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 Plassey 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
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 Plassey 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
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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 Eng-
lish 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 those 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 Com-
pany, 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-
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
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 able 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 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 themselves in
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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 manoeuvres, 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
of Warren Hastings. Pitt’s India Act was passed in 1784, and for the first time placed the Company’s administration in India under the control of the Crown. Warren Hastings left India in the following year.

Such is, briefly, the history of the rise of British power in India down to 1785. The three wars with the French which made the British nation supreme in the Karnatic, the two wars with Suraj-ud-Dawla and Mir Kasim which made them masters of Bengal, and the first struggles with Mysore and the Mahrattas, were the leading military transactions which engaged the generation of Clive and Hastings in India. Bengal, the Northern Circars, and Benares, together with small tracts of country round Madras and Bombay, were the extent of the Company’s actual possessions in India when Warren Hastings left the country in 1785.


Pitt’s India Act was passed on the 13th August 1784. All civil, military, and revenue affairs of the Company were placed under the superintendence of six Commissioners appointed by the Crown. There was a sincere desire to improve the administration of India, and to relieve the people from that oppression and misgovernment under which they had suffered during the first period of British rule. The Directors of the Company themselves wished to put their house in order. They sent out Lord Cornwallis, a nobleman of high character and generous instincts, as Governor-General after Warren Hastings, and they gave him definite instructions to permanently fix the State demand from the land, so as to leave the people a motive for making agricultural improvements and to better their own condition.

There was a gleam of sunshine in India after an
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age of darkness and storms. Lord Cornwallis did not belie the expectations that had been formed of him. He improved the administration; he forced the Company to give adequate pay to their servants, and made them honest officers; he founded the Civil Service of India as it exists to this day. He was involved in one war only—with Tipu Sultan of Mysore; he captured the capital of the Sultan, and then made peace after annexing some of his territory and reducing his power. Before he left India in 1793, Cornwallis made a Permanent Zemindari Settlement of the land revenues of Bengal, a measure which has done more to secure the prosperity and happiness of British subjects in India than any other single measure of the British Government.

The East India Company’s charter was renewed in 1793. Indian affairs were discussed in Parliament, and all the principal provisions of Pitt’s India Act of 1784 were maintained. But the East India Company were now required to provide 3000 tons of shipping to other merchants trading in the East. This was the first breach made in the Company’s monopoly. Sir John Shore, afterwards Lord Teignmouth, succeeded Lord Cornwallis as Governor-General, and pursued the peaceful policy of his predecessor. And he extended to Benares the Permanent Settlement of the land revenues which Cornwallis had granted to Bengal.

Lord Mornington, afterwards Marquis of Wellesley, succeeded Sir John Shore, and arrived in India in 1798. The wars of Napoleon Bonaparte now influenced British policy in India, as the wars of Frederick the Great had done in the previous generation. William Pitt was subsidising the great Powers of Europe to maintain armies against Napoleon. Wellesley was a friend of Pitt and an apt pupil. He introduced the policy of subsidies in India, but with an important variation. It would be useless to pay
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.

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
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
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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 1716, 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, Rentors, 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 Distuck 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

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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.
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."

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 [tho 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.”

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, bambooos, 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 Reiats, merchants, &c., for a fourth part of their value; and by ways of violence and oppressions they oblige the Reiats, &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?”

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

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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.”

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 Reiats cannot stay in their own houses, nor pay the malkuzaree [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.”

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 landlords 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.”

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 Moughyr 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, 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

acknowledgment to the Nawab, a duty of 2½ 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.”

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

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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-minded 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 Plasy 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. iii. 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.
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 capacity. 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 Dewane, 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. . . .
“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.”

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 Plassey 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. 391–398.
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.”

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."  

