CHAPTER SIX

Revenue Administration

In this chapter we shall deal with the revenue administration that the Company built up in Bengal. Its importance cannot be over-emphasized in view of the fact that it supplied the oil that kept the governmental machinery on move.¹

Of the public revenues of the Company land-revenue occupied a predominant place. India then being largely an agricultural country, revenue from land constituted more than 80 p.c. of the country’s total income. Besides, the machinery for collecting land-revenue used also to be utilised for administering civil justice during a large part of the period under review, and the clues for changes in the arrangement for administering civil justice had to be found not infrequently in the changes in that for collecting revenue. Not only that, the machinery for collecting land-revenue used also to manage some other sources of revenue. Our discussion about the revenue administration will, therefore, be almost entirely devoted to the discussion about the administration of land-revenue. Before we do that, we shall have a look at the other minor sources of revenue of the Company’s Government.

Besides income from land, other main sources of the Company’s revenues were derived from customs and excise and the revenues from opium contract and monopoly of salt.²

¹ A part of the revenue was also utilised for financing the Company’s investment.
² See, pp. 47—48 ante
Customs:

At first there were several petty chowkies to collect the customs duties. This often resulted in undue exactions and interruptions. So in 1771 these petty chowkies were replaced by nine General Chowkeys. We know that the revenues of the Government suffered much during the period owing to the abuse of the dustuck by the Company's servants. In March, 1773 Hastings appointed a special Board of Customs for the management of the customs dues on inland and foreign trade. But by the end of the following year this Board seemed to have discontinued its sittings. In its name the Secretary of the Board, however, continued to discharge its function. This arrangement continued up to the end of 1779. Hereafter it appears that the management of the customs revenues developed upon the same agencies as used to manage the revenue from land.

It has been already seen that opium and salt were regarded by the Governor-General and Council as articles of revenue, and their management was not handed over to the newly established Board of Trade. We shall now see how the Council used to administer these two articles.

Opium:

Opium was a staple product of Bihar and was in extensive demand in the Eastern markets. During the Mughal period the exclusive privilege of poppy cultivation and culture used to be farmed out for a payment in advance to individuals who in their turn supplied it to the European traders in Calcutta, Chinsurah and Chandernagar. The bulk of the export trade in

opium was handled by the Dutch till the battle of Plassey after which the entire opium trade passed into the hands of the Company's servants at Patna. In 1761 a monopoly, managed by the civil servants of the Patna factory, appeared to have been established in the business of this article. The ostensible ground for establishing this monopoly was to provide against (i) its adulteration, (ii) its excessive home consumption, and (iii) its over-production resulting in the loss of the foreign market. After the acceptance of the Company's Dewani in 1765 the business in opium received a further fillip. Its profits were utilised towards financing the emoluments of some of the superior servants of the Company.

In 1773 the opium trade was taken away from the Patna Council and leased out to two Indian contractors for one year only on the condition that they were to supply a certain quantity of opium at a given price. Half of the price was to be paid to the contractors in advance and the other half on delivery.

After the inauguration of the New Regime the opium trade naturally came under the consideration of the Governor-General and Council. The new-comers showed themselves as opposed to all monopolies, but they were at the same time in great doubt as to whether under the given circumstances the monopoly in this particular commodity could at all be dispensed with. They, therefore, thought it fit to retain the monopoly and give the contract to the highest bidder. The contract was renewed at intervals. This practice seemed to remain in vogue till the end of the period under review. Even after the contracts were granted, a general right of supervision

7. Ibid., 23rd May, 1776,
to guard against the oppression of the cultivators was reserved to the Company's servants.

There, however, soon rose complaints about the bad quality of opium supplied by these contractors. An office of Inspection was, therefore, established at Calcutta to check its quality, the Provincial Council of Patna in particular was directed to certify both the quantity and quality of the articles before its despatch to the Metropolis.8 The office of Inspection was, however, abolished in 1781, but seemed to be revived soon.

Salt:

A monopoly of the Company was also established in the salt trade of Bengal as it had been a state monopoly since 'time immemorial'. In 1765 Clive put into force a plan for dividing the salt profit among the Company's servants. On an order from the Court of Directors it was abolished in 1766. The salt trade seemed to remain open during the period between 1768 and 1772. In 1772 Hastings took steps to monoponise the commodity once again for the Company's sake. The Court of Directors now approved of the measure. For the management of the trade recourse was had to the contract system. The salt labourers known as malungees used to be much oppressed under this system.

But by 1776 it became evident that the profits from the salt monopoly were very disappointing.9 So on 16th July, 1777, it was decided by the Governor-General and Council that the salt mahals, along with the lands, would be let to the farmer and zamindars 'for a ready money rent, including the

8. Ibid., 10th June, 1777.
duties', the salt being left to their disposal. In 1780 this arrangement was also discontinued, and a salt office was instituted. A number of Company’s covenanted servants were appointed to superintend the manufacture of salt at the price fixed by the Governor-General and Council. This system appeared to remain in vogue till the end of the period under review.

Salt was an absolute necessity of life but it was made a subject of so many experiments by the Company.

Miscellaneous Heads:

In addition, the Government used to derive some income from such miscellaneous heads as fines, fees, etc.

