
UNIT 8 THE NEW LAND SETTLEMENTS

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8.0 OBJECTIVES

In this Unit we shall study the land revenue settlements made by the British in different parts of India up to 1857. After studying this Unit you will be able to understand:

- the meaning of the term ‘revenue settlement’,
- the aims of the British in their various ‘settlements’,

- the important features of the three main types of settlement, and
- the important effects of each settlement on the rural economy and on the relation of different classes in the country side.

8.1 INTRODUCTION

Agriculture has been the most important economic activity of the Indian people for many centuries. Naturally, therefore, kings and rulers have always drawn a large part of their taxes from agriculture. The British government, as it established itself in various parts of India also imposed very heavy taxes on agriculture. In order to assess and collect these taxes, it instituted various land revenue settlements.

Let us try and understand what this means. Imagine that the British East India Company has just defeated some Indian ruler, and annexed his territories. Now they went to collect taxes from these lands. You may think that this could be done by looting and plundering-and this was in fact often the first thing that was done in newly conquered territory. But it is not possible to continue like this: First of all, because loot is usually kept by the looter, and does not find its way into the government treasury, and secondly, because this sort of activity is likely to cause people to flee to other areas, or to so impoverish them that nothing can be got later on. So it is necessary to institute some regular system of taxation.

Such a system has two requirements: the government has to fix what or how much will be paid. This amount is called the 'assessment'; and it has to fix who will have to pay. Now the person who is called on to pay a certain amount must have some connection with, some control over the land from which the tax is to be collected' because he will otherwise be incapable of paying anything from it. So when the government places the burden of payment on somebody, it must also see that he has some control over the land so that he gets an income from which the tax can be paid. If he does not get anything from the land, he can obviously not pay anything to the government.

8.2 FIRST EXPERIMENTS IN LAND REVENUE MANAGEMENT

After gaining control of Bengal in 1757, the British thought that they would retain the administration established by the Nawabs of Bengal, but would use it to collect an ever-growing amount for them. However, the rapacity and corruption of the Company's employees, and their continual interference in the administration led to complete disorganisation, and was one of the causes of the terrible famine of 1769-70, in which it was estimated that one-third of the people of Bengal died.

From 1772 therefore, a new system was introduced: this was the farming system. Under this system the government gave out the collection of land revenue on a contract basis. The contractor who offered to pay the largest amount from a certain district or sub-division was given full powers for a certain number of years. Obviously, such contractors (they were called ‘farmers’ in those days), would try and extort as much as possible during the period that they held the contract; it would not matter to them if the people were ruined and the production in the later years declined. After all, they would have made their profit. Extortion and oppression were the obvious results of such a system. Furthermore, many of the contractors had offered to pay very large amounts, and later found that they could not collect so much, even with great oppression. Finally, the system also led to corruption. As with many government contracts even today, profitable contracts on very easy terms were given to the friends and favourites and ‘*benamindars*’ of men in power, leading to loss to the government. In 1786 Lord Cornwallis was sent out to India with orders to clean up and reorganise the administration.

8.3 THE PERMANENT SETTLEMENT IN BENGAL

Cornwallis realized that the existing system was impoverishing the country-its agriculture was in decline. Furthermore, it was failing to produce the large and regular surplus that the Company hoped for. And it was also becoming difficult for the Company to get the large quantities of Indian goods that it planned to export to Europe, because, as Cornwallis observed, the production of silk, cotton, etc. all depended on agriculture. When agriculture was decaying, handicrafts could hardly be prosperous. And both the London authorities and Cornwallis were agreed that much of the corruption and oppression originated in the fact that the taxation had the character of an ‘uncertain, arbitrary imposition’.

It was decided therefore, that the land-tax would now be permanently fixed: the government would promise never to increase it in future. Several effects were expected from this measure. It would reduce the scope for corruption that existed when officials could alter the assessment at will. Furthermore, now that the state would not demand anything extra if the production increased it was hoped that landholders would invest money in improving the land as the whole of the benefit would come to them. Production and trade would increase, and the government would also get its taxes regularly. Finally, Cornwallis believed that even if the land tax was fixed, government could always levy taxes on trade and commerce in order to raise more money if it was needed. In any case, the land revenue was now fixed at a very high level-an absolute maximum-of Rs. 2 crore and 65 lakhs.

