CHAPTER V

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

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

In this memorable letter the Directors expressed their disapprobation of the frequent changes in the revenue system of Bengal and their desire to pursue any one system under watchful superintendence. They condemned the endeavours which had been made to continually increase the land-tax, and to oust Zemindars in favour of farmers, Sazawals, and Amins, who had no permanent interest in the well-being of the cultivators. They expressed their opinion that the most likely means of avoiding defalcations would be to introduce a Permanent Settlement of the land revenue, estimated on reasonable principles, for the due payment of which the hereditary tenure of the possessor would be the best and the only necessary security. They directed that the settlement should be made in all practicable instances with the Zemindars, and they declared that "a moderate jumma or assessment, regularly and punctu-
ally collected, unites the consideration of our interests with the happiness of the natives and security of the landholders more rationally than any imperfect collection of any exaggerated jumma to be enforced with severity and vexation."¹ And while they intended the settlement to be ultimately made permanent, they desired that the first settlement should be concluded for ten years only. The reader will perceive from this brief summary of the Directors' letter of 1786 that the statesmanlike recommendations made by Philip Francis in 1776 had borne fruit in ten years. After a bitter experience of ten years—bitter in the miseries inflicted on the people of Bengal—the wisdom of the proposals of Philip Francis was vindicated, and the unwisdom of the harsh and varying schemes of Hastings was condemned.

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

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

¹ Select Committee's Fifth Report, 1812, p. 13.
European civil servants were vested with the combined powers of collector, judge, and magistrate, and the administration of criminal justice still remained vested in the Deputy-Nawab of Bengal, to whose courts the European magistrates committed all serious cases for trial.

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

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

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

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1 Regulations of June 1787.
2 Bengal Consultations, 3rd December 1790. Lord Cornwallis’s Minute.
3 Regulation V. of 1793. A fifth appellate court was established at Benares in 1795, and a sixth for the North-Western Provinces in 1803.
as the district of Baramahal in the east, and it was in the revenue settlement of Baramahal, on which Thomas Munro was employed from 1792 to 1799, that he gained that experience and success which ultimately made him the most distinguished revenue officer in Madras.

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

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

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

1 Fifth Report, 1812, pp. 169-238.
2 Paragraph 14.
ZEMINDARI SETTLEMENT IN BENGAL

Mr. Shore then refers to the subsequent enhancements made by Suja Khan, Alivardi Khan, and Mir Kasim; an appendix\(^1\) furnishes us with the following figures for the land revenues of Bengal on different dates:

<table>
<thead>
<tr>
<th>Settlement</th>
<th>Rupees</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Todar Mall's settlement, 1582</td>
<td>10,693,152</td>
<td>1,070,000</td>
</tr>
<tr>
<td>Sultan Suja's settlement, 1658</td>
<td>13,115,907</td>
<td>1,312,000</td>
</tr>
<tr>
<td>Jaffar Khan's settlement, 1722</td>
<td>14,388,186</td>
<td>1,429,000</td>
</tr>
<tr>
<td>Suja Khan's settlement, 1728</td>
<td>14,245,561</td>
<td>1,425,000</td>
</tr>
</tbody>
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It will be seen that the amount of the land revenue was not much altered to the close of the Mahomedan rule, although sundry other taxes were imposed between 1722 and 1763.

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual collection in rupees</th>
<th>Actual collection in £</th>
</tr>
</thead>
<tbody>
<tr>
<td>1762-63</td>
<td>6,456,198</td>
<td>646,000</td>
</tr>
<tr>
<td>1763-64</td>
<td>7,618,107</td>
<td>762,000</td>
</tr>
<tr>
<td>1764-65</td>
<td>8,175,533</td>
<td>818,000</td>
</tr>
<tr>
<td>1765-66</td>
<td>14,704,875</td>
<td>1,470,000</td>
</tr>
</tbody>
</table>

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

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

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\(^1\) Appendix I. to the Minute.

\(^2\) Paragraph 68.
made in the commodities of the country which are purchased by them."

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

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

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

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

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

¹ Paragraphs 131, 132, 135, 136, 140.
the wealth of a country. But the real exhaustion, which he so forcibly describes, was the exhaustion of the wealth, the produce, the food of the people.

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

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

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

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

¹ Paragraph 264.
dars would in time exceed this proportion by a due attention to the improvements of their lands and the encouragement of their Ryots." ¹

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

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

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

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

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

¹ Paragraph 355.  ² Paragraphs 370 and 382.
of the land, at so much per bigha [a third of an acre]; some soil produces two crops in a year of different species, some three; the more profitable articles, such as mulberry plant, betel-leaf, tobacco, sugar-cane, and others, render the value of the land proportionably great."

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

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

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

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

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

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

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

1 Paragraphs 391, 406, 407.
"The settlement is then to be made for a period of ten years certain, but with a view to permanency."\(^1\)

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

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

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

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

\(^1\) Paragraphs 457, 458, 459, 460, 462.
be taxed ad libitum for their newly cultivated lands, or lose all hopes of deriving any benefit from his labour, for which perhaps by that time he will hardly be repaid? . . .

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

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

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

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

¹ Lord Cornwallis's Minute, dated 18th September 1789.
Voluminous reports have been transmitted by the several Collectors on every point which was deemed of importance. . . .

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

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

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

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

¹ Lord Cornwallis's Minute, dated 3rd February 1790.
² Fifth Report, 1812, p. 19.
vision, in the first year of the Company's Dewani (1765–66). The assessment was, therefore, as severe as it could possibly be made; and it was possible to raise it so high because it was declared to be final and permanent.