Land Revenue:

We shall now proceed to describe the administration of land-revenue. With a view to building up a sound land revenue administration, the Government would have to satisfy the following conditions: (a) preparation of a cadastral record dealing with the village-maps, revenue-records and the records of private rights and interests in the land, etc., (b) assessment of revenue which also included the principle of assessment and the persons liable to pay it, and (c) machinery for collecting the revenue assessed. Now, as the Company’s land revenue administration developed directly out of the indigenous system, we shall do well to see in essentials what this system was and how far it used to meet the foregoing conditions.

Indigenous System:

The idea that the state was entitled to a share of the produce of soils from the cultivators was current in India from very

ancient times. The Laws of Manu had mentioned one-sixth of the gross produce as the legitimate share of the king. Then with the growth of population cultivation too extended, and it was no longer found feasible to collect the share in kind. The system of payment in cash was, therefore, introduced. This was rendered all the more necessary with the rapid expansion of some of the Mahomedan kingdoms.

The land-revenue administration that the Mughals introduced in Bengal was typical. It was not, however, much complicated. Bengal proper consisted of nineteen large administrative divisions called Sarkars. These were again divided into sixty-eight fiscal and administrative units known as parganas. The sarkar was an innovation introduced by the Mughals but pargana unit was in vogue from the Hindu period. Each pargana was placed under a zamindar.

The amils were responsible for the collection of land revenue from the zamindars. In frontier areas, however, the Foujdars collected land-revenue from the zamindars. To control the zamindars and the amils a Kanungo was appointed for each pargana. He was responsible for the pargana accounts. He kept the records of assessment and collection and maintained the rights of the cultivators. The kanungoes used to collect the necessary information from the village headmen.

The permanent records thus maintained by the kanungoes rendered the collections of revenue easier. The zamindars, the foujdars or the amils could not also ordinarily exact much more than what was the customary rent of each area.

The Institutes of Timur represented the first serious attempt to commute into money the state's share of the produce from soil. The next attempt was made by Sher Shah but it could not be very fruitful owing to the short duration of his
administration. It was during the reign of Akbar that an elaborate and scientific method of investigation was undertaken to assess the taxable capacity of the different soils as a prelude to the fixation, by the state, of its revenue demand. In fact, the first Mughal revenue settlement of Bengal was made during his reign (about 1582) by Todar Mal. The rent roll amounted to a total of Rs. 1,06,93,152. The accounts of rents paid by the ryots were collected with the help of the kanungoes.

The second revenue settlement was made by Shah Shuja, the Viceroy of Bengal, in the year of Aurangzeb’s accession to the throne (1658). The third settlement culminating in 1772 was made by Murshid Kuli Khan, another Viceroy of Bengal. In 1725 Viceroy Shujauddin made another settlement, but it only sought to re-distribute the revenues of certain zamindaries and had not much effect upon the total revenue-roll.

Under the Hindus and during the first part of the Mughal administration the assessed revenue used to be mostly collected by the salaried Government officials. When the Mughal Empire started to disintegrate, it proved difficult to control from Delhi the revenue officials posted in the outlying provinces. So the system of revenue-farming was introduced, and in Bengal it became almost general from the time of Emperor Farukhsiyar (1713-19). Under this system the revenue farmers variously known as zamindars, talookdars, etc. paid to the Government a certain fixed share of their total collections and appropriated the remaining portion. They constituted the principal source of money for the Emperors who were then living in a state of chronic financial embarrassment. Consequently the zamindars too consolidated their position. In course of time their offices became hereditary, and they pretended to be the proprietors of the soils under their charge.
In this connection we shall do well to point out that during both the Hindu and Mahommedan administrations the state had not generally claimed exclusive ownership of the land and had definitely acknowledged the existence of private property in it. The fact that the state could take possession of a land in case of a default was true of all other kinds of private property as well. At best we can say that the Government regarded the land as hypothecated to it as security for the due payment of the rent assessed upon it. From the private ownership of land it, therefore, follows that the land revenue was then a tax and not a rent.

Position after the Company's Acquisition of the Dewani:

Even before the acquisition of the Dewani by the Company, it had a limited political character. Thus the Company had acquired zamindary rights in respect of (i) Calcutta and its two adjacent places in 1698 from Azim-oo-Shan and (ii) 24 Parganas under the Treaty with Mir Jafar in 1757. Besides, the three districts of Burdwan, Midnapore and Chittagong had been originally ceded to the Company by the Treaty with Mir Kassim in 1760. At the time of the grant of the Dewani both the zamindari lands and the ceded districts were superintended by the Covenanted servants of the Company, and the collection of revenue in those areas was either directly done by them or done under their control.

The Company acquired the Dewani in 1765. But till 1772 it practically did not devote itself to the direct collections of


It has, however, been contended in certain quarters that the Indian conception of land tenure was like a compromise between the English theory of absolute property in land and the extreme of state ownership. The landlord's or ryot's title was recognised subject to the limitation of the state's concurrent right in-land.
revenue with the help of its Covenanted servants. Their number was small. Further, they were quite ignorant about the revenue matters. Their experience at Burdwan was not at all encouraging. There the English servants proved themselves altogether unfit to conduct the collections of revenue from "the subtle natives", so the actual collections were left to the two Naib Dewans—one for Bengal and the other for Bihar having the traditional indigenous machinery at their disposal.

