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The Countryside Under The Company's Rule

THE COMPANY BECOMES DIWAN

The Diwani of Bengal, Bihar and Orissa was granted to the East India Company on 12th August, 1765 by the Mughal emperor Shah Alam II. Through the Diwani, it secured the right to collect revenue of Bihar, Bengal and Orissa. Thus its control over Bengal was legalised and the revenues of the most prosperous of Indian provinces placed at its command.



Robert Clive accepting the Diwani of Bengal, Bihar and Orissa from the Mughal ruler in 1765.

Now, as chief financial administrator of the land under their control, the Company decided to increase its revenue resources, to meet the growing expenses of the Company.

As time passed by, the Company also learnt that it had to move very carefully. Since they were a foreign power, they had to pacify those who in the past had ruled the countryside and enjoyed authority and prestige. Those who had held local power were to be controlled but not entirely eliminated.

In this chapter, we will read about how the Company came to rule the countryside, organise revenue resources and produce the crops it wanted.

Sources of Revenues – for The Company

The Company wanted to increase its revenue without setting up any fixed system of assessment and collection. They tried to exploit Indian traders by buying cotton and silk cloth as cheaply as possible. Soon, there was no need for the Company to buy Indian goods by importing gold and silver from Britain. The revenue of Bengal made them rich enough to do so.

This had a dreadful effect on the economy of Bengal. Production declined as artisans fled from their villages to escape Company's officials forcing them to sell at cheap prices. Moreover, a disastrous famine, which occurred in Bengal in 1770, wiped out one third of the population, killing 10 million people.

The Permanent Settlement

The economy was in ruins and most Company officials felt that investment in land had to be encouraged. It was at this stage that the idea of fixing land revenue in perpetuity emerged. Finally, after prolonged discussion, the Permanent Settlement was introduced in Bengal and Bihar by Lord Cornwallis in 1793. It had two features.

First, the Zamindars, rajas, taluqdars, and revenue collectors were converted into so many landlords. The Zamindars were not only to act as agents of the Government in collecting land revenue from the ryot, they were also to become the owners of the entire land in their Zamindaris. Their right of ownership was made hereditary and transferable. On the other hand, the cultivators were reduced to the

status of mere tenants and were deprived of their rights to the soil. The use of pasture, forest lands, irrigation, fisheries were some of their rights which were sacrificed.



Lord Cornwallis

In fact, the tenants of Bengal and Bihar were left entirely at the mercy of Zamindars. This was done so that the Zamindars might be able to pay in time the exorbitant land revenue demand of the Company.

Second, the Zamindars were to give 10/11th of the rental they derived from the peasantry to the state keeping only 1/11th for themselves.

But the sums to be paid by them as land revenue were fixed permanently. If the rental of a Zamindar's estate increased owing to extension of cultivation and improvement in agriculture or his capacity to extract more from his tenants, he could keep the entire amount of the increase. The state would not make any further demand upon him. At the same time, the Zamindar had to pay his revenue on the due date even if the crop had failed, otherwise his lands were to be sold off. Numerous zamindaris were thus, sold off.

The initial fixed revenue was made arbitrarily with the Zamindars. Therefore, the rates of revenue fixed were very high. Between 1765-66 and 1793 land revenue nearly doubled. John Shore calculated that if the gross produce of Bengal be taken as 100, the government claimed 45, Zamindars received 15 and only 40 remained with the actual cultivator. One result of this high land revenue demands was that nearly half the Zamindari lands were put up for sale between 1794 and 1807.

Neither the Zamindars nor the cultivators or tenants had an interest in improving the land. There was possibility of income for Zamindars without the trouble and risk of investment in land. The cultivators

found the arrangement miserable. The rent he paid to the Zamindar was very high and he was left just enough to sustain his family. His land was insecure because if he failed to pay the rent he was evicted from the plot he had cultivated for generations. So, he fell in the cruel clutches of the moneylenders from which he never got out.

Benefits of the permanent settlement:

- The British officials realised that their rule would be unstable unless they acquired local supporters who would act as a buffer between them and the people of India. So they brought into existence a wealthy and privileged class of Zamindars that owed its existence to British rule and who would therefore be compelled by its own basic interests to support it.
- Second, the Permanent Settlement guaranteed stability of income. Collection of revenue through a small number of Zamindars seemed to be much simpler and cheaper than the process of dealing with lakhs of cultivators.
- Third, the Permanent Settlement was expected to increase agricultural production. Since the land revenue would not be increased in future, the latter would be inspired to extend cultivation and improve agricultural productivity as was being done in Britain by its landlords.