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

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

Art. II. "The Marquis Cornwallis, Knight of the Most Noble Order of the Garter, Governor-General in Council, now notifies to all Zemindars, independent Talookdars, and other actual proprietors of land in the provinces of Bengal, Behar, and Orissa, that he has been empowered by the Honourable Court of Directors for the affairs of the East India Company to declare the jumma which has been or may be assessed upon their lands under the regulations above mentioned, fixed for ever."
Art. III. "The Governor-General in Council accordingly declares to the Zemindars, independent Talookdars, and other actual proprietors of land, with or on behalf of whom a settlement has been concluded under the regulations above mentioned, that at the expiration of the term of the settlement no alteration will be made in the assessment which they have respectively engaged to pay, but that they and their heirs and lawful successors will be allowed to hold their estates at such assessment for ever."¹

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

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

¹ Fifth Report, 1812, p. 21.
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wisest and most successful measure which the British nation has ever adopted in India.

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

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

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

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

FARMING OF REVENUES IN MADRAS (1763–1785)

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

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

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

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

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

Under the administration of this feeble potentate the Company found it easy to extend its influence and power. The Company did not stand forth as the
Dewan of the Karnatic, as they had done in Bengal in 1765. On the contrary, Mahomed Ali remained nominally the Dewan or revenue administrator, as well as the Nizam or military governor, while the Company virtually enjoyed all real power. The military defence of the country was undertaken by the Company, and a part of the Nawab's revenues was assigned for this purpose. The demands of the Company increased with their wars, and the Nawab came to adopt the strange method of borrowing from the servants of the Company in order to meet the demands of the Company.

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

A double injury was thus done to the country and to the people. The Nawab's methods of collection, though always harsh and severe were elastic; and his demands were suited to the produce of the soil from year to year. But when his creditors appeared on the scene, the harshness of the Nawab's method was combined with the strictness and inelasticity of the British
procedure. The claims of the Nawab's creditors were strictly enforced, and the agriculturists felt a pressure which they had seldom known before. In the second place, so long as the revenues were enjoyed by the Nawab, they were spent in the country and flowed back to the people in one shape or another; but when the entire revenues of the assigned districts were claimed and obtained by the British money-lenders, they left the country once and for ever. The country became poorer, industries and trades declined.

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

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

1 Ninth Report, 1783, Appendix, p. 120.
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The servants of the Company, comprising members of the Madras Council, were building up large fortunes from their loans to the Nawab, and were not anxious to keep the Court of Directors fully informed of their doings. Under the orders of the Court of Directors, however, they had consolidated their loans into one loan of 1767 at the moderate rate of 10 per cent. interest, and they even expressed a hope, from time to time, that the Nawab would pay off his loan. It was neither their interest, however, nor that of the effete and inefficient Nawab, to close the transaction; and it was never closed. And when the full official account of the transaction at last reached the Directors in 1769, their anger knew no bounds.

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

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

"The said Governor and Council have, in notorious

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

2 Court of Directors to the Select Committee at Fort St. George, dated 17th March 1769. The reader will notice that the Directors represent the war of twenty years between the French and the English for the dominion of India, as a war waged for the Nawab, to be paid for by the Nawab.
violation of the trust reposed in them, manifestly preferred the interest of private persons to that of the Company, in permitting the assignment of the revenues of certain valuable districts to a very large amount from the Nawab to individuals which ought to have been applied towards the discharge of the Nawab's debt to the Company; the impropriety of which conduct is the more striking as those revenues, in a very great degree, owe their existence to the protection of the Company, and by such unnatural application of the said revenues, although the care and expense of protecting the Karnatic falls principally on the Company, the prospect of paying off the vast sums owing to us by the Nawab is postponed."

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

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

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1 Court of Directors to the Superintending Commissioners, dated 23rd March 1770. The assignment of revenues appeared "unnatural" to the Court, not because it impoverished the country, but because it postponed the prospect of the Nawab's repaying his debt to the Company.
in the Nawab or your servants, and enjoin us to demand a renunciation of the right they claim under that deed of assignment; that done, you command us to inform the Nawab that his first obligation is to discharge the debt to the Company, and that being done you authorise us to give the sanction of the Company’s authority to such measures as we shall concert with the Nawab for the discharge of his debts to individuals.

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

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

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

1 Select Committee at Fort St. George to the Court of Directors, dated 31st January 1770.
2 Select Committee at Fort St. George to the Court of Directors, dated 6th April 1770.
The Nawab had not been misinformed. His creditors, who amassed vast fortunes from the rents of the assigned districts, were soon able to qualify a large number of votes, and to make themselves masters of the Court of Directors; and, as we shall see farther on, all their claims were admitted eventually without inquiry.

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

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

This was a broad hint, and was acted upon. Tanjoro

¹ Court of Directors to the Select Committee at Fort St. George, dated 17th March 1769.
FARMING OF REVENUES IN MADRAS

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

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

“Before I speak of the present state of Tanjore country,” said Mr. Petrie in his evidence before the Committee of Secrety in 1782, “it will be necessary to inform the Committee that not many years ago that province was considered as one of the most flourishing, best cultivated, populous districts in Hindustan. I first saw this country in 1768, when it presented a very different picture from its present situation. Tanjore was formerly a place of great foreign and inland trade; it imported cotton from Bombay and Surat, raw and worked silks from Bengal, sugar, spices, &c., from Sumatra, Malacca, and the eastern islands; gold, horses, elephants, and timber from Pegu, and various articles of trade from China. It was by means of Tanjore that a great part of Haidar Ali’s dominions and the north-western parts of the Mahratta empire were supplied with many European commodities, and with a species of silk manufacture
from Bengal, which is almost universally worn as a part of dress by the natives of Hindustan. The exports of Tanjore were muslins, chintz, handkerchiefs, gingham, various sorts of long-cloths, and a coarse printed cloth, which last constitutes a material article in the investments of the Dutch and the Danes, being in great demand for the African, West Indian, and South American markets. Few countries have more natural advantages than Tanjore; it possesses a rich and fertile soil, singularly well supplied with water from the two great rivers Cavery and Coleroon, which, by means of reservoirs, sluices, and canals, are made to disperse their waters through almost every field in the country, to this latter cause we may chiefly attribute the uncommon fertility of Tanjore. The face of the country is beautifully diversified, and in its appearance approaches nearer to England than any other part of India that I have seen. Such was Tanjore not many years ago, but its decline has been so rapid, that in many districts it would be difficult to trace the remains of its former opulence. . . .