In Bengal Reza Khan was appointed to the post of this Naib Dewan in addition to his duties as the Naib Nazim. After collecting the annual revenues he used to deposit them in the Nawab's Treasury ('Khalsa') at Murshidabad. From that Treasury the money was subsequently transferred to the Company's Treasury. The process was simple. At the annual poonah held in every district the Government settled with each zaminder, talookdar or farmer his dues for the ensuing year. The total of all the dues from all the zamindars, therefore, constituted the sum which was payable from the Nawab's Treasury. If any deficiency occurred, the reason for it had to be specifically found out. On behalf of the Company the Resident at the Durbar (i.e. court) of the Nawab of Murshidabad, who was posted there for the transaction of all business between the Nawab and the Company, used to receive the money from the Nawab's Khalsa. He also superintended the collections and inquired into the causes of the deficiencies.

The collection of revenues in the province of Bihar was placed under "the immediate direction" of the Company's Chief Representative at Patna. For about one year and a half he acted with the help of Deerijnarayan. The latter was

13. The ceremony was held in May for Bengal and in September for Bihar—Further Report of the Committee of Secrecy, 1773.
subsequently replaced by Shitab Roy. In this affair the Chief at Patna was under the control of the Resident at the Durbar and used to make “consignments of treasure” to him.

Thus we see that the Resident at the Durbar used to act as “the Collector of the King’s revenue”. In all these matters he remained responsible to the Select Committee at Fort William and was under its inspection and control. Save and except this supervisory role at the top of the collection-machinery the Company’s Government then undertook no other responsibility. It remained satisfied so long its revenue demands were met.

The Company’s investments had to be financed out of these revenues. Increased dividends had to be paid to the shareholders. In 1767, again, the Company was asked by Parliament to contribute to the British Exchequer a sum of £ 400,000 annually. Both the Company and the Ministers seemed to look upon India as an El Dorado. All these demands were based on an estimate of the surplus of these territorial revenues of Bengal. The sponge was getting dry. Still attempts continued to be made to squeeze much water out of it. With the passing of time the Company’s demand for revenue became greater and greater. Ignorance is generally a breeding ground of suspicion. Naturally, therefore, the Company’s Government began to entertain a shrewd suspicion that the zamindars, though “exacting greatest possible revenue from the tenants and vassals”, were not paying to the Treasury what they should. The tenants were oppressed and rack-rented, but the Company could not reap much benefit.

15. In addition, the Company had to maintain an army of 30,000 soldiers and had to pay stipends to the different Indian Chiefs to the extent of £ 1,00,000 per annum.
To check these malpractices the Company’s revenue administration had to be spread.

Appointment of Supervisors in 1769:

So in 1769, some Covenanted servants of the Company were appointed in the different districts as Supervisors. They were instructed to make a full enquiry, among other things, into the amount and the method of collecting revenue in their respective districts and prepare a rent-roll. These Supervisors of Bengal excepting the one at Dacca were placed under the immediate control of the Resident at the Durbar of Murshidabad, and those of Bihar under the Chief of Patna. An exception was made in the case of Dacca because he happened to be a member of the Bengal Council. He would act according to the directions of Resident, but in case he differed with him, the question would be referred to the Select Committee.

The appointment of these Supervisors was the first significant step adopted by the Company’s Government on the way to its undertaking the administrative responsibility of the country. Knowledge must precede action, and it is this knowledge which these Supervisors were asked to supply. To procure knowledge about the abuses of the administration of justice was also included among their duties. While trying to carry out these instructions into effect the Supervisors came to be confronted with the hostility of the zamindars and the kanungoes who possessed among themselves all the revenue-records of the districts. They would not disclose to the Company’s servants any of their secrets “from a necessary regard of their own safety.” As a result, the Supervisors could not succeed in their allotted task. Soon they lost all interest in it, and they engaged themselves in their private trade.
In 1770, however, some re-arrangement was made at the top of the Company’s revenue administration. The power of the Resident at Murshidabad was now curtailed and two Controlling Councils of Revenue were installed—one at Murshidabad for Bengal which consisted of four senior servants including two members of the Supreme Council and the other at Patna for Bihar which consisted of three senior servants including one member of the Supreme Council in response to an order from the Court of Directors. These two Councils were to control the revenue expenditure and see that the two Naib Dewans could not create new posts at the their sweet will. The Supervisors in the districts now became immediately responsible to these Controlling Councils. Sometime after, the post of the Resident was abolished and a Controlling Committee of Revenue was established in Calcutta to supervise the Bengal and the Bihar collections. This constituted the first attempt on the part of the Government to centralise the revenue administration in a committee which operated under its immediate supervision.

All these arrangements, however, failed to improve matters much. The Company was interested only in the collection of revenue. Settlements were made annually with the zamindars or, in their absence, with the aumils and the farmers to pay stipulated sums to the Government. These sums were in most cases excessive. Naturally there were manydefaulters. On the contrary, the ryots or the actual tillers of the soil upon whom the burden of all revenue-demands ultimately fell were the worst sufferers. Although the zamindars, farmers or aumils were required to grant pottahs to them according to the terms of agreement with the Government, they generally avoided doing so. Many of them, again, having no natural or long-term interest in the lands for which they collected revenues, took recourse to 'rack-renting the ryots. The latter
were further required to pay a number of illegal exactions in the form of *abwabs*.