The Permanent Settlement was later extended to Orissa, the northern districts of Madras and the district of Varanasi. In parts of Central India and Awadh, the British introduced a temporary Zamindari settlement. Under this, the Zamindars were made owners of land but the revenue they had to pay was revised periodically.

Mahalwari System

In 1822 the Mahalwari Settlement was introduced in the Ganga valley, the North-Western Provinces (present U.P.), parts of Central India and the Punjab. The revenue settlement was to be made village by village or estate (*mahal*) by estate with landlords or heads of families who collectively claimed to be the landlords of the village or the estate. In mahalwari areas, the land revenue was periodically revised. The word 'Mahalwari' is derived from the Urdu word *mahal* meaning a *house, estate* or *village*. The

heads of 'Mahals' or the village headman collected the tax from the villages and handed it over to the government. The Mahalwari system was devised by Hault Mackenzie.

The Ryotwari System

The establishment of British rule in South and South-western India brought new problems of land settlement. The officials believed that in these regions there were no Zamindars with large estates with whom settlement of land revenue could be made. And the introduction of Zamindari system would upset the existing state of affairs. Many Madras officials led by Reed and Munro recommended that settlement should be made directly with the actual cultivators. They also pointed out that under the Permanent Settlement the Company was a financial loser as it had to share the revenues with the Zamindars and could not claim a share of the growing income from land. Moreover, the cultivator was left at the mercy of the Zamindar who could oppress him at will. Under the Ryotwari Settlement, the cultivator was to be recognised as the owner of his plot of land, subject to the payment of land revenue. The supporters claimed that it was a continuation of the state of affairs that had existed in the past. Munro said, "It is the system which has always prevailed in India." The Ryotwari Settlement was in the end introduced in parts of Madras and Bombay Presidencies. Gradually this system was extended all over south India. The settlement under the Ryotwari System was not made permanent. It was revised periodically after 20 to 30 years when the revenue demand was usually raised.



Thomas Munro, Governor of Madras

The Ryotwari Settlement did not bring into existence a system of peasant ownership. The peasants soon realised that a large number of Zamindars had been replaced by one big Zamindar – the state – and that they were mere government tenants whose land was sold if they failed to punctually pay land revenue.

Effect of these Systems

All the above-mentioned land revenue systems led to impoverishment of the rural population. Everybody exploited the peasants and there were frequent agrarian riots. The position of landlords was reduced to being mere rent collectors. Nothing was done to improve agriculture. Failure of rains brought about famines. The worst famine was the Bengal Famine of 1943. Lakhs of people died due to shortage of food and also no money to buy food. Both the Zamindari and Ryotwari Systems created a new kind of private property.

Earlier people paid tax in kind. Now, whenever the peasant or the Zamindar were unable to pay revenue in cash in time, the government auctioned his land or else the peasant sold part of his land. In this way land became saleable and transferable.

The revenue system encouraged competition and individualism. People started producing for the market instead of fulfilling the needs of village population.

GROWTH OF COMMERCIAL CROPS

With the introduction of new revenue systems, peasants began to produce more and more cash crops. They did so to cope up with the increasing rates of revenue. By the late eighteenth century the Company was trying its best to increase the cultivation of opium and indigo. In various parts of India, the officials persuaded the cultivators to produce other crops - Jute in Bengal, wheat in



Tea garden in Assam

Punjab, tea in Assam, rice in Madras, sugarcane in Uttar Pradesh and cotton in Maharashtra.

How could this be done? The British used a variety of methods to increase the cultivation of crops they required. Let us take a closer look at one such methods of production.



Cotton crop



Sugarcane crop

The Cultivation of Indigo

The colour indigo has often been associated with political power or religious ritual. It has held a significant place in many world civilisations for thousands of years. In the excavation of Thebes, an indigo garment dating back to 2500 BC was found. Furthermore, our Hindu God Krishna is most often depicted in blue.



An Indigo flower

The indigo dye comes from a leguminous plant of the **Indigo fera** genus of which over 300 species have been identified. Only two species are named frequently— one native to India and Asia and the other native to South and Central America. The plants grow from two to six feet in height and the dye is obtained mainly from the leaves through the process of fermentation.

The dye was first mentioned in the histories of Herodotus who described its use in the Mediterranean area. It was at the time of the crusades that indigo became one of the valued 'spices' that Italian merchants acquired in Cyprus, Alexandria and Baghdad. But the trade in indigo dye became a commercial force after 1498 with the opening of the sea-route to India. This is not to say that Europeans had no other way of obtaining blue dye. The woad plant, native to northern Italy, southern France and parts of England and Germany yielded indigo coloured dye from its leaves, but it was inferior to that obtained from the indigo plant. In the 17th century, indigo became one of the chief articles of trade of both the Dutch and the British East India Companies. In fact the indigo supplies from India were not sufficient to meet the European demand in the 17th century and that is why indigo cultivation was taken up in other colonies as well.