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

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

1 Fourth Report of the Committee of Secrecy, 1782, Appendix, No. 22.
the dignity of a baronet and an Irish peer. Desirous of introducing reforms in the administration of the province, he was appointed Governor of Madras once more in 1775. The Directors had not altogether approved of the annexation of Tanjore by Mahomed Ali, and under their orders Lord Pigot resolved to restore the Raja. Mahomed Ali tried all his arts to prevent the restoration, but Lord Pigot was determined, and the Raja was seated on his throne once more on the 30th March 1776.

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

Lord Pigot laid Benfield's claims before the Board. Benfield was unable to produce vouchers, but urged that the Nawab would admit his debt. The Board resolved by a majority that Benfield's claims against individuals had not been sufficiently explained, and that the assignments of the Nawab on the revenues of Tanjore were not admissible. Benfield was not
satisfied, and he had friends and resources. His claims were again brought before the Council, and admitted. Lord Pigot’s proposal to send Russell as Resident to Tanjore did not satisfy the majority of members. Colonel Stuart, who was supposed to have agreed to manage Tanjore affairs in the interest of the creditors, was chosen. Lord Pigot resisted the majority, and on the 24th August 1776 he was arrested by Colonel Stuart and imprisoned.

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

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

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

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1 Lord Pigot’s Narrative of the Revolution in the Government of Madras, dated 11th September 1776, p. 11 et seq.
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own interests. We have spoken before of the first loan of 1767. A second loan was now contracted in 1777. The Nawab was persuaded to discharge his useless cavalry, but had no money to pay them. Taylor, Majendie, and Call offered to advance £160,000 if the Company’s sanction were given to the debt, and this was done. Assignments of revenues were of course made, and the Nawab’s manager complained to him two years after: “The entire revenue of those districts is by your Highness’s order set apart to discharge the Tuncaws granted to the Europeans. The Gomastas of Mr. Taylor . . . are there in order to collect those Tuncaws, and as they receive all the revenue that is collected, your Highness’s troops have seven or eight months’ pay due which they cannot receive.”

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

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

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

1 Letter to the Court of Directors, dated 15th March 1778.
their own estates. The Company’s administration had been harsh towards these Zemindars, and their estates had been impoverished. Sir Thomas himself bears eloquent testimony to their former prosperity and their present decline.

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

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

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

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

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

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

2 *Ibid.*, p. 32. For instance, the Zemindar of Peddapore paid £37,000 under the Moghals. The revenue was increased to £56,000 by Sir Thomas Rumbley. Similar enhancements were made in all zemindaris except one poor estate.
depths of misery and wretchedness. To the effects of long misrule were added the misfortunes of a great war with Haidar Ali, the ruler of Mysore. His cavalry overran the country, spread ruin and desolation within a circle of many miles round Madras, and filled the Karnatic with dismay. The people fled to the woods, fields were left uncultivated, villages were burnt and destroyed. Alarm succeeded alarm, while the Council of Madras were vacillating in their plans for meeting this terrible enemy.

Into the events of this war it is not our purpose to enter. Warren Hastings, who was now Governor-General, sent the veteran commander, Sir Eyre Coote, to save Southern India once more. Sir Eyre fought four battles with Haidar Ali. Haidar Ali retreated, but was not crushed. In September 1772 Sir Eyre left Madras for Bengal, and in December 1782 Haidar Ali died. Peace was made with his son Tipu Sultan in 1783.

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

¹ Fourth Report of the Committee of Secrecy, 1782, pp. 672 and 674.
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Receipts and Expenditure for Twelve Years in Madras Presidency.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total nett revenue</th>
<th>Total charges, civil and military, defrayed by the Company</th>
<th>Surplus</th>
<th>Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>May April</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>1767 to 1768</td>
<td>381,330</td>
<td>489,012</td>
<td>107,682</td>
<td>321,751</td>
</tr>
<tr>
<td>1768 to 1769</td>
<td>369,720</td>
<td>691,471</td>
<td>36,618</td>
<td></td>
</tr>
<tr>
<td>1769 to 1770</td>
<td>500,110</td>
<td>467,492</td>
<td>127,960</td>
<td></td>
</tr>
<tr>
<td>1770 to 1771</td>
<td>562,350</td>
<td>434,393</td>
<td>151,414</td>
<td></td>
</tr>
<tr>
<td>1771 to 1772</td>
<td>558,560</td>
<td>407,440</td>
<td>220,095</td>
<td></td>
</tr>
<tr>
<td>1772 to 1773</td>
<td>529,733</td>
<td>401,138</td>
<td>117,618</td>
<td></td>
</tr>
<tr>
<td>1773 to 1774</td>
<td>524,762</td>
<td>407,144</td>
<td>49,040</td>
<td></td>
</tr>
<tr>
<td>1774 to 1775</td>
<td>503,620</td>
<td>454,583</td>
<td>30,167</td>
<td></td>
</tr>
<tr>
<td>1775 to 1776</td>
<td>514,591</td>
<td>345,867</td>
<td>168,724</td>
<td></td>
</tr>
<tr>
<td>1776 to 1777</td>
<td>563,349</td>
<td>533,182</td>
<td>30,167</td>
<td></td>
</tr>
<tr>
<td>1777 to 1778</td>
<td>283,108</td>
<td>485,830</td>
<td>.</td>
<td>202,632</td>
</tr>
<tr>
<td>1778 to 1779</td>
<td>494,208</td>
<td>803,924</td>
<td>.</td>
<td>309,716</td>
</tr>
<tr>
<td>Total</td>
<td>5,785,349</td>
<td>5,829,488</td>
<td>897,642</td>
<td>941,781</td>
</tr>
</tbody>
</table>