The arrangement had soon its effect upon the economy of the country. By 1769-70 a devastating famine broke out in Bengal. This made the home authorities conscious of their responsibilities. In 1772 they decided to undertake the administration of the Dewani directly through the agency of their servants. This visualised "a total change of system".

**Steps taken in 1772:**

The Court of Directors' despatch communicating the determination of the Company to stand forth as the Dewan reached Bengal on 14th April, 1772 one day before Hastings had taken charge as the Governor of Bengal. The task of implementing the Court's order, therefore, devolved upon him. Hastings proceeded to do this with an energetic drive.

On 11th May, 1772, a notification was issued by the Governor and Council abolishing the posts of Naib Dewan and announcing the Company's determination to manage directly the territorial revenues. The Bengal Council then decided to farm the lands for a period of five years. The Supervisors were henceforward to be designated as Collectors who would be assisted by an Indian Dewan in each district.\(^\text{16}\) This change of nomenclature indicated the change of functions of the officers concerned.

Collectors were asked to collect all necessary informations regarding their respective districts and prepare an exact rent-roll of each farm. Regulations were also framed so

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16. Comptrolling Committee of Revenue Proceedings, dated 14th May, 1772.
that the Collectors could not abuse their authority and oppress the ryots. The Collectors were also not permitted to stay at the same station for two years successively.

But to manage land revenue required a detailed knowledge about revenue matters like the valuation of lands and their proprietary rights, etc. It has been already seen that the Company's Government was utterly lacking in it and the Supervisors could not achieve much result towards this end. A Committee of Circuit consisting of the Governor and some other senior servants of the Company was, therefore, now appointed to tour the different districts and submit a report as to how to carry out the Company's new policy with the best possible results. The Committee of Circuit submitted its report on 15th August, 1772, which was accepted by the Council about a week later.

Now in accordance with the suggestions of the said Committee the Controlling Councils of Revenue at Murshidabad and Patna and the Controlling Committee of Revenue at Calcutta were abolished as these bodies stood between the Government on the one hand and the Collectors on the other and thus impeded a free flow of business between the two. The entire revenue administration was now brought under the direct control of the Governor and Council who for this purpose constituted a Board of Revenue. The Khalsa was also transferred from Murshidabad to Calcutta. The business of the Khalsa was more elaborately organised. All these steps would enable the Presidency Government to acquire a thorough knowledge of the revenue matters.

As the Collectors in the districts were assisted by their respective dawans, so the Governor and Council in the
matter of managing the land revenue were assisted by an Indian officer called Roy Royan. Besides superintending the business of the Khalsa he acted as the link between the Council and the dewans in the districts.

Experience had already revealed the shortcomings of the annual settlements, and it appeared that long leases in Burdwan had been working well. So the period of assessment was now extended to five years. The settlements continued to be always made with the highest bidders at public auctions, although, other things being equal, preference was to be given to the zamindars proper. And to protect the interest of the ryots pattahs would be granted to them. It, however, appeared that many adventurers had taken advantage of the situation to enter the field and were tying to make the most of their speculations. From the exorbitancy of the rents settled either with the zamindars proper or the new-comers they generally proved unable to fulfil their engagements. The interests of the ryots also continued to suffer.

Arrangement of 1774:

This arrangement, however, did not last long. In April, 1773, the Court of Directors asked the Governor and Council to recall the Collectors to the Metropolis and devise "some other plan". Evidently the Court was not satisfied with the work of the Collectors. One of the main causes of its dissatisfaction was that since the appointment of the Supervisors in the districts the civil charges had recorded a phenomenal growth but it was not accompanied by a proportionate increase in the amount of collections.

18. Ibid. p.147.
The Governor and Council considered on 23rd November, 1773, the order of the Court of Directors to recall the Collectors and devise an alternative plan. This order also conformed to Hastings’s desire. The latter was strongly in favour of centralising all Governmental authority at the Presidency. But simultaneously he did not like that there should be too sudden a break with the past lest the people should become apprehensive. So the new plan now adopted consisted of two parts—one part (‘temporary plan’) which provided for an intermediate authority between the local agency and the complete centralisation and was for immediate implementation, and another part (‘permanent plan’) which was based on centralisation and was meant for implementation in future. In fact, the implementation of the first part of the plan would prepare the ground for that of the prospective part 19.

Under the temporary plan which was meant for immediate execution, the whole Presidency of Bengal except a small area was now divided into six grand divisions—Calcutta, Murshidabad, Dacca, Patna, Burdwan and Dinajpur. Each of these divisions consisted of a number of districts. The posts of Collectors were abolished but they were not recalled to the Metropolis. They were appointed members of the Provincial Councils and remained posted at the headquarters of their respective divisions.

Each provincial council excepting that of Calcutta was to consist of five senior servants of the Company, of whom one was appointed a Chief. It would have on its establishment a Secretary, a Persian Translator, an accountant and three assistants. Moreover, a dewan was provided for each of these Councils to assist it in its work. The

constitution of the Council for the Calcutta division would be somewhat different. It would be a committee consisting of two members of the Council and three other senior servants of the Company. It would have on its establishment a Secretary, a Persian Translator, an accountant and five assistants. Besides, the Roy Royan would act as dewan to this committee in addition to his normal duties. The Provincial Councils would correspond with the Governor and Council in their Revenue Department. The provincial dewans would correspond with the Roy Royan who, in course of discharging his normal duties, acted under the direction of the Governor and Council in their Revenue Department.