An indigenous variety of indigo began to be cultivated by Spanish overseas in the plantations of Honduras and the Pacific slopes of Central America in the 1560s. The French began cultivating indigo in St. Domingue in Caribbeans, the Portuguese in Brazil, the English in Jamaica, and the Spanish in Venezuela. Many indigo plantations were set up in North America. The English gained their first indigo producing colony in 1655 when they captured Jamaica. By 1740, sugar had replaced indigo as the main crop of Jamaica. By the end of the 18th century, the demand for indigo grew further. In Britain, production of cotton increased, creating an enormous demand for cloth dyes. While the demand for indigo increased, its supplies from West Indies and America collapsed for a variety of reasons. By 1783-1789, the production of indigo in the world fell by half. The cloth dyers in Britain looked for new sources of indigo supply.

THE INDIAN INDIGO

Faced with the rising demand for indigo in Europe, the British in India looked for various

other ways to expand the area under indigo cultivation.



An indigo factory in Bengal

About 15 species of indigo *fera* were found growing in the Bengal region. The best soils for growing indigo plants were those found in Jessore and Krishnanagar and the Champaran district of Bihar.

In eastern Bengal, indigo was widely cultivated during the early 19th century when British planters made large investments in it. The districts where it was widely cultivated were Nadia, Bogra, Rangpur and Dhaka. Attracted by the prospects of high profits, numerous Scotsmen and Englishmen came to India and became planters. Those who had no money could get loans from the Company banks that were coming up during that time.

How Indigo was Cultivated

Indigo was cultivated under two main systems – *nij* and *ryoti*. In the *nij* system of cultivation, the planter produced indigo in lands he directly controlled. He bought the land or rented it from other Zamindars and produced indigo by directly employing hired labourers. Indigo could be cultivated only on fertile lands. Therefore, the planters found it difficult to expand the area under *nij* cultivation. The planters required large tracts of lands to cultivate indigo. From where could they procure large areas? They, therefore, attempted to lease in the land around the indigo factory. They also tried to evict the peasants from the area. But this led to tension and conflict.

A large plantation required a large number of hands to operate. And labour was not always

available when required. Besides, labour was needed precisely at the time when peasants were busy with the rice cultivation.

The *nij* cultivation on a wide scale also required many ploughs and bullocks. One *bigha* of indigo cultivation required two ploughs which meant that a planter with 1,000 *bighas* would need 2,000 ploughs. No one was interested in investing on purchase of ploughs. And ploughs were not easily available as many ploughs were busy on the rice fields when the indigo planters needed them.

So till the late 19th century, planters were reluctant to expand the areas under *nij* cultivation. 25 per cent of the land producing indigo was under this system. The rest opted for an alternative mode of cultivation the *ryoti* system.

The Ryoti System

Under the *Ryoti* system, the *ryots* were forced by the planters to sign a contract, that is, an agreement (*satta*). Sometimes the village headman was forced to sign the contract on behalf of the *ryots*. The person who signed the contract received cash as advance from the planters at low rates of interest. The loan pressurised the *ryot* to cultivate 25 per cent of land under his holding. The seeds and drill were provided by the planter while the cultivators prepared the soil, sowed the seed and looked after the crop.

After the crop was delivered to the planter, a new loan was given for the cycle to start all over again. The peasants who in the beginning were tempted by the loan found the system very harsh. The price they received for indigo was very low and the cycle of loans never stopped.

There were other reasons too. The planters insisted that indigo be produced on the best of soils. On these soils the peasants cultivated rice. The indigo plant had deep roots which exhausted the soil rapidly. And even after the harvest of indigo, the soil was unfit to cultivate anything.

THE INDIGO REVOLT – THE BLUE REBELLION

By the late nineteenth century, farmers preferred to cultivate rice and jute since indigo was no more a profit making crop. When coerced by planters to cultivate indigo, farmers organised a resistance movement in 1859.

The Indigo Revolt was the indigo farmers' uprising against the indigo planters in 1859. It started

in February-March 1859 when the farmers refused to sow a single seedling of indigo plant. It was a totally non-violent resistance as the farmers were not in possession of any types of arms. Indigo planting was introduced in large parts of Burdwan, Bankura, Birbhum and Murshidabad. The indigo planters left no stones unturned to make money. They mercilessly pursued the peasants to plant indigo instead of food crops. They provided loans at a very high interest. Once a farmer took such loans, he remained under debt for his whole life.

