. Thomas Munro had passed seven years in England after his twenty-seven years' labours in India, when he was sent out again as the head of a Commission to revise the judicial system, and arrived at Madras on the 16th September 1814. How he laboured to improve the judicial system, and to admit the people of India to some responsible posts in the judicial service, will be narrated in another place; how he distinguished himself in the last Mahratta War by placing his confidence and trust in the people of India, as much as by his bravery in the field, is a subject which does not fall within the scope of this work.² On the con-

¹ Letter dated 12th August 1814.

² The admiration felt by Sir John Malcolm, himself a distinguished soldier and a friend of the people of India, for Munro's plan of operation is thus expressed in his letter of the 17th February 1818:—"I send you a copy of a public letter from *Tom Munro Sahib*, written for the information of Sir Thomas Hislop. If this letter makes the same impression upon you that it did upon me, we shall all recede as this extraordinary man comes forward. We use vulgar means, and go on zealously, and actively, and courageously enough; but how different is his part in the drama! Insulated in an enemy's country with no military means whatever (five disposable companies were nothing), he forms the plan of subduing the country, expelling the army by which it is occupied, and collecting the revenues that are due to the enemy, through the means of the inhabitants themselves, aided and supported by a few irregular infantry whom he invites from the neighbouring provinces for that purpose. His plan, which is at once simple and great, is successful in a degree that a mind like his could alone have anticipated. The country comes into his hands by the most legitimate of all modes, the zealous and spirited efforts of the

clusion of this war, Munro left once more for England in January 1819, and the question of land settlements now came up for decision.

The Board of Revenue at Madras were still in favour of the introduction of Village settlements, and in 1818 they recorded one of the most exhaustive and memorable minutes ever written in India.

Speaking of the Zemindari system, they said: "The increased facility and regularity with which this revenue had been collected, free from any extensive abuses on the part of the native revenue servants, and exempting the Government through its Collectors and Superintending Boards from the heavy duties inseparable from annual settlements, and from investigations into annual accusations of fraud and embezzlement in the collection of the revenue . . . forms a striking contrast with the former fruitless attempts of the Government to enforce the payment of their dues in the Circars, the evasion and subterfuges practised by the Zemindars and Polygars, the coercion and assistance of a military force, to which it was so often found necessary to resort for the purpose of realising the collections from the zemindari and pollam lands, and the numerous abuses of every description formerly so prevalent throughout the native establishments, and which still continue to disgrace the districts in which temporary settlements continue to prevail. . . .

"The ancient Zemindars and Polygars were, in fact, the nobility of the country, and though the origin of some of their tenures would not bear too minute a scrutiny, they were connected with the people by ties by which it was more politic, more liberal, and more just to strengthen than to dissolve.

natives to place themselves under his rule, and to enjoy the benefits of a Government which, when administered by a man like him, is one of the best in the world."

Had our power in the Circars been as strong on the acquisition of these provinces as it subsequently became at the period of the transfer of the Ceded Districts, the ancient Zemindars, like the Polygars of the latter country, might perhaps have been removed from their lands and reduced to the situation of mere pensioners on our bounty, but when the attachment of the people to their native chieftains and the local situation of many Zemindaris are considered, it may be greatly doubted whether such a policy would not have been as unwise as it would have been ungenerous."

Speaking of the Ryotwari system, they wrote: "The Ryotwari system had its origin in the Baramahal and Salem districts, ceded to the Company in 1792, and was first introduced by Colonel Read, the officer appointed to take charge of that country on its cession; Colonel Munro, Colonel Macleod, and Colonel Graham, then lieutenants, were assistants under Colonel Read. . . .

"In the Northern Division of Arcot, all these superiorities [special rights of Mirasdars or hereditary peasant proprietors] were also resumed and incorporated with the public revenue. In short, the survey assessment was raised so high as to absorb in the Government revenue any little rent remaining to the landholders. No intermediate person was acknowledged between the State and the actual cultivator. . . .

"The Ryotwari settlement, in fact, was made annually, frequently by the Tehsildars and Sheristadars [subordinate low-paid officers], and was not in general concluded until after the crop had been raised, the system then was to make as high a settlement as it was practicable to realise. If the crop was good, the demand was raised as high within the survey rates as the means of the Ryots would admit; if the crop was bad, the

last farthing was notwithstanding demanded, and no remission was allowed unless the Ryot was totally unable to pay the rent. On this point the most severe scrutiny was instituted, for not only was the whole of the Collector's detailed establishment of servants employed in an investigation of his means, but each of his neighbours were converted into inquisitors by being themselves made liable for his failure, unless they could show that he was possessed of property. . . .

"He [the cultivator] was constrained to occupy all such fields as were allotted to him by the revenue officers, and whether he cultivated them or not, he was, as Mr. Thackeray emphatically terms it, saddled with the rent of each. To use the words of Mr. Chaplin, the Collector in Bellary, one of the most able of Colonel Munro's former assistants, and still one of the most strenuous advocates of the Ryotwari system, it was the custom under it, 'to exert in a great degree the authority, which is incompatible with the existing regulations, of compelling the inhabitants to cultivate a quantity of ground proportionate to their circumstances.' This he explains to have been done by 'the power to confine and punish them,' exercised by the Collector and his native revenue servants; and he expressly adds, that if the Ryot was driven by these oppressions from the fields which he tilled, it was the established practice 'to follow the fugitive wherever he went, and by assessing him at discretion, to deprive him of all advantage, he might expect to derive from a change of residence.' . . .

"Ignorant of the true resources of the newly-acquired countries, as of the precise nature of their landed tenures, we find a small band of foreign conquerors no sooner obtaining possession of a vast extent of territory, peopled by various nations, differing from each other in language, customs, and habits, than they attempt what would be

called a Herculean task, or rather a visionary project even in the most civilised countries of Europe, of which every statistical information is possessed, and of which the Government are one with the people, viz., to fix a land-rent, not on each province, district, or country, not on each estate or farm, but on every separate field within their dominions. In pursuit of this supposed improvement, we find them unintentionally dissolving the ancient ties, the ancient usages which united the republic of each Hindu village, and by a kind of agrarian law, newly assessing and parcelling out the lands which from time immemorial had belonged to the Village Community collectively, not only among the individual members of the privileged order (Mirasdars and Kadeems), but even among the inferior tenantry (Pykaris), we observe them ignorantly denying, and by their denial abolishing private property in the land, resuming what belonged to a public body (the Gramamanium), and conferring in lieu of it a stipend in money on one individual; professing to limit their demand to each field, but in fact, by establishing such limit, an unattainable maximum, assessing the Ryot at discretion, and, like the Musalman Government which preceded them, binding the Ryot by force to the plough, compelling him to till land acknowledged to be over-assessed, dragging him back to it if he absconded, deferring their demand upon him until his crop came to maturity, then taking from him all that could be obtained, and leaving him nothing but his bullocks and seed grain, nay, perhaps obliged to supply him even with these, in order to renew his melancholy task of cultivating, not for himself, but for them."