Each of the districts which did not constitute the seat of a Provincial Council was placed under the control of an Indian revenue officer called Naib. He would correspond with the Provincil Council through the provincial dewans. The Collectors of the different districts were asked to hand over their charge to these Naibs before they started for the headquarters of the Provincial Councils to join their new assignments. A half-way house was thus sought to be built up. The English officers were mostly withdrawn from the districts but they were not brought to the Metropolis. They were for the time being kept at the headquarters of the Provincial Councils.

In this connection it should be pointed out here that this change effected in 1774 affected only the revenue machinery. The quinquennial settlement itself remained unchanged.

This plan was in work for barely six months when the new Regime under the Regulating Act was inaugurated in Bengal. The new Government was installed in power on
20th October, 1774, and next day the Governor-General and Council met in the Revenue Department for the first time. The Governor-General explained to the new members of the Council the existing system of collecting land revenue and suggested a continuation of the same, at least for the present, in view of the fact that the collection-season was impending and any disturbance with the existing arrangement would impede the collection. The new members became agreeable to the suggestion for the time being because, in addition to what the Governor-General had said, they wanted to see for themselves how the system actually worked. This, however, did not preclude them from making such future alterations as would seem necessary on “some mature deliberation”.

The temporary plan thus continued to work. But a post of the Superintendent of the Khalsa Records was now newly created, and some of the functions which were hitherto being discharged by the Roy Royan were transferred to the incumbent of this new post. His task, among other things, was to translate the petitions made to the Governor-General and Council and submit them with his notes for their consideration. If directed by the Governor-General and Council, he was also to make inquiries into the cases referred to them by the Provincial Councils.

The arrangement made in 1772 for the collection of revenue was for five years only. It was to expire in 1777 when a new arrangement would have to be made. So, as the period of five years came towards a close, the shape of things to come engaged the close attention of the members of the Government. As usual, the Government became divided on the issue. Hastings in collaboration with Barwell submitted one plan, and Francis another.
By this time it had become clear that the quinquennial settlement had ended in a failure, and at every successive year a greater and greater deficit in remissions and irrecoverable balances was occurring. So the general opinion among the members of the Council had now swung in favour of the zamindars. Of them the opinion of Francis was more pronounced. True to his intellectual predilections he had all along looked upon the zamindars as the proprietors of the soil and land revenue as a tribute payable from them to the Government which had no right “to ingross the entire produce as landlord”. Hastings was not a theoretician like Francis. He did not, therefore, think it necessary to state explicitly who were the owners of the soil. But he agreed with Francis that in making revenue settlements preference should be given to the zamindars, and those zamindars who had already been displaced as a result of the previous settlements should be re-instated as far as possible. They further agreed that the terms of settlement should be long enough to give a sense of security to the zamindars and to induce them to take intimate interest in their lands.

But Hastings and Francis came to differ on the length of the terms of the settlement. According to the former, lands should be let for one or two lives at fixed rents. The rate of the rents would be fixed at the mean of what had been collected during the last three years after deducting an allowance of 15 p. c. for profits and charges of collection. Any defalcation of rent would be made good by the sale of an equivalent portion of the zamindari. Francis, on the other hand, contended that rents should be fixed once for all, and defalcations would have to be met, as in Hastings’s plan, by a sale of proportionate land. He, however, wished that the amount of revenue to be collected should be in accordance with the actual needs of the Government and deprecated an

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20. Sixth Report from Parliamentary Select Committee, 1782, p. 35.
assessment which would yield more than safe and moderate surplus to cover emergencies.\[21\]

While the debate was thus going on, Hastings took steps to collect requisite information to enable the Government to make the new settlement. On the eve of the arrangement of 1772, as we know, a Committee of Circuit was appointed to tour the districts and collect the necessary information. For the new arrangement to be made by 1777 was not possible without the collection of additional information. So, on 1st November, 1776, the Governor-General proposed that an office or commission should be established under his sole charge for undertaking tours throughout Bengal for the purpose. This office would be temporary in nature and would be constituted of one or two Covenanted servants of the Company to be assisted by an Indian dewan and some other Indian revenue officers called amins. Against the protests of Francis and Clavering, the Governor-General had his proposal passed with the help of his casting vote. At first Anderson and Bogle were only appointed members of the Commission. Subsequently Croftes, the Accountant General, was added. All these three persons had established reputation as capable servants of the Company. Ganga Govind Singh was appointed dewan to his Commission.

The Commission presented its report to the Governor-General and Council in March, 1778. The report was ably prepared. It was a veritable mine of information and provided a sound basis for building the subsequent revenue administration of a more lasting character.

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Arrangement of 1781:

The scheme of Provincial Councils, as has been already seen, was frankly transitional in character, and when this scheme was adopted, a 'permanent plan' of revenue administration was promised in future. In the meantime nothing occurred to reverse this decision. There were factional and ideological divisions inside the Provincial Councils. Acrimonious debates sometimes characterised the proceedings of the Councils over trifling procedural matters. Charges of corruption and oppression were brought against the district naibs. But owing to these reasons the scheme of Provincial Councils was not abandoned. The Provincial Councils could not improve the collection of revenues much. The same old monotonous tale of large deficits continued to be repeated. The situation was rendered all the more unenviable due to the growing interference of the Supreme Court with the revenue administration of the Company.