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

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

Paul Benfield, the greatest and most successful of the creditors, used the vast wealth he had accumulated in India in creating parliamentary influence in England. He returned eight members to Parliament including himself, and he was a powerful and influential man whom the Ministry did not care to offend. "It was
to hold the corrupt benefit of a large parliamentary interest, created by the creditors and creatures, fraudulent and not fraudulent, of the Nawab of Arcot, that . . . the Ministry of 1784 decided that they should all, whether fraudulent or not fraudulent, receive their demands." ¹

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

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

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

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

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

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

OLD AND NEW POSSESSIONS IN MADRAS (1785–1807)

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

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

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

¹ Second Report of the Committee of Secrecy, 1782, Appendix v.
established in Bengal. A Committee was accordingly appointed, but was abolished in 1778 by Sir Thomas Rumbold, as has been stated in the last chapter. It was revived in 1783, and continued its inquiries till 1788.

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

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

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

¹ Fifth Report, 1812, p. 83.
village from the oppression of the Zemindars and the Government. This ancient institution—ancient in the days of Manu—had survived the wreck of dynasties and the downfall of empires, had secured peace and order in villages in times of war, and struck the servants of the East India Company in the eighteenth century as a unique and excellent institution.

"A village, geographically considered, is a tract of country comprising some hundreds or thousands of acres of arable and waste land; politically viewed, it resembles a corporation or township. Its proper establishment of officers and servants consists of the following descriptions. The potaul, or head inhabitant, who has the general superintendence of the affairs of the village, settles the disputes of the inhabitants, attends to the police, and performs the duty, already described, of collecting the revenues within his village, a duty which his personal influence and minute acquaintance with the situation and concerns of the people renders him best qualified to discharge; the curnum, who keeps the accounts of cultivation and registers everything concerned with it; the talluar and totre, the duty of the former appearing to consist in a wider and more enlarged sphere of action, in gaining information of crimes and offences, and in escorting and protecting persons travelling from one village to another, the province of the latter appearing to be more immediately confined to the village, consisting, among other duties, in guarding the crops and assisting in measuring them; the boundary-man, who preserves the limits of the village or gives evidence respecting them in case of dispute; the superintendent of tanks and water-courses distributes the water therefrom for the purpose of agriculture; the Bramin, who performs the village worship; the schoolmaster, who is seen teaching the children in the villages to read and write in the sand; the calendar Bramin, or astrologer, who proclaims the
lucky or unpropitious periods for sowing and threshing; the smith and carpenter, who manufacture the implements of agriculture and build the dwelling of the Ryot, the potman, or potter; the washerman; the barber; the cowkeeper, who looks after the cattle; the doctor; the dancing-girl, who attends at rejoicings; the musician, and the poet. These officers and servants generally constitute the establishment of a village; but in some parts of the country it is of less extent, some of the duties and functions above described being united in the same person, in others it exceeds the number of individuals which have been described.

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

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

1 Fifth Report, 1812, p 35.
their lands and manufactured their commodities in their own self-contained little republics through thousands of years, while dynasty succeeded dynasty and empires rose and fell. Happy it were if the British administrators of India had preserved and fostered and reformed these ancient institutions, and thus continued to rule the people through their organised assemblies. Two causes, however, operated from the commencement of the British rule to weaken the old village communities. An extreme anxiety to enhance the land revenue to its very utmost limits induced the administrators to make direct arrangements with every individual cultivator.¹ An equally unreasonable anxiety to centralise all judicial and executive powers in their own hands led the modern rulers to virtually set aside those village functionaries who had so long exercised these powers within the limits of their own villages. Deprived of their functions, the village communities rapidly fell into decay, and the Indian administration of the present day, better organised in many respects than the administration of the past, suffers from this disadvantage, that it is more autocratic, and rests in a far less degree on the co-operation of the people themselves.

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

¹ An interesting controversy between Sir Thomas Munro and the Board of Revenue about the continuance of the village system will be referred to in the next chapter.
cluded, and the Zemindars were assessed at two-thirds of their gross collections. The new Circar or State of Guntoor, which had come into the Company’s possession in 1788, was settled in the same way.

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

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

¹ Fifth Rep. 1812, p. 114. ² Ibid., pp. 93 and 98.
between 1812 and 1804, the Haveli lands were parcelled out into mootas or blocks of a convenient size, yielding generally from 1000 to 5000 Star Pagodas as the annual revenue, and were sold by public auction as permanent Zamindaris. The Jaigir lands round the town of Madras were also settled permanently at the same time.

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

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

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

1 Fifth Report, 1812, p. 113.
the civilians of those times. The principle on which Captain Read formed settlements with individual cultivators was the principle which was subsequently developed and introduced into other parts of the province by his assistant, Thomas Munro, afterwards Sir Thomas Munro, Governor of the province. His name is as intimately connected with the Ryotwari settlement of Madras as the name of Lord Cornwallis is connected with the Zamindari settlement of Bengal.

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

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

About the Karnatic he wrote: "A great part of the Nawab's revenues are remitted through agents in Madras at 3 per cent. and 4 per cent. per month. The rents in some parts of the Karnatic are regulated by the grain sown, every kind paying a different rate, and in others they are levied in kind, and in all the leases are annual. When the rents are fixed according to the grain, the lands are measured every year. The surveyors in making their reports are guided by the bribes they receive, and a thousand frauds are
practised both on the farmers and the Government; and where they are collected in kind, the produce of the land is either thrown upon the cultivator, at a price much above its value, or else a standard is fixed for the market below which no person can sell until the whole of the public grain has been disposed of. Such wretched management, one would think, must soon ruin the country."