Such was the state of cultivators under the Ryotwari system without the protection of a permanent and moderate assessment which Munro had recommended. A more forcible picture of a "human cattle-farm" has never been painted.

Lastly, with regard to the Village system the Board wrote: "Although this system has not been equally successful in every district, yet even where (as in Bellary) it has been the least so, the Collectors are unanimous in opinion that it has most materially improved the condition of the agricultural population of the country, and it is the great body of the Ryots, and not the mere parties with whom the settlement was concluded, who have chiefly benefited by the Village settlement. The Ryotwari Teerwas have nearly everywhere been greatly reduced, and instead of the head Ryots oppressing their inferiors, most of the Collectors have been obliged to prop their weakened authority by that of their Tehsildars. This, without any material exception, is the universal language of all their reports, and it is a result which may be confidently offered as conclusive evidence that the system has generally answered the expectations of those by whom it was introduced. But where the settlement has been best conducted, as in Cuddapah and the Northern Division of Arcot, a picture of prosperity is drawn of which the parallel may in vain be sought throughout the revenue records of this Presidency."¹

This last appeal was made in vain. The great author of the Ryotwari system, now Sir Thomas Munro, K.C.B., returned to India, for the third and last time as Governor of Madras; and the Ryotwari system was finally accepted for the Province, except where Zemindari settlements had already been made with Zemindars and Polygars. Looking back, after a lapse of over eighty years, to these memorable debates, the student of Indian history still reflects on them with a melancholy interest, and his admiration for the high personal character of Sir Thomas Munro does not prevent him from feeling that in this controversy the

¹ Board's Minute dated 5th January 1818.

Board of Revenue was in the right. A wise Government tries to foster and improve, not to sweep aside, the ancient institutions of a country, when they are consistent with modern progress. It is undeniable that the internal concerns of villages in India could be managed more successfully, and more satisfactorily to themselves, by the villagers than by Tehsildars, Sheristadars, and policemen; and that it is a gain to the cause of humanity to let large classes of people manage their own concerns where possible. Munro himself, if he had seen village communities in a workable condition in the early scenes of his settlement work, in Baramahal, Canara, and the Ceded Districts, would have been the strongest advocate of that system. But having made settlements direct with the cultivators in those places, having advocated that system to the Government of Madras and before the House of Commons, having got the Directors of the Company to sanction that system in all the unsettled parts of the province, he was unable, late in his life, to change his opinion, and appreciate the more desirable form of land administration through the agency of village communities which the Board of Revenue had fostered between 1812 and 1818. As Governor of Madras, Sir Thomas Munro did all he could to foster the village institutions; he organised Panchyets, and conferred on them judicial powers, and he endeavoured to continue the village communities of India as living and organic institutions, such as they had been in the past. But all these endeavours failed. When all real power is taken away from old institutions, forms of authority will not keep them alive. And the villagers, harassed by every petty revenue officer and corrupt policeman, could no longer continue to work together as corporate bodies, as they had done before. Among the many changes which India has witnessed with the advent of the

British rule, many of them making for progress and advancement, and some of them deplorable, the saddest change is the virtual extinction of the old forms of self-government, and the disappearance of those ancient Village Communities of which India was the first home among all the countries of the earth.

The final rejection of the Village system advocated by the Board of Revenue has only an academical interest for the modern reader; what has more practical significance is that the Ryotwari system, advocated by Thomas Munro himself, has not been continued in its entirety. Thomas Munro had declared in 1807 and in 1813, as strongly and emphatically as it was possible to do it, that the essence of the Ryotwari system was the permanency of assessments; that the Ryotwari settlement was as permanent as the Zemindari settlement of Bengal except in regard to waste lands. The Ryotwari system was introduced finally in all unsettled tracts in Madras in 1820, but the permanency of the assessments, recognised and admitted by the Madras Government down to 1862, has since been ignored. The uncertainty of the State demand, now altered at each recurring settlement on grounds which are unintelligible to the people, leaves the agricultural population of Madras in a state of perpetual uncertainty and chronic poverty.

CHAPTER IX

MUNRO AND THE RYOTWARI SETTLEMENT IN MADRAS (1820-1827)

SIR THOMAS MUNRO came to Madras as Governor of that Province in May 1820, and the Ryotwari system was declared to be generally introduced in the same month. Every possible opportunity was taken of getting back, on occasions of lapses or by means of purchase, the Zemindaris and Mootahs, and all other tenures into which the Ryotwari system was now to be introduced, and village leases were rapidly got rid of. Collectors were encouraged to break up joint-tenure wherever it existed, and to enter into engagements with tenants separately. The high rate of assessment, by which the State demand was fixed at 45 per cent., or 50 or 55 per cent. of the field produce, caused endless oppression; and was generally reduced under the considerate administration of Sir Thomas Munro.

It is not our purpose in the present chapter to trace the history of the introduction of the Ryotwari system into every district in Madras. But from the voluminous State records of the period a few extracts will throw much side-light on the operations of these years, and the economic condition of the people of Madras.

NELLORE.

The Collector of Nellore had selected the village of Covoor for the experimental introduction of the Ryotwari system, after survey, classification, and assess-

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ments of lands, as early as 1818; and the proceedings of the Board of Revenue show how the assessment was originally made, and how it was subsequently modified.

Wet lands.—"The grain being valued at 20 rupees per Candy, being the average selling price, gives Rs.34,374, from which the usual Calavassum or 6¼ per cent., or Rs.2234, being deducted, there remains to be divided between the Circar [State] and the cultivators Rs.32,139."¹

"The proportion allowed the cultivators being nine in twenty, or 45 per cent., comes to Rs.14,462; and consequently the sum which remains receivable by the Circar [State] is Rs.17,667."

Dry lands.—"The dry land and garden produce being estimated upon similar principles, and valued at 28 rupees per Candy, the share which remained to Government was for dry lands, Rs.768, for garden Rs.205."

The cultivators objected to the Collector's calculations and the selling prices of grain which he had assumed. Some deductions were allowed, and the Board came to the conclusion that "the estimated amount of the annual revenue of Covoore will be in round numbers about Rs.15,600." In other words, about one-half the estimated produce of the village was demanded by the State as its revenue under the new system.²

TRICHINOPOLY.

The village of Tertaloor was selected by the Collector of Trichinopoly, and was measured and assessed after a classification of soils. The estimated gross produce, after the usual deductions, was 5816 Cullums.³

¹ Fractions of Rupees have been omitted in these extracts.

² Proceedings of the Board of Revenue, dated 17th September 1818.

³ Fractions are omitted.

“This being divided being the Circar [State] and the inhabitants at the usual rate of Warum, 50 per cent., leaves as the Circar's share 2908 Callums, which being commuted at the average price of the last three years, as recommended by the Collector, amounts to Rs.3,232.”¹ Certain further deductions and additions were made, and the revenue fixed upon was Rs.3211. One-half the produce of the soil, levied as land-tax, was an impoverishing taxation, but the Madras Board was slow to reduce their demand even to one-third, while they still professed moderation! “Although one-third of the gross produce,” they said, “cannot be considered as a standard for a general assessment to be valued and paid in money, it may nevertheless serve as a guide to direct Collectors to moderation.”