The quinquennial settlement expired in 1777. The Court of Directors accepted neither of the two plans—one submitted by Hastings and Barwell and the other by Francis. Instead some stop-gap arrangement for the purpose was made in 1778 and renewed in 1779 and 1780 without interfering in any way with the revenue administration. Lands were lent for one year "on the most advantageous terms" without public auction. Then, in 1781, the Company's Government proceeded to introduce the promised 'permanent plan'. In this year the British Parliament also had passed an Act which placed the revenue-administration of Bengal outside the purview of the jurisdiction of the Supreme Court and thus removed a great difficulty in the way of the smooth working of the Company's revenue machinery.

22. See App. II to the Sixth Report from Parliamentary Select Committee, 1782.
In 1773 the Court of Directors ordered the withdrawal of the Collectors to the Metropolitan town. That meant that the district collections would have to be left to the Indian officers. Under the ‘temporary plan’ the last task was accomplished, but the Court’s order recalling the English officers of the districts was complied with only in a half way. The process would be complete under the ‘permanent plan’ as and when it was enforced. Meanwhile the Amini Commission of 1776-8 had collected a good deal of additional information about the indigenous revenue administration so that for the proper collection of revenue an increasing reliance could now be placed upon an Indian agency. It should not, however, be given a free hand and must work under the centralised English administration at Calcutta.

This was actually done in 1781. The existing district administration was not mostly disturbed. The districts continued to be under the administration of Indian naibs. Only the districts of Bhagalpur, Rangpur and Chitra were placed under the administration of English Collectors on account of geographical and military reasons. Chittagong was never included in the scheme of Provincial Councils and, as before, continued to be administered by the Chief of the factory there. On the other hand, the Provincial Councils, which constituted intermediate agency, were abolished, and the entire management of the revenue was brought down to the Metropolis to be administered there “by a committee of the most able and experienced of the Covenanted servants of the Company under the immediate inspection of and with the opportunity of constant reference for instruction to the Governor-General and Council”.\textsuperscript{23} Shore, Anderson, Charters and Croftes were appointed members of this new Committee of Revenue, and Ganga Govind Singh was appointed Dewan to assist them. The members of the

\textsuperscript{23} Colbrooke’s Supplement, vol. III, pp. 213—216.
Committee would get a percentage of commission upon the net collections of revenue as their remuneration, the President's share being greater than those of the ordinary members. In lieu of it they were to take an oath not to receive any illegal gratification from anybody. Thus they would get an incentive to concentrate on the collection of revenue.

Protracted wars with the Marathas and other powers had given rise to the absolute necessity of observing economy in the administrative spheres. A large saving in expenditure was expected to follow from the abolition of the Provincial Councils. It was, however, not the only benefit that would accrue from the scheme. Hastings was also confident that the centralised administration would result in better supervision, and this would augment the collection of revenue.²⁴

The office of the Superintendent of the Khalsa Records was now abolished, and his functions were taken over by the Committee of Revenue. The post of Roy Royan was, however, retained and he was asked not to interfere with the work of the Dewan. The Accountant General too continued to function. But the Committee of Revenue had its own accountant to receive all accounts from the districts and deliver them up to the Accountant General. The kanungoes who were dismissed towards the very beginning of the Company's revenue administration were now restored to their office.

This scheme suffered from the defect of over-centralisation. The district experience was no longer available to the members of the Committee of Revenue and everyone from the ryot to the Dewan tried "to conceal and deceive". The

outcome was that within a short time the Committee of Revenue with all the practical experience of its members came to be placed at the mercy of its Dewan who was by nature unscrupulous but was given that assignment even against the express direction of the Court of Directors because he was a favourite of Hastings.

Again, in the actual collection of revenue, as has been pointed out by Shore, it was necessary that immediate attention should be given to all complaints “which are preferred daily without number” and they should be disposed of in a summary fashion. This was not now possible because the control under the scheme was remote. In every district and pargana there were distinct usages, a knowledge of which was also essential for the disposal of such complaints. It would not be possible to acquire that knowledge from Calcutta. These were some of the practical difficulties which were not properly taken into consideration when the scheme of centralisation was formulated or given effect to.

The Committee of Revenue submitted its plan of settlement to the Governor-General and Council on 29th March, 1781. Under this plan it advocated settlement with the zamindars who would collect the revenue. And in making this settlement it wanted to take the help of the Collectors and other officers of the Government. The Committee itself thus tacitly admitted the impracticability of the scheme.

The period after the expiry of the quinquennial settlement followed by annual assessments was essentially a period of preparation. Under the system the figures of collection did not show any sign of improving. The home authorities had not yet been able to make up their mind. They had not accepted the plans of Hastings and Francis.
But they had not yet been able to offer any alternative plan. The policy they followed now was, therefore, one of drift.