The price paid by the planters was meagre, only 25% of the market price. So the farmers could make no profit by growing indigo. The farmers were totally unprotected from the brutal indigo planters who resorted to mortgaging their properties if they were unwilling to obey them. By an Act in 1833, planters were granted a free hand for oppression. Even the Zamindars, moneylenders and other influential persons sided with the planters. The farmers resorted to revolt. The Bengali middle class supported the peasants wholeheartedly. Dinabandhu Mitra gave a perfect account of the situation in his play *Neel Darpan*.



Dinabandhu Mitra

The revolt started from Nadia. Bishnu Charan Biswas and Digambar Biswas first took up arms against the planters. It spread like a wild fire in Murshidabad, Birbhum, Burdwan, etc. Indigo planters were put under public trial and executed. The indigo depots were burnt down. Many planters

fled to avoid being caught. The Zamindars were also targets of the revolting peasants. However, the revolt was brought down by a large military and police force. The revolt involved almost the whole of Bengal.

The revolt was directed against British planters who behaved like feudal lords in their estates. The revolt received the support of all categories of the rural population including the Zamindars, moneylenders, rich peasants and karamacharis.

From the beginning of the nineteenth century, many officers of the East India company acquired land from the Indian zamindars in Bihar and Bengal and began large scale cultivation of indigo. These planters committed great oppressions on the cultivators of Nadia district who refused to sow any indigo. The strike spread to Jessore, Khulna, Dacca, Malda and other places in Bengal. Fearing a great agrarian uprising the governments issued a notification enjoining on the police to protect the ryot in the possession of his lands, without interference on the part of the planter or anyone else. An Indigo Commission was appointed in 1860. The Commission held the planters guilty and criticised them for coercive methods. The commission asked the ryots to fulfil their existing contracts but they would refuse to produce indigo in future. The Bengal indigo planters developed cold feet and gradually moved to Bihar and Uttar Pradesh. In 1866-1868, Darbhanga and Champaran in Bihar witnessed agitation by indigo farmers. The final blow to growing indigo came when a synthetic dye was invented. But indigo plantation continued in Bihar. In 1917, it was the efforts of Mahatma Gandhi that finally brought relief to the poor peasants of Champaran.

Points to Remember

- The Diwani of Bengal, Bihar and Orissa was granted to the East India Company on 12th August, 1765.
- As Diwan, the Company became the chief financial administrator of the territory under its control.
- Now it thought of ways of administering the land and organising its revenue resources.
- The economy of Bengal was facing a deep crisis. Many company officials felt that investment in land had to be encouraged.
- The idea of fixing land revenue at a permanent amount emerged.
- The Permanent Settlement was introduced in Bengal by lord Cornwallis in 1793.
- In 1822 the Mahalwari System was introduced in the Ganga valley, parts of Central India and the Punjab.
- In South and South-Western India, the Ryotwari System was established.
- All the land systems led to impoverishment of the rural population.
- With the introduction of new revenue systems, peasants began to produce more and more cash crops. They did so to cope up with the increasing rates of revenue.

Glossary

BIGHA	:	A unit of measurement of land, less than an acre.
BUFFER	:	A neutral state lying between two rival powers.
EXORBITANT	:	Exceeding limits in amount, size.
PLANTATION	:	A large farm run by a planter employing various forms of forced labour.
PROPRIETARY RIGHT	:	One that holds exclusive right to something.

TIME TO LEARN

TASKS FOR SA






A. Multiple Choice Questions (MCQs)

- When was the Diwani of Bengal, Bihar and Orissa granted to the East India Company?
(a) 1757 (b) 1763 (c) 1764 (d) 1765
- Which land revenue settlement was introduced in Bengal and Bihar in 1793?
(a) Permanent Settlement (b) Mahalwari Settlement
(c) Ryotwari Settlement (d) All of these
- Which land revenue settlement was devised and recommended by Reed and Munro?
(a) Permanent Settlement (b) Mahalwari Settlement
(c) Ryotwari Settlement (d) All of these
- The *nij* and *ryoti* systems of cultivation were related to which crop?
(a) Tea (b) Cotton (c) Sugarcane (d) Indigo
- Who led the 'Blue Rebellion' in 1859?
(a) Cotton cultivators (b) Fishing community (c) Indigo cultivators (d) British tea planters

B. Match the following

- | | |
|-------------------------|------------------------------------|
| 1. Mahalwari Settlement | (a) Introduced by Lord Cornwallis |
| 2. Ryoti System | (b) Indigo revolt |
| 3. Farmer's uprising | (c) Blue coloured dye |
| 4. Indigo | (d) Cultivation on ryot's lands |
| 5. Permanent Settlement | (e) Introduced in the Ganga Valley |

C. State whether the following statements are True or False.

- The Famine that occurred in Bengal killed about 10 million people. 
- The Permanent Settlement was introduced in South and South-Western India. 
- About 15 species of indigo fera are found in the Bengal region. 
- In the Nij system of cultivation, the planter produced indigo on the ryot's lands. 
- The Indigo Revolt was a totally non-violent resistance. 