COIMBATORE.

In the District of Coimbatore the evils of a gross corruption were added to the evils of a cruelly excessive assessment. A Commission was appointed to inquire into these abuses, and they reported that the treasurer, Causy Chitty, from his first appearance upon the scene, “directed his attention constantly and anxiously to the converting of every person and everything in the country to the benefit of his private trade.” The Collector, Mr. Garrow, was suspected to be equally corrupt, and the Court of Directors wrote indignantly in 1821 to Sir Thomas Munro, then Governor of Madras.

“Great as these abuses are in themselves, they excite the most painful considerations when they are contemplated as an evidence of defect in our institutions. We can see no ground of assurance that what has happened in Coimbatore should not happen

¹ Proceedings of the Board of Revenue, dated 26th November 1818.

in any other District; that a Collector should not obtain the confidence of the Board of Revenue, and becoming either the dupe or the accomplice of an artful and fraudulent native, render the whole Province subject to his mismanagement, the prey of a few men armed with the powers of Government. If either the weakness or the corruption of the Collector may produce such scenes as those which were exhibited in Coimbatore, and for seven years laid the property of the inhabitants, as well as the public revenue, at the mercy of the lowest agent of the Government, without exciting the attention of those whom we have appointed to superintend the details of government and to discover and prevent abuse, it is impossible not to dread the extensive existence of evil, and infer the necessity of more effectual securities. As the death of Mr. Garrow has rendered it unnecessary for us to decide upon the propriety of his being allowed to continue in our service, it is of less importance to determine the species and degree of his delinquency. It is certain, however, that the existence under a public officer of abuses of great extent and long duration, abuses which were attended with great profit to his immediate dependents, and which an ordinary degree of vigilance would have enabled him to prevent, is to a certain degree evidence of corrupt participation."¹

In another letter, written in the subsequent year, the Court of Directors give us details of the over-assessment of Coimbatore, apart from its oppression from corrupt motives.

"A rent called a full rent was, according to custom, charged upon all the arable, not garden, *i.e.* upon the uncultivated and fallow as well as upon that under crop. A third or a fourth of the full rent was charged.

¹ Revenue Letter from the Court of Directors to the Governor in Council at Madras, dated 31st October 1821.

for grass land, and something more than the full rent for the garden land. . . .

“In his letter dated 7th September 1816, he [the Collector; Mr. Sullivan] says: ‘When a ryot has occupied and paid rent for land for two years, he is considered as its proprietor, and is, in fact, saddled with the rent of it as long as he can pay.’ It hence appears that his character of proprietor was fixed upon him by the Government for its own advantage, and not for his, viz., that he might be made responsible for a certain amount of rent. . . .

“The additional tax upon land watered by wells, or cultivated with garden produce, is justly represented by the Collector as a tax upon improvement. He describes the formation of wells as by far the greatest improvement of which the land in that part of India is susceptible. A well places the crops of the land which it suffices to water beyond the accidents of season, so variable, and often so fatal, in India. Nothing, therefore, can be more useful than to give encouragement to the formation of wells. All the encouragement necessary would be to allow the people to reap the fruit of their own labour; for the Collector describes them as prone to the formation of wells, but deterred by the tax.”¹

The complaint of over-assessment runs through the whole of the correspondence of these years, and yet the Directors, while they were eloquent in condemning the sins of the deceased Mr. Garrow, were not very prompt or explicit in remedying their own. In a letter written only three weeks before the one quoted above, the Directors speak thus:

“‘The same features,’ he [the Collector of Trichinopoly] adds, ‘of distress and poverty which must ever accompany a rack-rent, are but too visible in Trichino-

¹ Revenue Letter from the Court of Directors to Madras, dated 2nd January 1822.

poly, and the ruin of all agricultural improvements is evident in the depreciation of the value of landed property. Mirasdars who formerly farmed an extent of land amounting to some thousand Cawnies, now possess scarcely as many hundreds, and these will be sold in the course of this or the ensuing year, if either the assessment is not altered or the balance of arrears allowed to lay over. But what I chiefly wish to impress upon the Board is my conviction of the impossibility of continuing the present assessment.' . . .

"For a remedy of the immediately pressing evils, you [Madras Government] have thought proper, without dissolving the leases, to authorise remissions in proportion to what may, in each several instance, appear to the Collector to be required. This is, therefore, an annual settlement in fact; and it will require some pains on your part to prevent it from having the effects of an annual settlement without the accuracy; in other words, from pressing too heavily upon the renters in some instances, and sacrificing too much of the interests of Government in others—in accordance to the zeal or humanity, the negligence or severity of the Collectors."¹

In other words, the assessment was to be maintained at an impossible rate, and as much of it was to be taken from the cultivators from year to year as they could possibly pay. And the Directors considered this compatible with the improvement of the condition of the people !

TANJORE.

The same story is repeated from the once flourishing State of Tanjore.

¹ Revenue Letter from the Court of Directors to Madras, dated 12th December 1821.

"The lease settlement of Tanjore expired with Fusly 1229 [1820], and the money value of produce having greatly fallen, and appearing likely to remain at a depressed level, the money assessment had become higher than was intended, and sufficient evidence was adduced of the necessity of an abatement. . . .

"It was, no doubt, expedient to adhere, as you [Madras Government] did, to the principle of the fixed money assessment, notwithstanding the predilection of the people for their old methods of a division of the produce. . . .

"The principle which you have laid down for such contingency we think a proper one, 'that no addition should be made to the assessment unless the price of grain should rise 10 per cent., but that a deduction should be allowed if it should fall 5 per cent.,' the degree of addition or deduction to correspond with the alteration in the price."¹

ARCOT.

The same melancholy tale was told from Arcot.

"The Board, in conformity with the suggestion of the Collector, made, and as you say 'strenuously urge,' another proposal—a reduction of the assessment. This is a subject which peculiarly attracts our attention. The Collector and the Board of Revenue are unwilling to acknowledge our assessment. They declare the assessment to be 'as high as the exhausted state of the country could bear,' but express a confident expectation that it could be realised. They allege, however, that under such an assessment the country could not improve, and in order to afford it the means of improving, they propose a reduction from 7 to 10 per cent.

¹ Revenue Letter of the Court of Directors to Madras, dated 18th August 1824.

"Upon this you [Madras Government] express a very strong opinion with respect to the evils arising from over-assessment, and you add that it did not appear to you that there were any grounds for reducing the settlement in the Northern Division of Arcot which did not exist equally in other districts. In fact, you affirm that the same necessity exists in every part of the country. You then proceed to recommend a general reduction, and you propose that the standard upon which it should be regulated should be that of a third of the gross produce as the Government share. . . .