By 1780, however, England was full of Francis’s adherents. Farrer, Goring, Bristow and Rous were all back. They were giving before the English public a Franciscian version of the Indian affairs. In 1780 Philip Francis himself returned to England and had his revenue pamphlets published. This had its effect upon the mind of the British public including that of the Parliamentary luminaries. By this time the treatment meted out to Cheyt Singh by Hastings had led the zamindars of Bihar to raise a banner of revolt. The revolt was crushed, no doubt, but its implications were clear. So when Pitt’s India Act was passed in 1784, it advocated a permanent settlement of revenue and expressed an undefined bias in favour of the zamindars. Philip Francis thus stood largely vindicated.25

The first elaborate interpretation of the Act was given by the Court of Directors in its General Letter to Bengal dated 12th April, 1786. The task of executing the policy outlined in this letter devolved upon Cornwallis. The vacuum, therefore, continued to persist.

In this vacuum Governor-General Macpherson and his colleague Stuart became engaged in a prolonged debate to ring out a solution of their problem. Both drew upon the language and spirit of the Act. But their viewpoints were so different that they at first reached almost as opposite conclusions as Hastings and Francis had done some years back.

25. In this diagnosis Francis was much influenced by some of the district officers in 1774. See Rambotham’s Studies in the Land Revenue History of Bengal. Dow’s History of Indostan had already in 1770 advocated the plan of a fixed settlement.
The recommendations of Stuart amounted to reverting to the system of 1772. Thus he wanted that a Covenanted servant of the Company should be appointed in every district with full authority to manage its revenues, and that there should be an unification of judicial and revenue administrations in the same hands. Among other things, this would be conducive to efficiency and economy and obviated the clashes between the officers of the revenue and the judicial departments.²⁶

In reply to Stuart Macpherson submitted a memorial written by Shore in 1782. It was alleged to be one of the statements obtained by him for his personal use from some of the most experienced servants of the Company. The proposals contained in that memorial had a family resemblance to those of Stuart. He went on contending that he could not recollect any objection against the old system. Some defects might be due to “the personal characters of the individuals employed”. But these could no more be urged against the plan itself “than the vices of the priests can be adduced to prove the Christian religion wrong”. Anticipating the relevant clause of Pitt’s India Act and somewhat continuing the line of argument put forward by Francis, Shore concluded that “this continual variation of system introduces distrust and diffidence of the Government amongst all classes”. It also prevented all inclination and improvement and made every man “anxious to gather the profits of his hour, lest a new change should deprive him of them”²⁷.

Macpherson did not directly challenge the contentions of Stuart and Shore against the existing system. But he was not favourably disposed towards returning to the old arrangement.

²⁶ Bengal Rev. Consul. of 10th May, 1785.
²⁷ Bengal Rev. Consul. of 18th May, 1758.
Like Hastings he too argued that it involved the risk of "vesting so unchecked a power generally in the hands of our servants." Particularly he was opposed to introducing innovation in the administrative system and to practising economy at the cost of "ease and convenience to the natives".\textsuperscript{28}

Arrangement of 1785:

Macpherson, however, proceeded to reverse Hastings's process of centralising the revenue administration.\textsuperscript{29} The "series of fiscal divisions" were now reorganised into only thirty-five and afterwards into twenty-three districts. The district collectors were made responsible officers. They would not only collect the revenue but would also make the settlement. So far as these measures went, they amounted to a return to the position of 1772-3.

In 1773 the Court of Directors did not approve the arrangement made in 1772 and ordered the recall of the Collectors. But in its letter to the Bengal Government dated 21st September, 1785, it lent support to this new scheme of decentralisation. In pursuance of the directions contained in that letter the existing Committee of Revenue was reconstituted into the Board of Revenue with a member of the Council as its President. The functions of the newly constituted Board consisted in instructing and controlling the district Collectors and giving sanction to the settlements made by them.

Further, on 19th July, 1786, the post of Chief Sheristadar was created, and Grant was selected for the post. His duty would be to bring the revenue-records from the control

\textsuperscript{28} Ibid.
\textsuperscript{29} Bengal Rev. Consul. of 16th February, 1785.
of the kanungoes to the possession of the government. This would enable the English servants of the Company to acquire an increasing knowledge of the country’s revenue-affairs. There is, therefore, no doubt that the creation of this new post was a significant step in the right direction. During Macpherson’s administration an attempt was thus made to erect the Company’s revenue administration on the basis of “solid knowledge.”

The foregoing review shows that in the field of revenue administration the Company’s Government was groping in the dark, and it went on making experiment after experiment, no measure having produced the desired result. After the acquisition of the Dewani by the English, their first consideration had been “the raising of as large sums from the country as could be collected”, as has been admitted by Richard Becher himself, Resident at the Durbar, in 1769.\(^\text{30}\) The outcome was the over-assessment of land-revenue and the accumulation of deficits. And whenever a particular settlement had failed to produce the expected revenue, the Company had tried to find fault with the revenue-machinery. The ignorance of the Company’s Covenanted servants about the revenue-matters had further aggravated the situation. But a realisation progressively dawned on them that the policy of ‘making hay while the sun shines’ did not ultimately pay. It did good neither to the Company nor to the country at large. Thus towards the end of the period under review we see that the Company was trying to do away with the element of speculation that had so long characterised its revenue-policy. Both as regards assessment and collection of land-revenue it had evolved certain broad fixed principles which it was for Cornwallis to apply in practice. The experiments of the last two decades had thus not gone in vain.