8.3.1 A Settlement With Zamindars

So we see that the land revenue was fixed permanently. But from whom was it to be collected? The Nawabs of Bengal had collected taxes from the zamindars. These zamindars were usually in control of large areas: sometimes entire districts. They had their own armed forces, and were termed Rajas. But there were also zamindars who held smaller areas, and either paid directly to the State, or paid through some big zamindar. The actual cultivation was carried on by peasants who paid the zamindars at customary rates fixed in every sub-division (or *pargana*). Oppressive zamindars often added extra charges called '*abwabs*' on top of the regular land revenue rates.

By 1790 British rule had greatly confused this picture. Some zamindars were retained-others were replaced by contractors of officials. The old customary rates were ignored, and every abuse permitted, if it led to an increase in the revenues. By the time Cornwallis arrived on the scene, the situation was one of the complete confusion. The new Governor-General belonged to the landed aristocracy of Britain and was in favour of a settlement that gave the right of ownership to the zamindars, who he hoped, would improve that land as English landlords did. But apart from this preference on his part, it was difficult for the government to make the settlement with any other class.

To understand this you must bear in mind that there must have been about four or five million cultivating families in Bengal, Bihar and Orissa at that time. Collecting from them would have involved the preparation of detailed records of all their holdings, and the calculation of a tax on this basis. This would take several years and large staff to execute. In addition it would give great opportunities for corruption. It was obviously much simpler to collect the revenue from a small number of big zamindar had to pay the tax fixed upon it: if he did so then he was the proprietor, the owner of his zamindari. He could sell, mortgage or transfer it. The land would be inherited by heirs in due course. If however, the zamindar failed to pay the tax due, then the Government would take the zamindari and sell it by auction, and all the rights would vest in the new owner.

8.3.2 The Position of the Cultivators

The actual cultivation of the land was of course, carried on by the lakhs of peasants who were now reduced to the status of tenants of the zamindars: Cornwallis had also decreed that the zamindars should issue written agreements (called *pattas*) to each cultivator, and these should specify what the tenant was to pay. He apparently believed that this would prevent oppression by the zamindars. In practice, however, no such *pattas* were issued, and the peasants were wholly at the mercy of the zamindars.

This was not accidental. As we have noted earlier, the permanent assessment was the large sum that could be got from the land. It was a heavy and oppressive assessment. According to the estimate of a knowledgeable official, John Shore, if a piece of land produced crops worth Rs.100, then Rs. 45 went to the government, Rs. 15 to the zamindar and only Rs. 40 was left to the cultivator. Such oppressive taxes could only be collected by oppressive methods. If the zamindars were not allowed to oppress the peasants then would not be able to meet the demands of the State. By regulations made in 1793, 1799 and 1812, the zamindar could seize, that is, carry away the tenants' property if the rent had not been paid. He did not need the permission of any court of law to do this. This was a legal method of harassment. In addition to this the zamindars often resorted to illegal methods, such as locking up or beating tenants who did not pay whatever was demanded. The immediate effect of the Settlement was, therefore, to greatly worsen the position of the actual cultivators of the soil, in order to benefit the zamindars and the British Government.

8.3.3 Effects of the Permanent Settlement

It may seem that the settlement was greatly in favour of the zamindars but we should not forget that they were also now obliged to pay a fixed amount by fixed dates every year, and any failure on their part meant the sale of the zamindari. Furthermore, many of the zamindaris were rated for large sums that left no margin for shortfalls due to flood, drought or other calamity. As a result, many zamindars had their zamindaris taken away and sold in the decades immediately after the permanent Settlement. In Bengal alone it is estimated that 68 per cent, of the zamindari land was sold between 1794 and 1819. Merchants, government officials, and other zamindars bought these lands. The new buyers would then set about trying to increase the rents paid by the tenants in order to make a profit from their purchases. Raja Rammohan Roy remarked that:

“Under the permanent settlement since 1793, the landholders have adopted every measure to raise the rents, by means of the power put into their hands.”