"We must, however, express a doubt whether a third, or any other proportion of the produce, can be assumed as an invariable standard of assessment."¹

These extracts are enough. They will sufficiently indicate to every reader the distress and poverty from which the people of Southern India suffered during the first quarter of the nineteenth century through the harshness of local officers and the greed of the Court of Directors. It is to the credit of Sir Thomas Munro that he strove all through his seven years' administration to lower the assessments, and that he did succeed in lowering them throughout the Province. He has himself given us, in his own lucid and forcible style, an account of his aims and endeavours in his Minute recorded on the 31st December 1824, perhaps the most thoughtful and statesmanlike minute ever recorded in India since the time of Lord Cornwallis. It is a long document, and covers more than thirty folio pages of the East India Papers."²

It is impossible within our limits to give a full summary of this valuable document, and we can, therefore, only make a few extracts from those portions of the Minute which relate to the condition of the people.

¹ Revenue Letter from the Court of Directors to Madras, dated 12th December 1821.

² Vol. III, London, 1826, pp. 602-632.

FIXED AND MODERATE ASSESSMENT OF LAND.

“In order to make the land saleable, to encourage the Ryots to improve it, and to regard it as a permanent property, the assessment must be fixed and more moderate in general than it is now; and above all, so clearly defined as not to be liable to increase from ignorance or caprice. . . .

“The Ryot is the real proprietor, for whatever land does not belong to the Sovereign belongs to him. The demand for public revenue, according as it is high or low in different places and at different times, affects his share; but whether it leaves him with only the bare profit of his stock, or a small surplus beyond it as landlord's rent, he is still the true proprietor, and possesses all that is not claimed by the Sovereign as revenue. . . .

“It is the ever-varying assessment which has prevented, and as long as it continues will prevent, land from becoming a valuable property; for even where the assessment is lowest, the knowledge that it may at any time be raised, hinders the land from acquiring such a value as to render it a saleable article. We cannot communicate to it the value which it ought to possess, or render it a private property capable of being easily sold or mortgaged, unless the public assessment upon every part of it be previously fixed. When it is fixed, all uncertainty is removed, and all land, which is not absolutely over-assessed, soon acquires a value which is every day increased by improvements, made in consequence of the certainty of reaping all the profit arising from them.”

EMPLOYMENT OF INDIANS IN ADMINISTRATIVE WORK.

“With what grace can we talk of our paternal Government if we exclude them from every important office, and say, as we did till very lately, that in a

country containing fifteen millions of inhabitants, no man but a European shall be entrusted with so much authority as to order the punishment of a single stroke of a rattan. Such an interdiction is to pass a sentence of degradation on a whole people for which no benefit can ever compensate. There is no instance in the world of so humiliating a sentence having ever been passed upon any nation. The weak and mistaken humanity which is the motive of it can never be viewed by the natives as any just excuse for the disgrace inflicted on them, by being pronounced to be unworthy of trust in deciding on the petty offences of their countrymen. We profess to seek their improvement, but propose means the most adverse to success. The advocates of improvement do not seem to have perceived the great springs on which it depends; they propose to place no confidence in the natives, to give them no authority, and to exclude them from all office as much as possible; but they are ardent in their zeal for enlightening them by the general diffusion of knowledge.

“No conceit more wild and absurd than this was ever engendered in the darkest ages, for what is in every age and every country the great stimulus to the pursuit of knowledge but the prospect of fame, or wealth, or power? or what is even the use of great attainments, if they are not to be devoted to their noblest purpose, the service of the community, by employing those who possess them, according to their respective qualification, in the various duties of the public administration of the country? . . .

“Our books alone will do little or nothing; dry simple literature will never improve the character of a nation. To produce this effect, it must open the road to wealth, and honour, and public employment. Without the prospect of such a reward, no attainments in science will ever raise the character of the people.

"This is true of every nation as well as India; it is true of our own. Let Britain be subjugated by a foreign power, to-morrow, let the people be excluded from all share in the Government, from public honours, from every office of high trust or emolument, and let them in every situation be considered as unworthy of trust, and all their knowledge and all their literature, sacred and profane, would not save them from becoming, in another generation or two, a low-minded, deceitful, and dishonest race.

"Even if we could suppose that it were practicable without the aid of a single native to conduct the whole affairs of the country both in the higher and in all the subordinate offices, by means of Europeans, it ought not to be done, because it would be both politically and morally wrong. The great number of public offices in which the natives are employed is one of the strongest causes of their attachment to our Government. In proportion as we exclude them from these, we lose our hold on them, and were the exclusion entire, we should have their hatred in place of their attachment, their feelings would be communicated to the whole population, and to the native troops, and would excite a spirit of discontent too powerful for us to subdue or resist. But were it possible that they could submit silently and without opposition, the case would be worse, they would sink in character, they would lose with the hope of public office and distinction all laudable ambition, and would degenerate into an indolent and abject race, incapable of any higher pursuit than the mere gratification of their appetites. It would certainly be more desirable that we should be expelled from the country altogether, than that the result of our system of government should be such a debasement of a whole people."

TAXATION AND LEGISLATION.

“The right of the people to be taxed only by their own consent has always, in every free country, been esteemed amongst the most important of all privileges; it is that which has most exercised the minds of men, and which has oftenest been asserted by the defenders of liberty. Even in countries in which there is no freedom, taxation is the most important function of government, because it is that which most universally affects the comfort and happiness of the people, and that which has oftenest excited them to resistance, and hence both its utility and its danger have, under the most despotic governments, taught the necessity of employing in its administration the ablest men of the country. . . .

“In other countries, Government and its officers are part of the community, and are of course acquainted with the effect of every public measure and the opinion of the country regarding it, but here Government is deprived of this advantage, it makes laws for the people who have no voice in the matter, and of whom it knows very little, and it is therefore evident that it cannot adapt its laws to the circumstances of the people, unless it receive accurate information upon this subject from active and intelligent local officers, whose duty it is to investigate carefully the conditions and opinions of the inhabitants, and to report upon them. But these officers can acquire this information only through an establishment of experienced native servants, who have, beyond all other men, from the very nature of their official duties, the best means of obtaining it.”

ADVANTAGES AND DISADVANTAGES OF BRITISH
RULE.

“If we make a summary comparison of the advantages and disadvantages which have occurred to the natives from our Government, the result, I fear, will hardly be so much in its favour as it ought to have been. They are more secure from the calamities both of foreign war and internal commotions; their persons and property are more secure from violence; they cannot be wantonly punished or their property seized by persons in power, and their taxation is, on the whole, lighter. But, on the other hand, they have no share in making laws for themselves, little in administering them, except in very subordinate offices; they can rise to no high station, civil or military; they are everywhere regarded as an inferior race, and often rather as vassals or servants than as the ancient owners and masters of the country.