\(^{30}\) Bengal Select Committee Proceedings, dated 8th July, 1769.
CHAPTER SEVEN
Concluding Remarks

Conquest often gives new ideas and new impetus to a nation and opens up a new vista before it. The East India Company came to India on commercial pursuits and eventually became the masters of large territories. This no doubt gave immense economic advantages to it and, along with some other factors, paved the way for the onset of the industrial revolution in England. But through the Company India for the first time came into electrifying contact with England, and her national life blossomed forth in many directions in a way the like of which history does not know many.¹

But the impact of a body, when it impinges upon another, is determined both by its force and duration. The full impact of the English conquest upon the Indian national life could be visible only after English education had been introduced into this country and sufficient time had been allowed to absorb its spirit. It was, however, immediately felt in the administrative sphere because the task of bringing order out of chaos and building up an administrative machinery here could not be made to wait. In Bengal, its premier Presidency, the Company had to willy-nilly apply itself to this task vigorously only after a few years following the acquisition of the Dewani.

Before England had become an exporter of goods in the real sense of the term, she began exporting ideas. It is

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¹. It is, however, highly significant that this western impact came to India via Bengal during a highly creative century when great strides were being made all the world over in social, political and economic spheres. The Bengal renaissance thus fits very well into a global spirit of resurgence,
under the aegis of the Company that an attempt was first made to build up an English administration in India. With the participation of the Parliament animated by the current spirit of reform, the process was accelerated. When the Company’s rule finally disappeared in 1858, some adjustments were made in the form of the Government but the administration itself remained unchanged in essentials. Because the ideas that were behind this administration were English ideas and not those peculiar to the Company only.

Before the Company’s rule was introduced into India, she had a long history rich in cultural traditions. But administratively she had proved to be static and unprogressive. Her different states had so far failed to exhibit any definite trend of administrative development in a particular direction. It is true that some of the Maurya, Gupta and Mughal Empeors built up a strong administrations over a very large part of India. But these administrations were all hinged upon particular persons and so could not be enduring in nature. Like the glow of an evening-sky their lives were extremely short-lived and they practically disappeared with their founders.

The Company, however, introduced into India a written and committee form of Government. This form of Government as has been already pointed out, is a distinct contribution of the English in the art of Indian administration. It was impersonal in character and so its continuity could not be much disturbed due to the coming and going of the individual administrators. The Company’s Government, although of a merchant class, was also more enlightend than all the preceding Governments of India. The respect for personal liberty and the equality before law which were two principal ingredients of the English common law came to animate this Government too.
An English administration, however, could not be built up in India and so in Bengal in a day. Its transplantation in a foreign land could not but be slow. The period under review constitutes an important stage in the transition from the indigenous system of Government to the modern English system. The process of this transition was necessarily painful, it being full of the birthpangs of the new order. A series of experiments continued to be made either to retain some of the indigenous institutions after modifying them in the light of the English norms or to introduce some English institutions after adapting them to the new environment. As it was an impersonal and written system, the continuity in the administrative development could be maintained, though it was not the spontaneous growth of the national institutions.

It has been previously seen how the Company, even before it had become a political power, introduced certain English principles of a public nature in its administrative body. The more prominent of these principles were the majority-rule, promotion on the basis of seniority and the subordination of the military to the civil administration. But nonetheless the constitution of the administrative organs of the Company was largely pragmatic and continued to be so even after it had become a political power. It is the Regulating Act which for the first time formulated certain fixed rules for constituting the higher organs of the Company’s Government in Bengal. Moreover, it first introduced into the country the independence of the judiciary and judicial control over the executive actions.

There are inadequacies, no doubt, but still it cannot be gainsaid that the Company’s own machinery had undergone the necessary transformation during the period under review so that it could cope with the new situation.
An overall picture of the net achievements in the field of administration during the period under review may be summarised thus: (a) Over the home-administration the Parliamentary control had been tightened, and the Company's administrative policy had been largely brought in line with the national policy of England. Attempts were also being now made towards simplifying the mode of transacting business by the Court of Directors.

(a) Fixed rules had been provided for the constitution and functioning of the Supreme Government located in Bengal, and a faltering step had been taken to evolve an administrative unification throughout India which was to be one of the potent causes of giving birth to Indian nationalism. The mode of conducting business by the Bengal Government had also been rendered more satisfactory, and in this matter an uniformity had been sought to be introduced throughout the three Presidencies.

(b) A separate wing of civil service, not overburdened with commercial duties, had been brought into being. There had also come into existence a core of the service that would refuse to pander to the Company's economic interest only after sacrificing the well-being of the people. Towards the end of the period under review we find that an attempt was being made to reconcile the Company's claims for revenue with those for justice. Some unique measures were also now adopted to purify the Company's service.

(c) The fog about the revenue-matters had been considerably dispelled, and the Company's Government was groping towards a permanent settlement with the zamindars. An increased amount of decentralisation had also been introduced in the Company's revenue-administration which would enable
its English servants to acquire a greater and greater knowledge of the districts.

The administrative system that was thus built up was sustained by a number of communication-lines. Of course, there was no escape from the technological limitation of the time. So there was no quick means of communication. But the Company's Government set up a postal communication system, more or less regular and swift as far as practicable, from the centre to the districts and also from district to district. These communication-lines made possible the proper functioning of a number of administrative units throughout the country and served as so many veins and ateries of the body politic.