However, many zamindars still found it difficult to pay the amount demanded by the British. One such zamindar, the Raja of Burdwan then divided most of his estate into 'lots' or fractions called *patni* taluqs. Each such unit was permanently rented to a holder called a *patnidar*, who promised to pay a fixed rent. If he did not pay, his *patni* could be taken away and sold. Other zamindars also resorted to this: thus a process of subinfeudation commenced.

Gradually the population of Bengal increased; waste and jungle land came under cultivation. Rents also increased. On the other hand, the tax payable to government was fixed, so the position of the zamindars improved, and they were able to lead live of indolence and luxury at the expense of their tenants. Only in 1859 did the State take some step to protect the rights of tenant: a law passed that year bestowed a limited protection on old tenants, who were now termed occupancy tenants.

8.4 DISILLUSIONMENT WITH PERMANENT SETTLEMENT

When Cornwallis introduced the Permanent Settlement in Bengal he expected that the same system would be established in the other British territories as well. And the Government of Madras in fact began to introduce it in the lands under its control. However, British officials soon began to doubt the virtues of this system, while its defects became more prominent.

A very important defect, as far as they were concerned, was that it left no scope for increases in taxation, while the expenditure of the Company, fuelled by repeated wars, continued to expand. Lord Wellesley, Governor- General from 1798 to 1806 actually diverted funds sent from England for the purchase of trade goods and used them for his military expenditures. So officials began to think of ways and means of increasing the government's income. Some of the officials thought that in 1793 the zamindars had got off too easily, and this mistake should not be repeated in future. As early as 1811 the London authorities warned against the introduction of permanent settlements without 'a minute and detailed survey of the land.

Check Your Progress 1

- 1) What are the two essential steps that have to be taken in making a land revenue settlement? Answer in four lines.

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- 2) What were the motives behind the introduction of the Permanent Settlement in Bengal? What was its effect on the position of the cultivators? Answer in 100 words.

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3) Write a short note on the farming system.

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8.5 THE EMERGENCE OF ALTERNATIVE SYSTEMS

Meanwhile other ways of assessing and collecting the land-tax were being devised by British officials. Two officers, Munro and Read were sent to administer a newly conquered region of Madras in 1792. Instead of collecting from the zamindars, they began to collect directly from the villages, fixing the amount that each village had to pay. After this they proceeded to assess each cultivator or *ryot* separately – and thus evolved what came to be known as the ‘*ryotwari*’ system. This early *ryotwari* was a filed assessment system. This means that the tax payable on each field was fixed by a government officer, and then the cultivator had the choice of cultivating that field and paying that amount, or not cultivating it. If no other cultivator could be found, then the field would not be cultivated: it would lie fallow.

8.5.1 Land Assessment under Ryotwari

You can see that the officer fixing the tax, or settling the revenue, has a difficult task. He has to fix the tax on thousands of fields in sub-division or district, and to fix it in such a way that the burden on each such field is approximately equal. If the burden is not equally distributed, then the cultivators will not occupy the heavily assessed fields, and cultivate only those with a light assessment.

Now, in fixing the assessment of a field, the revenue officer had to consider two things: one was the quality of the soil-whether it was rocky or rich, irrigated or dry etc.; the other was area of the field. It followed, therefore, that this system depended on a survey, that is, a classification of it. Thus one acre of first class rice land should pay the same amount regardless of whether it was located in this village or that one. But how was this amount to be fixed?

Munro usually fixed it by estimating what the usual product of the land was-for example-2600 lbs. of paddy per acre. He would then claim that the State share of this amounted to one third of this, or two-fifths of this, and thus calculate the amount that the cultivator had to pay the State. This, of course is the theory of *ryotwari*-in practice, the estimates were largely guesswork, and the amounts demanded so high that they could be collected with great difficulty, and sometimes could not be collected at all.