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

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

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

¹ letter dated 31st January 1795.
is no difficulty in it—nothing is required but constant attention, and where this is given, it is both better for the country and easier for the Collector to receive the rents directly from 60,000 farmers than by the medium of ten or twelve Zemindars or great landholders. The rent of the division of the country under my charge last year was 165,000 Pagodas, which was collected within the year without a single Rupee outstanding, and without any trouble, from about 20,000 farmers."  

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

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

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

1 Letter dated 21st September 1798.
the task without seeming to desert my duty; but now that this is done, and that the collections, except where interrupted by invasion, are as regular as in the Baramahal, or even more so, I think my work is performed.”

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

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

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

Letter dated 13th July 1800.  

Letter dated 7th October 1800,
raise the revenue, it would be said that I allowed the inhabitants to defraud Government. . . . I have no thoughts at present of precipitating matters, though I shall, for the sake of assisting the public want of money, press the ryots more than I ought to do."  

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

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

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

1 Letter dated 5th September 1802.
2 Letter dated 28th September 1802.
3 Fifth Report, 1812, p. 124.
Other districts were in the meantime settled by other officers. Malabar came into the possession of the Company in 1792, and was for a time included in the Bombay Presidency. The Bombay Government made two annual settlements with the Rajas and Nair chiefs of Malabar, followed by a five-years' settlement. On the failure of the Rajas and the Nair chiefs to make punctual payments, their lands were taken from them, and they rose in rebellion. The Bombay Government having thus failed in their administration, Malabar was transferred to the Madras Presidency in 1800. Lord Clive, then Governor of Madras, appointed a Principal Collector and Subordinate Collectors for the administration of the country. Settlements were made partly with landlords and partly with the tenants themselves, but the system of revenue management generally adopted was the Ryotwari system, which was now finding favour with the authorities.¹ And thus the hereditary Rajas and Nair chiefs who had owned lands in Malabar before the time of the British rule were gradually got rid of, and finally disappeared from the scene. True statesmanship would have continued the old order of things, and reduced the Rajas and Nair chiefs into loyal subjects of the British Government and leaders of the people. But the desire to make settlements immediately with the cultivators, in order to get as much revenue as the land could yield, steadily influenced the policy of the Company's government more and more as years passed by.

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

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

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

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

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

¹ Fifth Report, 1812, p. 127.
² Ibid., p. 143.
troops in the disagreeable service of helping the Nawab against the Polygars. They had given precise orders that "the native princes, called Polygars, should not be extirpated." They had considered it "repugnant to humanity to force them [the Polygars] to such dreadful extremities." They had feared that the Nawab's government was "none of the mildest," and that there was "great oppression in collecting his revenues." And while they were aware that the people of the Karnatic had suffered from many distresses, they had held that the oppression of the Nawab of the Karnatic was "greater than all."

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

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

progressive for several years, and afterwards to remain unalterable to an amount calculated to be equal to two-thirds of the gross collections. Finally, a Permanent Settlement was made in 1803 for the fourteen estates which still remained in the hands of the Southern Polygars, and the revenues fixed were more moderate than the exorbitant demands of 1799-1800, varying from 41 per cent. to 51 per cent. of the gross rental. These estates were principally situated in the Tinivelly district, and similar settlements were made with the Polygars in Sivaganga and Ramnad.1

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

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

1 Fifth Report, 1812, pp. 146-147.
seventeenth and eighteenth centuries; they had protected weavers and manufactures and shielded the cultivators when there was hardly any other constituted authority in the land, they had excavated great canals and reservoirs for irrigation all over Southern India; and they had given shelter to the British themselves when Madras was taken by the French in the early Karnatic wars. If the Polygars were guilty of turbulence and oppression, they shared their faults with almost all chiefs and nobles in the seventeenth and eighteenth centuries in Asia and in Europe, and a wise statesmanship would have attempted to reduce them to order instead of trying to "root out the Polygars." It is not a wise policy for any Government to change the old institutions of a land; it is not a humane policy for an alien Government to suppress a class, and to confiscate its proprietary rights, in order to add to its income by direct settlements with the tillers of the soil.

The policy of Lord Wellesley's Government in Madras appears in strong and unfavourable contrast with the policy of Lord Cornwallis in Bengal. Lord Cornwallis found the Bengal peasantry living under hereditary Zemindars, and strengthened and perpetuated the Zemindari institution. Lord Wellesley's government found a large part of the Karnatic under the power of the Polygars, and virtually rooted them out in order to bring the people under its direct control. Lord Cornwallis respected an ancient institution, and has thus preserved in Bengal a large, prosperous, and contented middle class. Lord Wellesley's policy denuded Madras of a similar class, and the loss has not been repaired after a century of British rule. Madras has no strong, influential, prosperous middle class, forming a natural link between the cultivators and an alien Government.
The policy of Lord Wellesley's Government in Madras bore a resemblance rather to the policy of the French Revolution, which a few years before had confiscated the rights of the territorial aristocracy of France. Yet what the barons lost in France was a gain to the French nation; what the Polygars lost in Madras was a gain to an alien trading company. The rents which the Polygars had obtained from the people under their jurisdictions had been spent among the people, had flowed back to them through various channels, and had fructified their trades manufactures, and industries. The land revenues which the Company obtained—after the Polygars had been virtually extirpated—were, after defraying the cost of administration, withdrawn from the country as the profits of foreign traders. "It cannot be concealed or denied," said one of the ablest of the Directors of the Company, "that the object of this [Ryotwari] system is to obtain for Government the utmost that the land will yield in the shape of rent." ¹

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

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

*Permanently Settled*

<table>
<thead>
<tr>
<th>Settlement</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Jaigir round Madras</td>
<td>1801–2</td>
</tr>
<tr>
<td>The Northern Circars</td>
<td>1802–5</td>
</tr>
<tr>
<td>Salem</td>
<td></td>
</tr>
<tr>
<td>Western Polygars’ estates</td>
<td>1802–3</td>
</tr>
<tr>
<td>Chittoor Polygars’ estates</td>
<td></td>
</tr>
<tr>
<td>Southern Polygars’ estates</td>
<td></td>
</tr>
<tr>
<td>Ramnad</td>
<td>1803–4</td>
</tr>
<tr>
<td>Krishnagiri</td>
<td>1804–5</td>
</tr>
<tr>
<td>Dindigal</td>
<td>1804–5</td>
</tr>
<tr>
<td>Trevendapuram</td>
<td></td>
</tr>
<tr>
<td>Jaigir villages</td>
<td>1806–7</td>
</tr>
</tbody>
</table>