“It is not enough that we confer on the natives the benefits of just laws and of moderate taxation, unless we endeavour to raise their character; but under a foreign government there are so many causes which tend to depress it that it is not easy to prevent it from sinking. It is an old observation that he who loses his liberty loses half his virtue. This is true of nations as well as of individuals. To have no property scarcely degrades more in the one case than in the other to have property at the disposal of a foreign government in which we have no share. The enslaved nation loses the privileges of a nation as the slave does those of a freeman; it loses the privilege of taxing itself, of making its own laws, of having any share in their administration, or in the general government of the country. British India has none of these privileges. . . .”

. . . “One of the greatest disadvantages of our Govern-

ment in India is its tendency to lower or destroy the higher ranks of society, to bring them all too much to one level, and by depriving them of their former weight and influence to render them less useful instruments in the internal administration of the country. The native governments had a class of richer gentry, composed of Jageerdars and Enamdars and of all the higher civil and military officers. These, with the principal merchants and Ryots, formed a large body, wealthy or at least easy in their circumstances. The Jagheers and Enams of one prince were often resumed by another, and the civil and military officers were liable to frequent removal, but as they were replaced by others, and as new Jagheers and Enams were granted to new claimants, these changes had the effect of continually throwing into the country a supply of men whose wealth enabled them to encourage its cultivation and manufactories. These advantages have almost entirely ceased under our Government. All the civil and military offices of any importance are now held by Europeans, whose savings go to their own country."

FUTURE OF INDIA.

"There is one great question to which we should look in all our arrangements; what is to be their final result on the character of the people? Is it to be raised or is it to be lowered? Are we to be satisfied with merely securing our power and protecting the inhabitants, leaving them to sink gradually in character, lower than at present, or are we to endeavour to raise their character, and to render them worthy of filling higher situations in the management of their country, and of devising plans for its improvement? It ought undoubtedly to be our aim to raise the minds of the natives, and to take care that whenever our connection with India might cease, it did not appear that the only

fruit of our dominion there had been to leave the people more abject and less able to govern themselves than when we found them. Many different plans may be suggested for the improvement of their character, but none of them can be successful, unless it be first laid down as a main principle of our policy, that the improvement must be made. This principle, once established, we must trust to time and perseverance for realising the object of it. We have had too little experience, and are too little acquainted with the natives, to be able to determine without trial what means would be most likely to facilitate their improvements. Various measures might be suggested, which might all probably be more or less useful; but no one appears to me so well calculated to ensure success, as that of endeavouring to give them a higher opinion of themselves, by placing more confidence in them, by employing them in important situations, and perhaps by rendering them eligible to almost every office under the Government. It is not necessary to define at present the exact limit to which their eligibility should be carried, but there seems to be no reason why they should be excluded from any office for which they were qualified, without danger to the preservation of our own ascendancy. . . .

“When we reflect how much the character of nations has always been influenced by that of governments, and that some, once the most cultivated, have sunk into barbarism, while others, formerly the rudest, have attained the highest point of civilisation, we shall see no reason to doubt that, if we pursue steadily the proper measures, we shall in time so far improve the character of our Indian subjects, as to enable them to govern and protect themselves.”

As we shall have no further occasion to return to the land settlements of Madras in the present volume, it is necessary that we should state here, in a few words, how that question has been dealt with during the three

quarters of a century which have elapsed since the death of Sir Thomas Munro. Administrators of the stamp of Thomas Munro are rare, and the difficult task of realising an equitable land-tax from 150,000 tenants in each district in the Province of Madras has not been satisfactorily performed. Twenty-five years after the death of Munro, another eminent Scotchman, who rose to high distinction as an Indian administrator, wrote thus of the Madras system :

“ Only imagine one Collector dealing with 150,000 tenants, not one of whom has a lease, but each pays according as he cultivates and gets a crop, and with reference to the number of his ‘cattle, sheep, and children’; and each of whom gets a reduction if he can make out a sufficiently good case. What a cry of agricultural distress and large families there would be in England or any other country under such a system! Would any farmer ever admit that his farm had yielded anything, that his cattle had produced, or that his wife had not produced? If the Collector were one of the prophets, and remained in the same district to the age of Methuselah, he would not be fit for the duty; and as he is but an ordinary man and a foreigner, and continually changed, it would be strange if the native subordinates could not do as they liked, and, having the power, did not abuse it. Accordingly, it is generally agreed that the abuses of the whole system, and specially that of remissions, is something frightful; chicanery, and intrigue of all kinds, are unbounded; while the reliance of the Madras Collector on informers by no means mends the matter.”¹

Sir Thomas Munro had laboured all his life to obtain for the cultivator of Madras a fixity of rental, so that all improvements made by him might lead to his own profit. And though such a fixity of rental was not declared by any Act or Proclamation, it was

¹ *Modern India*, by George Campbell, London, 1852.

accepted as a fact by the Madras Government, for forty years after the time of Thomas Munro. The Madras Ryot, said the Administration Report of 1855-56; "cannot be ejected by Government so long as he pays the fixed assessment. . . . The Ryot under the system is virtually a proprietor on a simple and perfect title, and has all the benefits of a perpetual lease." "A Madras Ryot," said the Board of Revenue in 1857, "is able to retain his land perpetually without any increase of assessment." "There can be no question," said the Government of Madras in 1862 to the Government of India, "that one fundamental principle of the Ryotwari system is that the Government demand on the land is fixed for ever."¹

These repeated assurances, as emphatic as words can make them, have now been ignored and set aside. Since the survey operations organised in 1855, the land-tax assessed on each holding is fixed at the discretion of revenue officers at each recurring settlement. The Madras Ryot has no fixity of rental, no security against enhancements, no adequate motive for improvements. The uncertainty of the land-tax hangs like the sword of Damocles on his head.

What is the Land Tax? The Court of Directors declared in 1856 that the right of the Government is not a rent which consists of all the surplus produce after paying the cost of cultivation and the profits of agricultural stocks, but a land revenue only.² Two years after this, the East India Company was abolished, and the first Secretary of State for India under the Crown, Sir Charles Wood, afterwards Lord Halifax, declared that he desired to take only a share, generally a half share, of the rent as Land Tax.³

This is a very high rate, but fixes a clear and

¹ Letter of 18th February 1862.

² Despatch of 17th December 1856. ³ Despatch of 1864.

intelligible limit. In practice, even this high limit is exceeded; and what is realised as Land Tax in Madras often sweeps away the whole of the economic rent. The maximum limit now fixed by the Government is one-third the field produce; and this is virtually the whole of the economic rent. For in small farms, yielding a produce of about £12 in the year, the cost of cultivation and the profits of agricultural stocks approximate to £7 or £8, and the claim of the Government to £4 as Land-Tax is virtually a claim, not to 50 per cent., but to 100 per cent., of the economic rent.

The evils of an uncertain State demand grew with the lapse of years; the Madras cultivators remained resourceless, the famine of 1877 found them helpless and swept away five millions of the population of that province. The Marquis of Ripon came to India as Viceroy three years after, and he at last grappled with the Madras Land Question.