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

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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 1762.
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.
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross collection</th>
<th>Nett revenues after deducting tribute to the Great Moghal, allowance to the Nawab, charges of collection, salaries, commissions, &amp;c.</th>
<th>Total expenses, civil, military, buildings, fortifications, &amp;c.</th>
<th>Nett annual balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>May April</td>
<td>£2,258,227</td>
<td>£1,681,427</td>
<td>£1,210,360</td>
<td>£471,067</td>
</tr>
<tr>
<td>1765 to 1766</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1766 , 1767</td>
<td>3,805,817</td>
<td>2,527,594</td>
<td>1,274,093</td>
<td>1,253,501</td>
</tr>
<tr>
<td>1767 , 1768</td>
<td>3,608,009</td>
<td>2,359,005</td>
<td>1,487,383</td>
<td>871,622</td>
</tr>
<tr>
<td>1768 , 1769</td>
<td>3,787,207</td>
<td>2,402,191</td>
<td>1,573,129</td>
<td>829,062</td>
</tr>
<tr>
<td>1769 , 1770</td>
<td>3,341,976</td>
<td>2,089,368</td>
<td>1,752,556</td>
<td>336,812</td>
</tr>
<tr>
<td>1770 , 1771</td>
<td>3,332,343</td>
<td>2,007,176</td>
<td>1,732,088</td>
<td>275,088</td>
</tr>
<tr>
<td>Total</td>
<td>20,133,579</td>
<td>13,066,761</td>
<td>9,027,609</td>
<td>4,037,152</td>
</tr>
</tbody>
</table>

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.
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

\[
\begin{array}{|c|c|}
\hline
\text{Imports} & \text{Exports} \\
\hline
£624,375 & £6,311,250 \\
\hline
\end{array}
\]

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

¹ View of the Rise, etc., 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.”

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.\textsuperscript{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

\textsuperscript{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 Verelst 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 beffited 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

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

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.”

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 Fauzddars, 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 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 negatived 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, Taj Chand, had been allowed and confirmed. Lalla Umrita 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 1779 [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 O.
² Ibid.
ECONOMIC HISTORY OF BRITISH INDIA

...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 lessees 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 Plassey. 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 zamindar 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.”

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 1779 [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.

Pran 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 Kanta 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. . . ."
WARREN HASTINGS IN BENGAL

"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

<table>
<thead>
<tr>
<th>Year</th>
<th>Land Revenue</th>
<th>Total Revenues</th>
<th>Civil Charges</th>
<th>Military Charges</th>
<th>Total Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td>May to April</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1771, 1772</td>
<td>£2,341,941</td>
<td>£3,259,564</td>
<td>£206,781</td>
<td>£1,164,348</td>
<td>£2,884,192</td>
</tr>
<tr>
<td>1772, 1773</td>
<td>£2,298,441</td>
<td>£3,264,968</td>
<td>£234,051</td>
<td>£1,288,667</td>
<td>£2,827,141</td>
</tr>
<tr>
<td>1773, 1774</td>
<td>£2,438,405</td>
<td>£3,300,186</td>
<td>£213,237</td>
<td>£1,304,883</td>
<td>£2,772,975</td>
</tr>
<tr>
<td>1774, 1775</td>
<td>£2,777,870</td>
<td>£3,564,915</td>
<td>£268,232</td>
<td>£1,080,394</td>
<td>£3,300,124</td>
</tr>
<tr>
<td>1775, 1776</td>
<td>£2,815,071</td>
<td>£4,198,017</td>
<td>£335,968</td>
<td>£1,051,969</td>
<td>£3,438,480</td>
</tr>
<tr>
<td>1776, 1777</td>
<td>£2,755,043</td>
<td>£3,971,440</td>
<td>£325,192</td>
<td>£924,190</td>
<td>£3,424,401</td>
</tr>
<tr>
<td>1777, 1778</td>
<td>£2,535,042</td>
<td>£3,686,088</td>
<td>£477,293</td>
<td>£1,184,708</td>
<td>£3,353,029</td>
</tr>
<tr>
<td>1778, 1779</td>
<td>£2,656,809</td>
<td>£3,782,690</td>
<td>£533,810</td>
<td>£1,846,237</td>
<td>£4,972,590</td>
</tr>
</tbody>
</table>

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 afforded 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’.

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.”

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.” 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-

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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
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.