*Not Permanently Settled*

- Mysore
  - Malabar
  - Canara
  - Coimbatur
  - Ceded Districts
  - Balaghat
  - Palnad
  - Nellore and Ongole
  - Arcot
  - Sativad
  - Trichinopoly
  - Madura
  - Tinivelly

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

1 Fifth Report, 1812, p. 163.
CHAPTER VIII

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

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

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

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

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

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

On the eve of his departure for Europe in 1807, after his labour of seven years in the Ceded Districts, Thomas Munro recorded his famous report recommending a Permanent Ryotwari Settlement of those Districts. He described the exorbitant revenue he had raised, being 45 per cent. of the gross produce; he recommended a reduction of this revenue by a quarter; and he proposed that the assessment should then be made permanent.
"As one-third of the produce is, therefore, the highest point to which assessment can in general be carried without destroying landed property, and as it is also the point to which it must be lowered before persons who are not cultivators can occupy Circar lands without loss, it is obvious that unless the assessment is reduced to this rate, land can neither be occupied by all classes of inhabitants, nor ever become private property, nor can any Permanent Settlement be made, calculated to improve the condition of the Ryots or of the public revenue. I am, therefore, of opinion, that in a Permanent Settlement of the Ceded Districts, the rent of Government should be about one-third of the gross produce. The present assessment is about 45 per cent. To bring it to the proposed level would require a remission of 25 per cent., as may be seen from the following example:—

Total gross produce, say . . . . . 100

Government share by the present assessment . . . . 45
Deduct 25 per cent. of assessment . . . . . 11½

Government's share by proposed permanent assessment . . . . . . . . . . . . . . . . 33⅓

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

"1st. The settlement shall be Ryotwari.

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

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

"4th. An additional reduction in the assessment of 8 per cent., or 33 per cent. in all, shall be allowed
on all lands watered by wells, or by water raised by machinery from rivers and nullahs; provided the cultivators keep the wells or embankments (Dirroas) in repair at their own expense. A similar reduction shall be allowed on the lands watered by small tanks, wherever the cultivators agree to bear the expense of repairs.

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

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

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

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

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

"10th. The repairs of all tanks which are not rendered private property by an extra remission, or
Desivundum Enaum, shall be made at the expense of Government.

"11th. Tuccavie shall be gradually discontinued.

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

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

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

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

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

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

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

¹ Report dated 15th August 1807.
tages, a Permanent Settlement founded upon the same principles, but carried to a greater extent with regard to the benefit of the Ryot, would produce the same effect in an increased ratio.”

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

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

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

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

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

1 Minutes dated 29th April and 25th November 1806.
is fixed upon that land and no more; his rent undergoes no alteration."

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

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

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

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

\(^1\) Minutes of Evidence taken before the Committee of the whole House and the Select Committee on the affairs of the East India Company, 1813, pp. 149, 170, and 173.
on the exorbitant revenue which had been fixed, the Board of Revenue made this new suggestion.

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

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

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

"38. Every village with its twelve Agagandeas, as they are denominated, is a petty commonwealth, with its Mokuddum, Potail, Rapod, Reddy or chief inhabitant at the head of it, and India is a great assemblage of such commonwealths. The inhabitants, during war, look chiefly to their own head-inhabitants; they give themselves no trouble about the breaking up and division of kingdoms while the village remains entire; they care not to what power it is transferred, on whosoever it devolves, the internal management remains unaltered; the head-inhabitant is still the collector, magistrate, and head-farmer.
39. From the age of Manu to the present day the settlements have been made either with or through the head-inhabitants. When the revenue was thought to be high enough, and the head-inhabitant agreed to it, he was usually left to settle with the Ryots; if it was too low and the head-inhabitant objected to an increase, the Amaldar settled with the Ryots in his presence. This system has stood the test of time, and as under it whole provinces have often been in a highly cultivated state, it must certainly be well calculated for the great object of promoting agriculture.¹

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

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

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

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

That agriculture was regarded as the basis of

¹ Letter dated 25th April 1808.
² Letter dated 25th May 1808.
³ Letter dated 20th February 1812.
⁴ Letter dated 16th December 1812.
national wealth and prosperity; that it was considered essential to the improvement and extension of agriculture to restrict the demands of Government upon landed property; that it was not supposed Government could lose by this restriction, since without it agriculture would never be improved and extended, nor the resources of the country increased. . . . In offering the foregoing remarks, we have considered the Permanent Settlement strictly as a question of fiscal policy. But it does not need to be shown that it is of vital importance also, as being calculated to give to the mass of the people, who are engaged in agriculture, a deep and permanent interest in the stability of our Government.”¹

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

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

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

¹ Letter dated 5th March 1813.
lent measurement on the estimation of the land he quits or the land he occupies; nay, if to escape from the mode of oppression he resolves not to alter his limits, the current business of agriculture, the means of irrigation, the distribution of Tuccavy, or of an abatement of rent on account of calamity, all must be regulated by men who have no interest in his property, no sympathy with his feelings. Surely it were better that confidence should be reposed where self-interest affords a security against its being abused, and that the people should be left to improve the country in their own way, without the encumbrance of useless and ill-judged aid from public officers, and without the dread of their oppression and rapacity. At any rate, we own that the Ryotwari system, proposed by Colonel Munro, seems to us in no respect to deserve the name of a Permanent Settlement of the land revenue, but, on the contrary, to leave land revenue and landed property as unsettled as ever, and the people liable to all that prying, meddling interference of public officers under which no private concern can prosper.