8.5.2 The adoption of Ryotwari in Madras

After some experiments with other ways of managing the land revenue, the Madras authorities were by 1820 converted to the *ryotwari* system, and its triumph was indicated by the appointment of Munro as Governor of Madras. Munro advanced many arguments in favour of this system. He argued that it was the original Indian land tenure, and the one best suited to Indian conditions. Its adoption was due, however, to one main reason—it resulted in a larger revenue than any other system could have produced. This was because there were no zamindars or other intermediaries who received any part of the agricultural surplus—whatever could be squeezed from the cultivator went directly to the State. The Madras government was chronically short of funds, and such a system would naturally appeal to it. So taking advantage of the rejection of the Permanent Settlement, it introduced the temporary *ryotwari* settlement.

8.5.3 Ryotwari Theory and Practice

We have outlined the *ryotwari* system as it was developed by Munro in the districts under his charge. After 1820 however, *ryotwari* was extended to most of the Madras Presidency in forms quite different from those visualized by Munro. His *ryotwari*, you will remember, was a field assessment, leaving the cultivator free to cultivate or give up any particular field. And, as we saw, the working of such a system depended upon the government carrying out a detailed measurement and assessment of each field. But after 1820 the system was extended to many districts where no surveys had ever been carried out. No one knew how much land a peasant cultivated, or what its product might be. His tax came to be fixed on an arbitrary basis, usually by looking at what he had paid in earlier years. This was known as a ‘putcut’ assessment.

Again, in theory the *ryotwari* allowed the *ryot* to give up any field that he chose. But it soon became clear that if this was freely permitted the tax revenue of the State would fall. So government officers began to compel the cultivators to hold on to (and of course, pay for) land that they did not really want to cultivate. Since cultivation was not voluntary, it was always difficult to collect the revenue and so the use of beating and torture to enforce payment was also widespread. These methods were exposed by the Madras Torture Commission in 1845. After this certain reforms were introduced. A scientific survey of the land was undertaken, the real burden of tax declined, and there was no need to use violent and coercive methods to collect the revenue. However, these improvements occurred after 1860—beyond the period that we are studying at present.

8.5.4 Effects of the Ryotwari System in Madras

There is hardly any doubt that the effects of this system upon the rural economy were distinctly harmful. The peasants were impoverished and lacked the resources to cultivate new lands. The Government of Madras itself noted in 1855 that only 14 ½ million acres of *ryotwari* land were cultivated, while 18 million acres were waste. It confessed: 'There is no room for doubt that an increase of cultivation would follow reduction s of the Government tax.'

Apart from this depressing effect upon the rural economy, the heavy burden of taxation distorted the land market. Land in most districts of Madras had no value in the first half of the 19th century. No one would buy it, because buying in meant that the new owner would have to pay the extortionate land revenue. After paying it, he would have no income from the land, and obviously, in such circumstances, no one would purchase land.

8.5.5 The Ryotwari Settlement in Bombay

Ryotwari in the Bombay Presidency had its beginnings in Gujarat. The British began by collecting the land revenue through the hereditary officials called *desais* and the village headmen (Patel). However, this did not produce as much revenue as the British wanted, so they began collection directly from the peasants in 1813-14. When they conquered the Peshwa's territory in 1818 the *ryotwari* system on the Madras pattern was also introduced there, under the supervision of Munro's disciple Elphinstone. The abuses that characterised the Madras *ryotwari* soon appeared in the Bombay Presidency also, especially as the Collectors began trying to increase the revenue as rapidly as they could.

A regular measurement and classification of the land was commenced under the supervision of an officer named Pringle. This survey was supposed to be founded upon the theory of rent developed by the English economic Ricardo. This theory was hardly applicable to Indian conditions, and, in any case, Pringle's calculations were full of errors, and the resulting assessment was far too high. When the government tried to collect the amounts fixed by Pringle in Pune district, many of the cultivators gave up their lands and fled territory of the Nizam of Hyderabad. This assessment thus had to be abandoned after some years.

It was replaced by a reformed system devised by two officers named Wingate and Goldsmid. Their system did not try to apply any theoretical rules: instead it aimed at moderating the demand to a level where it could be regularly paid. The actual assessment of each field depended upon its soil and location. This new assessment began to be made in 1836 and covered most of the Deccan by 1865. Its effects upon agriculture were beneficial, and the cultivated area expanded as the new assessment was introduced.