Without conceding to the Madras cultivator that absolute fixity of the Land Tax which had been acknowledged as one of his rights by the Madras Government in 1856 and 1862, Lord Ripon laid down a rule that in districts which had once been surveyed and settled, the Land Tax would not be raised except on the equitable ground of a rise in prices.¹ It left the door open for the enhancement of the land revenue, while at the same time it gave the cultivators an assurance against such enhancement except on the reasonable ground of a rise in the prices of the field produce. It was the most reasonable compromise which could be effected after the right of an absolutely fixed rental had been ignored; and it gave some security to the agricultural population of Madras, without which agriculture cannot flourish in any part of the world.

¹ Despatch of 17th October 1882.

The Marquis of Ripon left India in December 1884, and in January 1885, the Secretary of State for India cancelled the equitable rule he had established! The India Office thus proved itself as ungenerous and harsh to the Indian cultivators as the old Court of Directors.* And the Madras cultivator to-day (1901) has no effectual security against uncertain State demands and unjust enhancements, and has therefore no motive to save and no power to improve his own condition.

Settlements in Madras are now generally made for a period of thirty years. But the power vested in settlement officers to enhance and fix the Land Tax at each recurring settlement, without any clear legal limits which are intelligible to the people, depresses agriculture and prevents the accumulation of wealth in Madras, as it would do in any country in the world. British officers of high distinction, who have passed years of their lives in revenue and judicial work in India, perceive this, and have submitted a representation to the Secretary of State for India (1900) asking for some fixed limits, similar to those which were fixed by the Marquis of Ripon.

CHAPTER X

LORD WELLESLEY AND CONQUESTS IN NORTHERN INDIA (1795-1815)

THE Province of India now called the *North-Western Provinces and Oudh*, came under British rule at different dates. Benares and some adjoining districts were annexed by Warren Hastings on the death of the Nawab of Oudh in 1775 by a treaty with his successor. Allahabad and some other districts were ceded by the Nawab of Oudh to the British, under pressure from Lord Wellesley, in 1801. Agra and the basin of the Ganges and the Jumna were conquered by Lord Lake in the Mahratta war of 1803. And the remaining portion of Oudh was annexed by Lord Dalhousie in 1856.

Cornwallis and Shore were anxious to extend to Benares the same Permanent Zemindari Settlement which had been concluded in Bengal in 1793. Negotiations were conducted with the Raja of Benares from 1787 to 1794, and an agreement was concluded on the 27th October 1794. The Raja of Benares relinquished to the British the rights which he had hitherto exercised over the whole of his State, retaining his Zemindari rights over a small tract which had formed the patrimony of his family. On the conclusion of this agreement, Sir John Shore, then Governor-General of India, made land revenue settlements with village Zemindars in the relinquished tracts, and also restored many estates to old Zemindars who had lost them under the Raja's administration. The division of the crop between the Government and the cultivator,

in proportions which varied slightly in different parts of the country, furnished the rule for fixing the land revenue; and a Permanent Settlement of the revenue was made in 1795 over the whole of the Benares country.¹ The Code of Regulations for Bengal, Behar, and Orissa were extended to Benares with little alteration, and the civil and criminal laws administered were the same.

Six years after this, the Nawab of Oudh ceded to the East India Company the district of Allahabad and other districts called by the general name of the "Ceded Districts." The long negotiations between the Nawab and Lord Wellesley relating to this event, the threats under which the cession was ultimately made in commutation of the subsidy, and the charge of high crimes and misdemeanours which was subsequently framed against Lord Wellesley for these transactions, are matters of political history which do not come within the scope of the present work.²

¹ Fifth Report, 1812, pp 45-48.

² "The subsidy which, according to the treaty of Lord Teignmouth, was already paid by the Vizir [Nawab of Oudh] amounted to Rs 7,600,000; the annual expense of the additional force with which he was to be loaded was Rs. 5,412,929; the whole would amount to Rs. 13,012,929. The Nawab was required to make a cession of territory, in perpetual sovereignty to the English, the revenue of which even in its present unproductive state, and without any regard to the improvements of which it might be susceptible, should amount to such a sum, over and above the whole expense of collection. The revenue remaining to the Vizir after such a reduction would have been Rs. 10,000,000. The territory, then, of which he was to be deprived, amounted to more than one-half, to not much less than two-thirds, of his whole dominions. . . .

"If, on the other hand, this measure should, unfortunately, not obtain his consent, he was desired to consider the territorial cession as a measure which force, if necessary, would be employed to accomplish."—Mill's *British India*, Book VI. chap. 1x

See also State Papers relating to Lord Wellesley's administration. By a singular good fortune I have in my possession the identical copy of the State Papers in four volumes, which belonged to Lord Wellesley himself, and which was sold with the rest of his books after his death. These volumes contain interlineations and occasional short notes in the Marquis's own handwriting. Very amusing are his remarks on the policy of his peaceful successors, Cornwallis and Barlow, who reversed some of his acts. "Most infamous," "an abrogation in itself iniquitous," are some of the notes made by the irate Marquis in reference to his successors' policy.

On the same day on which Lord Wellesley ratified the treaty by which the Company obtained the "Ceded Districts," he formed a Commission for the administration and settlement of those districts. Three civil servants were appointed to form a Board of Commissioners, and the Governor-General's brother, Henry Wellesley, was nominated Lieutenant-Governor of the new territory and President of the Board. Henry Wellesley made a settlement of the land revenue for three years with the Zemindars and farmers, and his first settlement report, dated 10th February 1803, discloses the same over-assessment which the Company's servants made in every newly-acquired territory in India.

"3. The settlement of the provinces had, however, been formed by the Collectors previously to my arrival at Bareilly, at a Jumma [assessment] fully equal to that at which it had been ceded by his Excellency the Nawab Vizir; and although I was still apprehensive that this settlement had been made upon an erroneous calculation of the existing assets of the country, and that the amount would be with difficulty realised, I determined not to annul the engagements which had been recently concluded by the Collectors, from an apprehension that any immediate interference on my part might tend to weaken their authority, which at that critical period, it appeared to me so necessary to support. . . .

"18. From the documents which I have been enabled to collect relative to the annual revenue of these provinces during the Moghal Government, it would appear that it amounted to nearly two and a half crores of rupees [two and a half millions sterling]. . . . Under the mild and equitable system of the British Government I have no hesitation in stating my expectation that the land revenue of these provinces, when fully cultivated, will amount to two crores and fifty lakhs of rupees [two and a half million sterling]. . . .

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" 24. Under the regulations recently introduced, the revenue arising from the Abkaree, or duty on the sale of spirituous liquors, will at least equal the amount for which credit is taken in the statement. . . .