"The grand difference between the view at present taken in England regarding Indian land revenue and that taken here, seems to be, that in England the fear is that the public demands upon the resources of India may not keep pace with its prosperity; while here the universal sentiment, we believe without any exception whatever, is, that the prosperity of the country is so much depressed by the public demands, that, without the most liberal and judicious management, there is more danger of its resources declining than room to hope for their speedy increase. This is a sentiment which we cannot too strongly convey to your Honourable Court. It is addressed to your wisdom, to your sense of justice, to your humanity; it concerns the successful administration of your Government no less than the welfare and happiness of a numerous population
and the prosperity of an extensive country, favoured by
nature, protected from internal commotion and foreign
assault, and requiring only moderation in the demands
of Government upon its resources to render it rich and
flourishing. Compared with the attainment of these
great ends, of how little value appears every sacrifice
which can be made for them?" 1

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

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1 Letter dated 12th August 1814.
2 The admiration felt by Sir John Malcolm, him-elf a distinguished
soldier and a friend of the people of India, for Munro's plan of opera-
tion is thus expressed in his letter of the 17th February 1815:—"I
send you a copy of a public letter from Tom Munro Sahib, written for
the information of Sir Thomas Hislop. If this letter makes the same
impression upon you that it did upon me, we shall all recede as this
extraordinary man comes forward. We use vulgar means, and go on
zealously, and actively, and courageously enough; but how different is
his part in the drama! Insulated in an enemy's country with no mili-
tary means whatever (five disposable companies were nothing), he forms
the plan of subduing the country, expelling the army by which it is
occupied, and collecting the revenues that are due to the enemy,
through the means of the inhabitants themselves, aided and sup-
ported by a few irregular infantry whom he invites from the neigh-
bouring provinces for that purpose. His plan, which is at once
simple and great, is successful in a degree that a mind like his could
alone have anticipated. The country comes into his hands by the
most legitimate of all modes, the zealous and spirited efforts of the

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

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

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

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

natives to place themselves under his rule, and to enjoy the benefits of a Government which, when administered by a man like him, is one of the best in the world."
Had our power in the Circars been as strong on the acquisition of these provinces as it subsequently became at the period of the transfer of the Ceded Districts, the ancient Zemindars, like the Polygars of the latter country, might perhaps have been removed from their lands and reduced to the situation of mere pensioners on our bounty; but when the attachment of the people to their native chieftains and the local situation of many Zemindaris are considered, it may be greatly doubted whether such a policy would not have been as unwise as it would have been ungenerous."

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

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

"The Ryotwari settlement, in fact, was made annually, frequently by the Tehsildars and Sheristadars [subordinate low-paid officers], and was not in general concluded until after the crop had been raised, the system then was to make as high a settlement as it was practicable to realise. If the crop was good, the demand was raised as high within the survey rates as the means of the Ryots would admit; if the crop was bad, the
last farthing was notwithstanding demanded, and no remission was allowed unless the Ryot was totally unable to pay the rent. On this point the most severe scrutiny was instituted, for not only was the whole of the Collector's detailed establishment of servants employed in an investigation of his means, but each of his neighbours were converted into inquisitors by being themselves made liable for his failure, unless they could show that he was possessed of property. . . .

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

"Ignorant of the true resources of the newly-acquired countries, as of the precise nature of their landed tenures, we find a small band of foreign conquerors no sooner obtaining possession of a vast extent of territory, peopled by various nations, differing from each other in language, customs, and habits, than they attempt what would be
called a Herculean task, or rather a visionary project even in the most civilised countries of Europe, of which every statistical information is possessed, and of which the Government are one with the people, viz., to fix a land-rent, not on each province, district, or country, not on each estate or farm, but on every separate field within their dominions. In pursuit of this supposed improvement, we find them unintentionally dissolving the ancient ties, the ancient usages which united the republic of each Hindu village, and by a kind of agrarian law, newly assessing and parcelling out the lands which from time immemorial had belonged to the Village Community collectively, not only among the individual members of the privileged order (Mirasdars and Kadems), but even among the inferior tenantry (Pykaris), we observe them ignorantly denying, and by their denial abolishing private property in the land, resuming what belonged to a public body (the Gramanum), and conferring in lieu of it a stipend in money on one individual; professing to limit their demand to each field, but in fact, by establishing such limit, an unattainable maximum, assessing the Ryot at discretion, and, like the Musalman Government which preceded them, binding the Ryot by force to the plough, compelling him to till land acknowledged to be over-assessed, dragging him back to it if he absconded, deferring their demand upon him until his crop came to maturity, then taking from him all that could be obtained, and leaving him nothing but his bullocks and seed grain, nay, perhaps obliged to supply him even with these, in order to renew his melancholy task of cultivating, not for himself, but for them."

Such was the state of cultivators under the Ryotwari system without the protection of a permanent and moderate assessment which Munro had recommended. A more forcible picture of a "human cattle-farm" has never been painted.
Lastly, with regard to the Village system the Board wrote: "Although this system has not been equally successful in every district, yet even where (as in Bellary) it has been the least so, the Collectors are unanimous in opinion that it has most materially improved the condition of the agricultural population of the country, and it is the great body of the Ryots, and not the mere parties with whom the settlement was concluded, who have chiefly benefited by the Village settlement. The Ryotwari Tenures have nearly everywhere been greatly reduced, and instead of the head Ryots oppressing their inferiors, most of the Collectors have been obliged to prop their weakened authority by that of their Tohsildars. This, without any material exception, is the universal language of all their reports, and it is a result which may be confidently offered as conclusive evidence that the system has generally answered the expectations of those by whom it was introduced. But where the settlement has been best conducted, as in Cuddapah and the Northern Division of Arcot, a picture of prosperity is drawn of which the parallel may in vain be sought throughout the revenue records of this Presidency."  