8.5.6 Effects of the Ryotwari System in Madras and Bombay

We have seen how the Permanent Settlement established a few big zamindars in a position of dominance over the mass of the peasants. The social effects of the *ryotwari* settlements were less dramatic. In many areas the actual cultivating peasants were recorded as the occupants or '*ryots*', and thus secured the title to their holding. However, as we saw, the tax was so heavy that many peasants would have gladly abandoned at least some of their land, and had to be prevented from doing so. It was also possible for non-cultivating landlords to have their names entered as the occupants (or owners) of particular holding, while the actual cultivation was carried on by their tenants, servants or even bonded labourers. This was particularly the case in irrigated districts like Thanjavur (in Tamil Nadu) where many of the '*ryots*' held thousands of acres of land. There was no limit to the amount of land that a *ryot* could hold, so there could be great difference in wealth and status between one *ryot* and another. However, money-lenders and other non-cultivators were not much interested in acquiring lands because of the heavy taxes that came with them. Hence the small peasants, oppressed though they might be by the tax-collector did not have fear expropriation by the money-lender or landlord.

Under the reformed *ryotwari* system that gradually developed in Bombay after 1836 and Madras after 1858 the burden of the land revenue was somewhat reduced, and land acquired a saleable value. The purchaser could now expect to make a profit from wrong owning land: the State would not take it all as tax. One result of this was that money-lenders began to seize the lands of their peasant debtors and either event them or reduce them of tenants. This process led to considerable social tension, and caused a major rural uprising in the Bombay Deccan in 1875.

8.6 THE OTHER ALTERNATIVE SETTLEMENT: THE MAHALWARI SYSTEM

The aggressive policies of Lord Wellesley led to large territorial gains for the British in North India between 1801 and 1806. These areas came to be called the North-Western Provinces. Initially the British planned a settlement on the Bengal pattern, Wellesley ordered the local officials to make the settlement with the zamindars wherever they could, provided they agreed to pay suitably high land revenue. Only if the zamindars refused to pay, or nor zamindars could be found were the settlements to be made village by village 'giving the preference to the *mokuddums*, *perdhauns*, or any respectable *ryots* of the Village'. Ultimately, the settlement was to be made permanent, as in Bengal.

In the meantime, however, every effort was made to enlarge the revenue collection. The demand in 1803-4 was Rs.188 lakhs-by 1817-18 it was Rs. 297 lakhs.

Such enormous increases provoked resistance from many of the big zamindars and rajas, who had been almost independent in the earlier period. Many of them were therefore driven off their lands by the new administration. In other cases the old zamindars could not pay the amount demanded, and their estates were sold by the Government. Increasingly, therefore, it became necessary to collect from the village directly through its *pradhan* or *muqaddam* (headman). In the revenue records the word used for a fiscal unit was a '*mahal*', and the village wise assessments therefore came to be called a *mahalwari* settlement. It was however quite possible for one person to hold a number of villages, so that many big zamindars continued to exist. Furthermore, as in Bengal, the confusion and coercion that accompanied the collection of the very land tax created fine opportunities for the local officials, and large areas of land were illegally acquired by them in the early years. Meanwhile, the Government found that its expenditures were always exceeding its revenues, and the idea of a permanent settlement was dropped.

8.6.1 Mahalwari Theory and Practice

In 1819 an English official, Holt Mackenzie, developed the theory that *taluqdars* and zamindars were originally appointed by the State, and the real owners of villages were the zamindars who lived in them, or constituted the village community. He argued that their rights and payments should be clearly established by a survey. His ideas were embodied in a law, Regulation VII of 1822. This required that Government official should record all the rights of cultivators, zamindars and others, and also fix the amounts payable from every piece of land. The Governor-General orders:

It seems necessary to enter on the task of fixing in detail the rates of rent and modes of payment current in each village, and applicable to each field: and anything short of this must be regarded as a very imperfect Settlement.