" 30. I now proceed to lay before your Lordship the arrangements which I have adopted for the purpose of placing the exclusive privilege of the purchase and sale of salt in the hands of the Company."¹

In the statement appended to this report the following figures are given :

	<i>Rupees.</i>
Amount of the Nawab's land revenue assessment	13,523,474
Amount of the British assessment, first year	15,619,627
Amount of the British assessment, second year	16,162,786
Amount of the British assessment, third year	16,823,063

It will appear from these figures that the blunder which had been committed in Bengal and in Madras on the first acquisition of those provinces was repeated in Northern India. Large tracts of country, harassed by frequent wars and impoverished by severe exactions, had passed under the rule of a great and civilised power. It was a suitable occasion for giving the peaceful and industrious population some relief; it was an opportunity of lightening their burdens and improving their resources. But in the very first year of Henry Wellesley's administration, the Company's demand from the Ceded Districts was raised beyond the Nawab's demand by two million Rupees, or two hundred thousand pounds; and another million Rupees was added before the third year was out. And while the Nawab's demand was only nominal—collections being made according to the state of the crops—the Company's demand was realised with a rigidity which

¹ Paper 1 of Papers relating to East India Affairs, 1806, p. 34 *et seq.*

the people of India had never known before. One Collector, Mr. Dumbleton, complained that the settlement of 1802 "pressed beyond a reasonable demand," and that the British Government continued the heavy rates of the Nawab's Government "without the same elasticity in realising."

In other respects, every endeavour was made to bring the newly acquired territory under organised government. The Bengal Regulations were extended to it on the 24th May 1803, and the country was divided into seven districts. A civil servant, exercising the functions of Judge and Magistrate, was appointed to each district, and another civil servant performed the duties of Collector. A Court of Appeal and Circuit was established at Bareilly, and Tehsildars and landholders were empowered, as at Benares, to apprehend robbers and to preserve the peace within their jurisdiction.¹

An important Regulation was also enacted,² recognising the triennial settlement of the land revenue already made, and notifying that, at the expiration of that term, another settlement would be made for three years, to be followed by a settlement for four years, at the expiration of which a Permanent Settlement would be concluded.

"In these terms," says the Select Committee of the House of Commons,³ "the Supreme Government pledged itself to the landholders for the introduction of a Permanent Settlement" at the expiration of an aggregate period of ten years from the first settlement of Henry Wellesley.

In 1803 General Wellesley (another brother of the Governor-General, and afterwards Duke of Wellington) broke the Mahratta power in the south in the famous battle of Assaye; and Lord Lake crushed the same power in the north in the battle of Laswarce. The

¹ Regulation xxxv. of 1803.

² Regulation xxv. of 1803.

³ Fifth Report, 1812, p. 51.

country between the Jumna and the Ganges was annexed, and this country was called the Conquered Provinces, as distinguished from the Ceded Districts obtained from the Nawab of Oudh two years before. Bandelkhand and Cuttack were also annexed in 1803.

The Conquered Provinces were first placed under the administration of Lord Lake; but in 1805 they were formed into five districts, under the administration of judicial and revenue officers, and placed under the control of the supreme authorities at Calcutta like the Ceded Districts. The Regulations recently introduced in the Ceded Districts were introduced in the Conquered Provinces, and the same pledge which had been given to the landholders of the former country was given in the latter; settlements of one, three, and four years were to be made in succession, and the last settlement was to be permanent, if agreed to by the landholders.¹ Two years after the pledge was repeated, but with the proviso that the conclusion of the Permanent Settlement would depend on the confirmation of the Court of Directors.²

Northern India had been ravaged by the Mahratta war of 1803, and the severe land assessments made by the servants of the Company gave the people no chance of improving their condition. The result was the widespread famine of 1804. The Government was then compelled to make large remissions of the land revenue; loans and advances were made to the landowners; and a bounty was offered on grain exported into Benares, Allahabad, Cawnpore, and Fatehgarh. A Special Commission was appointed in 1807 to superintend the settlement for four years, which was to become permanent according to the regulations already enacted.

We now enter upon the famous discussion which took place on the question of a Permanent Settlement in Northern India.

¹ Regulation ix. of 1805.

² Regulation x. of 1807.

The Special Commissioners, R. W. Cox and Henry St. George Tucker, submitted their report admitting the benefits of a Permanent Settlement, but declaring themselves adverse to the immediate conclusion of such a settlement in the Ceded and Conquered Provinces.

“230. We are ourselves fully sensible of the many advantages which may be expected to result from a limitation of the public demand upon the land. We are aware that temporary settlements are harassing to the people, and that they afford opportunities for frauds and abuses. It has been questioned, indeed, whether a country can make any considerable advances in improvement while the public taxes are progressively increased, and the individual is not permitted to enjoy any benefit from the execution of greater industry; but with every previous disposition in favour of the principle of a Permanent Settlement, we submit to your Lordship in Council our deliberate and unqualified opinion that the measure, considered with relation to the Ceded and Conquered Provinces generally, is at this moment unseasonable, and that any premature attempt to introduce it must necessarily be attended with a material sacrifice of the public resources, and may, in particular cases, prove injurious to the parties themselves, whose prosperity it is the chief object of the measure to secure upon a durable foundation.”¹

This was the first note of alarm raised in Northern India against a Permanent Settlement, and the fear of a “material sacrifice of the public revenues” inspired this alarm. The arguments of the Special Commissioners, however, received a conclusive reply from H. Colebrooke.

“3. Government is pledged, by the proclamation of the 4th July 1802 and 11th July 1805, to con-

¹ Report dated 13th April 1808.

clude a Permanent Settlement with the landholders, at the expiration of the periods there specified, for such lands as may be in a sufficiently improved state of cultivation to warrant the measure, on fair and equitable terms. It was judged expedient, on full consideration of the subject, and with ample knowledge of the circumstances now alleged, to anticipate these periods; and accordingly, in June 1807, the Governor-General in Council notified to the Zemindars and other proprietors, by Regulation x., 1807, that the Jumma assessed for the last year of the ensuing settlement shall remain fixed for ever, if they be willing to engage, and the arrangement shall receive the sanction of the Court of Directors.

"4. The pledge which has thus been solemnly contracted cannot be forfeited without such a glaring violation of promise as would lose us deservedly the confidence of the people. . . .

"9. The argument on which, if I mistake not, the late Commissioners chiefly rely, is that the right of participating in future improvement ought not to be relinquished, because Government is in a manner the landholder and proprietor of a vast estate. . . .

"26. Upon the important occasions of the Permanent Settlement of Bengal and Behar, and of the territories on the coast of Coromandel, and after mature deliberation, a claim of participation in the future improvement of the waste lands was relinquished to a greater extent than the proportion at which they are computed by the late Board of Commissioners in the Ceded and Conquered Provinces.

"27. The happy result of the measure is now witnessed in Bengal. The reviving prosperity of the country, its increased wealth and rapid improvement, are unquestionably due to the Permanent Settlement, the principle of which was so wise that even the serious errors that were committed in filling up the

outline of the plan could not ultimately disappoint its views. . . .

" 32. I appeal to this experience in preference to any speculative argument. . . . It was expected that the improvement of estates by the culture of waste lands would enrich the landholder by the increase of his usual income, and enable him to meet the variations of seasons and temporary calamities of drought and inundation without needing remissions of revenue.