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

1 Board's Minute dated 5th January 1818.
Board of Revenue was in the right. A wise Government tries to foster and improve, not to sweep aside, the ancient institutions of a country, when they are consistent with modern progress. It is undeniable that the internal concerns of villages in India could be managed more successfully, and more satisfactorily to themselves, by the villagers than by Tehsildars, Sheristadars, and policemen; and that it is a gain to the cause of humanity to let large classes of people manage their own concerns where possible. Munro himself, if he had seen village communities in a workable condition in the early scenes of his settlement work, in Buramahal, Canara, and the Ceded Districts, would have been the strongest advocate of that system. But having made settlements direct with the cultivators in those places, having advocated that system to the Government of Madras and before the House of Commons, having got the Directors of the Company to sanction that system in all the unsettled parts of the province, he was unable, late in his life, to change his opinion, and appreciate the more desirable form of land administration through the agency of village communities which the Board of Revenue had fostered between 1812 and 1818. As Governor of Madras, Sir Thomas Munro did all he could to foster the village institutions; he organised Panchyets, and conferred on them judicial powers, and he endeavoured to continue the village communities of India as living and organic institutions, such as they had been in the past. But all these endeavours failed. When all real power is taken away from old institutions, forms of authority will not keep them alive. And the villagers, harassed by every petty revenue officer and corrupt policeman, could no longer continue to work together as corporate bodies, as they had done before. Among the many changes which India has witnessed with the advent of the
British rule, many of them making for progress and advancement, and some of them deplorable, the saddest change is the virtual extinction of the old forms of self-government, and the disappearance of those ancient Village Communities of which India was the first home among all the countries of the earth.

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

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

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

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

NELLORE.

The Collector of Nellore had selected the village of Coooor for the experimental introduction of the Ryotwari system, after survey, classification, and assess-
ments of lands, as early as 1818; and the proceedings of the Board of Revenue show how the assessment was originally made, and how it was subsequently modified.

*Wet lands.*—"The grain being valued at 20 rupees per Candy, being the average selling price, gives Rs.34,374, from which the usual Calavasum or 6½ per cent., or Rs.2234, being deducted, there remains to be divided between the Circar [State] and the cultivators Rs.32,139."¹

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

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

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

**TRICHINOPOLY.**

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

¹ Fractions of Rupees have been omitted in these extracts.
² Proceedings of the Board of Revenue, dated 17th September 1818.
³ Fractions are omitted.
"This being divided being the Circar [State] and the inhabitants at the usual rate of Warum, 50 per cent., leaves as the Circar's share 2908 Callums, which being commuted at the average price of the last three years, as recommended by the Collector, amounts to Rs.3,232."\(^1\) Certain further deductions and additions were made, and the revenue fixed upon was Rs.3211. One-half the produce of the soil, levied as land-tax, was an impoverishing taxation, but the Madras Board was slow to reduce their demand even to one-third, while they still professed moderation! "Although one-third of the gross produce," they said, "cannot be considered as a standard for a general assessment to be valued and paid in money, it may nevertheless serve as a guide to direct Collectors to moderation."

COIMBATORE.

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

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

\(^1\) Proceedings of the Board of Revenue, dated 26th November 1818.
in any other District; that a Collector should not obtain the confidence of the Board of Revenue, and becoming either the dupe or the accomplice of an artful and fraudulent native, render the whole Province subject to his mismanagement, the prey of a few men armed with the powers of Government. If either the weakness or the corruption of the Collector may produce such scenes as those which were exhibited in Coimbatore, and for seven years laid the property of the inhabitants, as well as the public revenue, at the mercy of the lowest agent of the Government, without exciting the attention of those whom we have appointed to superintend the details of government and to discover and prevent abuse, it is impossible not to dread the extensive existence of evil, and infer the necessity of more effectual securities. As the death of Mr. Garrow has rendered it unnecessary for us to decide upon the propriety of his being allowed to continue in our service, it is of less importance to determine the species and degree of his delinquency. It is certain, however, that the existence under a public officer of abuses of great extent and long duration, abuses which were attended with great profit to his immediate dependents, and which an ordinary degree of vigilance would have enabled him to prevent, is to a certain degree evidence of corrupt participation."

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

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

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1 Revenue Letter from the Court of Directors to the Governor in Council at Madras, dated 31st October 1821.
for grass land, and something more than the full rent for the garden land. . . .

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

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

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

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

¹ Revenue Letter from the Court of Directors to Madras, dated 2nd January 1822.
poly, and the ruin of all agricultural improvements is evident in the depreciation of the value of landed property. Mirasildars who formerly farmed an extent of land amounting to some thousand Cawnies, now possess scarcely as many hundreds, and these will be sold in the course of this or the ensuing year, if either the assessment is not altered or the balance of arrears allowed to lay over. But what I chiefly wish to impress upon the Board is my conviction of the impossibility of continuing the present assessment.’

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

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

**Tanjore.**

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

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1 Revenue Letter from the Court of Directors to Madras, dated 12th December 1821.
"The lease settlement of Tanjore expired with Fusly 122ś [1820], and the money value of produce having greatly fallen, and appearing likely to remain at a depressed level, the money assessment had become higher than was intended, and sufficient evidence was adduced of the necessity of an abatement. . . .

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

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

**Arcot.**

The same melancholy tale was told from Arcot.

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

¹ Revenue Letter of the Court of Directors to Madras, dated 18th August 1824.
"Upon this you [Madras Government] express a very strong opinion with respect to the evils arising from over-assessment, and you add that it did not appear to you that there were any grounds for reducing the settlement in the Northern Division of Arcot which did not exist equally in other districts. In fact, you affirm that the same necessity exists in every part of the country. You then proceed to recommend a general reduction, and you propose that the standard upon which it should be regulated should be that of a third of the gross produce as the Government share.

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

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

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

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\(^1\) Revenue Letter from the Court of Directors to Madras, dated 12th December 1824.