In practice, this proved impossible to implement. The calculations made were often quite inaccurate, and the Collector in any case slanted them so as to increase the revenue due to the Government. Far from favouring the village communities, the new *mahalwari* often ruined them by imposing impossible tax assessments. In 1833 it was decided that the detailed effort to regulate all rights and payments should be given up, and that a rough and ready estimate of what the village could pay to the State was adequate. In later years, these estimates came to be guided by the rents paid by the tenants of village lands to the owners. From these rents the Settlement officer would calculate the theoretical amount that all the lands of the village or *mahal* would yield. Then some part—ultimately 50 per cent of this would have to be paid to the Government. All these calculations involved a large amount of guesswork: and, not surprisingly, the guesses tended to be on the high side, increasing the amounts to be paid to the State.

8.6.2 Effects of the Mahalwari Settlement

One of the early effects was that the area under the control of the big taluqdars was reduced. The British officers made direct settlements with the village zamindars as far as possible, and even supported them in the law courts when the supported only because it was planned to extract the highest possible revenue from them. They were freed from *talukdar's* claims only to subject them to a full measure of government taxation.

The result was often the ruin of the village zamindars. One officer reported that in many villages of Aligarh:

The *Juma* (land revenue) was in the first place considerably too heavy; and in which the *malgoozars* revenue payers seem to have lost all hope of improving their condition or of bearing up against the burden imposed on them. They are now deeply in debt, and utterly incapable of making any arrangements from defraying their arrears.

The result of this situation was that large areas of land began to pass into the hands of money-lenders and merchants who ousted the old cultivating proprietors or reduced them to tenant as will. This occurred most frequently in the more commercialised districts, where the land revenue demand had been pushed to the highest level, and where the landholders suffered most acutely from the business collapse and export depression after 1833. By the 1840s it was not uncommon to find that no buyers could be found to take land that was being sold for arrears of land revenue. As in the Madras Presidency, the tax in these cases was so high that the buyer could not expect to make any profit from the purchase. Overall, therefore, the *mahalawari* settlement brought impoverishment and widespread dispossession to the cultivating communities of North India in the 1830s and 1840s, and their resentment expressed itself in popular uprisings in 1857. In that year villagers and *talukdars* all over North India drove off government official, destroyed court and official records and papers, and ejected the new auction purchasers from the villages.

8.7 LET US SUM UP

Thus in this Unit we have seen how the three major land systems devised by the British came into existence. When new areas came under British rule the settlements made resembled either the *ryotwari* or the *mahalwari*. Thus Punjab came under the *mahalwari*, as did a large part of central India under a slightly modified form known as *malguzari*. In Awadh, after the revolt of 1857 the government recognised the *talukdars* as proprietors so as to ensure that they supported it in any future revolt. The assessment itself was *mahalwari*.

An ever-present theme throughout our discussion has been that the drive to collect large revenue was central to British Policy. Sometimes this led to the development of a land market-to the sale and purchase of land. But at other time, the State's demands were so heavy that no purchasers were to be found. The need to collect so much was itself made necessary by the heavy expenditures of the Government in India, and its need to send large sums to Britain for its expense there.

Check Your Progress 2

- 1) Given three important differences between the Permanent Settlement and the *Ryotwari* Settlement?

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- 2) In what way did the *Mahalwari* Settlement differ from the *Ryotwari* Settlement? Answer in five lines.

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- 3) What was the effect of the *Mahalwari* Settlement on the rural economy? Answer in 60 words.

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8.8 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- 1) See Sec. 8.1
- 2) Your answer should focus on the economic interest that the British had for the introduction of the Permanent Settlement. In the second part of the answer, you should write about the growing dependency of the cultivators on the zamindars and the miseries that the cultivators had to face. See Sec. 8.3
- 3) See Sec. 8.2.

Check Your Progress 2

- 1) One was with the zamindars, other was with the *ryots*, for more differences, See Secs. 8.3 and 8.5
- 2) See Secs. 8.5 and 8.6
- 3) Growth of money-lenders and merchants in the rural economy, dispossession and impoverishment of the cultivating communities, etc. See Sub-Sec. 8.6.2.