" 33. These expectations have been realised. . . .

" 38. It appears to be a very prevalent opinion that the British system of administration is not generally palatable to our Indian subjects. Admitting this opinion to be not unfounded, it follows that while they taste none but the unpalatable parts of the system, and while the only boon which would be acceptable to them is withheld, the landed proprietors, and with them the body of the people, must be more and more estranged from the Government, in proportion to the expectations which they formed, and the disappointment which they will have experienced. . . .

" 63. I shall conclude by declaring my concurrence in the Commissioners' recommendation, that steadiness, moderation, and justice should be the features borne by the administration of Government. But it is not by abandoning a measure deliberately resolved on, and beneficial to our subjects, that we shall prove our steadiness. It is not by grasping at the highest revenue, and wringing from our peasants the utmost rent, that we shall evince our moderation; nor is it by depriving the sons of our petty landholders of their birthright that we shall demonstrate our sense of justice."¹

This Minute, together with a similar Minute from

¹ Colebrook's Minute of 1808.

Lumsden, another member of Council, was forwarded by Lord Minto, then Governor-General, to the Court of Directors. And Lord Minto himself was equally explicit in his opinion.

"That on a mature consideration of all the documents connected with the establishment of a Permanent Settlement in the provinces of Bengal, Behar, Orissa, and Benares, and in the territories dependent on the Presidency of Fort St. George, and of all the reports and minutes respecting the proposed Permanent Settlement in the Ceded and Conquered Provinces, he was entirely satisfied of the sound policy, or rather of the urgent necessity, of the measure."¹

But the Directors had made up their minds. They had been once influenced by circumstances to sacrifice a prospective increase in their profits for the good of a nation. Lord Cornwallis was now dead, and the Directors were never guilty of such generosity again. "Grasping at the highest revenue and wringing from our peasants the utmost rent" was now their policy.

"No settlement," they replied, "shall be declared permanent in Cuttack or in any other of our Provinces till the whole proceedings preparatory to it have been submitted to us, and till your resolutions upon these proceedings have received our sanction and concurrence." Nine months after they again wrote that "the object of the present despatch is to caution you in the most pointed manner against pledging us to the extension of the Bengal fixed assessment to our newly acquired territories."²

The Governor-General was taken aback by these despatches. They directed not only the abandonment of a measure absolutely necessary for the good of the people of India, but also the violation of a solemn pledge

¹ Letter dated 15th September 1808.

² Despatches of 1st February 1811 and 27th November 1811.

twice made unconditionally to the people, and incorporated in the Regulations of 1803 and 1805. The Proclamation which formed a part of Section 29 of Regulation xxv. of 1803 (for the Ceded Provinces) contained this clause :

“At the end of these ten years, a Permanent Settlement will be concluded with the same persons (if willing to engage, and if no others who have a better claim shall come forward) for such lands as may be in a sufficiently improved state of cultivation to warrant the measure, on such terms as Government shall deem fair and equitable.”

And the Proclamation embodied in Regulation ix. of 1805 (for the Conquered Provinces) repeated the pledge in these terms :

“At the end of ten years, expiring with the year 1222 Fusly, a Permanent Settlement will be concluded with the same persons (if willing to engage, and if no other persons having a better claim shall come forward) for such lands as may be in a sufficiently improved state of cultivation to warrant the measure, on such terms as Government shall deem fair and equitable.”

These pledges were given unconditionally to the people of India by the responsible servants and agents of the Company, and were therefore binding on the Company. In 1807 the pledge was repeated a third time in Regulation x. of 1807 (for the Ceded and Conquered Provinces), and the condition was then inserted for the first time that the Permanent Settlement shall be made if “the arrangement shall receive the sanction of the Honourable the Court of Directors.”

How could these pledges be violated by the mandate of the Directors issued in 1811? “Had the Honourable Court’s dissent,” wrote the Indian Government in 1812, “to the arrangements established by the Regulations of 1803 and 1805 been signified at an early period after the enactment of those Regulations,

the inherent powers of control possessed by the Court might have been urged in support of such dissent, although those Regulations contained no reserve of the Court's approval; but now that the whole term of the contract has expired in the Ceded Provinces, and two-thirds of it in the Conquered Countries, the annulment of it, at this distant period, could not, we apprehend, as already intimated, be reconciled to the dictates either of policy or justice."¹

And Lord Minto, in a Minute recorded by himself, endeavoured to construe the Directors' recent orders in a restricted sense, as he could not reconcile a literal construction of those orders "with the maintenance of the faith of Government so publicly and so solemnly pledged to the landlords."²

One more protest was submitted by Lord Minto against the Directors' orders before he left India in 1813. He pointed out that a Permanent Settlement involved no sacrifice of revenues; that a variable land-tax had been condemned even by Adam Smith, in his *Wealth of Nations*, as a discouragement to improvements in land; that a Permanent Settlement could be effected for the estates actually held by the landlords in Northern India without including the waste lands; and finally, if the object of good government was "to ameliorate generally the conditions of the natives, it is our firm conviction that no arrangement or measure will lend so speedily and effectually to the accomplishment of those important objects as the establishment of a Permanent Settlement."³

But the Directors of the Company were obdurate. Their professed desire for the good of the people of India would not move them to surrender their own profits. They had indeed fixed upon a plan of getting out of the pledges given in 1803 and 1805. They

¹ Letter dated 9th October 1812. ² Minute dated 11th July 1812.

³ Letter dated 17th July 1813.

suggested an evasion which would not be held valid by any Court of Justice, and which was unworthy of honest merchants, not to speak of the rulers of an empire.

“Continued possession and a punctual discharge of the dues of Government during the triennial leases formed only one part of the condition on which Government pledged itself to a Permanent Settlement with the landholders. There was another and still more important clause in the condition, viz. that the land should, in the interval, be brought to a sufficiently advanced stage of cultivation to warrant us in fixing perpetual limits to our demand upon it. The precise point of improvement at which such a measure might become expedient, or even justifiable, was not determined by the Regulation of 1803 and 1805, and would not, indeed, be determined by any prospective Regulation. The question was left completely open for the future exercise of the judgment of Government; nor is there anything in these Regulations by which its decision can, or ought to be, in the smallest degree fettered.”¹

If this argument had been used in good faith and honesty, it would have led to Permanent Settlements in some advanced estates at once, and delayed them in others. But it was used artfully to evade a pledge, and the pledge was evaded. No Permanent Settlements were made in any estates in 1813, or have been made since.

Lord Moira, afterwards Marquis of Hastings, succeeded Lord Minto as Governor-General of India. His administration is famous in history for the Nepal war, the Pindaree war, and the last Mahratta war, which led to the annexation of the Province of Bombay in 1817. In the midst of these distractions, Lord Hastings was unable for a time to devote his attention to the settlement of Northern India.

¹ Letter dated 16th March 1813.