D. Fill in the blanks with the words given below :

Mahalwari Bihar Nij Famines Diwan

- As _____, the Company became the chief financial administrator of the territory.
- The tenancy of Bengal and _____ was left at the mercy of the Zamindars.
- In _____ areas, the land revenue was periodically revised.

4. Failure of rains brought about _____.
5. Indigo was cultivated with the help of two main systems, _____, and *ryoti*.

E. Short answer type questions.

1. How was the Mahalwari System different from other two systems?
2. What led to the growth of commercial crops?
3. Why did the British invest in plantations?
4. What were the benefits to the British from Permanent Settlement?
5. Write a short note on the indigo rebellion of 1857.

F. Long answer type questions.

1. Discuss the circumstances which led to the eventual collapse of indigo production in Bengal. **[HOTS]**
2. Why were ryots reluctant to grow indigo?
3. Describe the effect of the land revenue settlements.

TIME TO DO

TASKS FOR FA

G. Project

Write a project report on the Champaran Movement and the role of Mahatma Gandhi.

H. Assignment

Think about a conversation between a planter and peasant who is reluctant to grow indigo on his land. Write their conversation in a dialogue form.

I. Map work

On a political map of India mark, label and shade the areas under permanent, Mahalwari and Ryotwari settlements.

J. Read a novel

Read the novel *Neel Darpan* by Dinbandhu Mitra based on indigo cultivation. Write a note describing your opinion.

LIFE SKILLS

There is a proverb 'Time and tide wait for none'. Hence, time management is essential to get ahead in life. Read the following sentences and write down the number of hours that you spend doing various activities daily. Then decide whether you need to manage time properly.

- | | |
|-----------------------------------------------------------------------------------------------|---------------------------------------------------------|
| 1. On an average, time you spend on sleeping. | <input style="width: 100%; height: 20px;" type="text"/> |
| 2. Hours spent on grooming activities. | <input style="width: 100%; height: 20px;" type="text"/> |
| 3. Commuting to and from school. | <input style="width: 100%; height: 20px;" type="text"/> |
| 4. Going shopping to the market (if not daily then divide weekly hours by 7). | <input style="width: 100%; height: 20px;" type="text"/> |
| 5. Hours spent at school. | <input style="width: 100%; height: 20px;" type="text"/> |
| 6. Hours at tuition. | <input style="width: 100%; height: 20px;" type="text"/> |
| 7. Total hours spent watching TV, talking on the phone with friends, playing on the computer. | <input style="width: 100%; height: 20px;" type="text"/> |
| 8. Time spent on meals. | <input style="width: 100%; height: 20px;" type="text"/> |
| 9. Time spent in self-study | <input style="width: 100%; height: 20px;" type="text"/> |
| <div style="display: inline-block; border: 1px solid black; padding: 2px 10px;">Total</div> | <input style="width: 100%; height: 20px;" type="text"/> |
| Subtract total number of hours from 24 | <input style="width: 100%; height: 20px;" type="text"/> |

TASKS FOR FORMATIVE ASSESSMENT-I (FA-1)

(Based on Chapters 1 to 3)

A. PICTURE STUDY

Study the picture and answer the following questions.

- Identify the mechanical toy.
- Who possessed it?
- How does it explain the relation between the ruler and the British.



B. POWER POINT PRESENTATION

Make a ten-minute presentation in your class on the famous battle of Plassey highlighting its importance in modern history of India.

C. ASSIGNMENT

Two Englishmen, Governor Robert Clive and Warren Hastings, first Governor General of India were impeached in the British parliament for their misdeeds in India. Was it fair or just to impeach the two towering personalities who helped found British power in India? Study their cases and discuss your viewpoints. What could you have done if you were in their places?

D. MAP WORK

On the outline, political map of India given alongside mark and label the following.

- Areas where permanent settlements was introduced.
- One area where Ryotwari system was introduced.
- Three Presidency towns
- One settlement each of British, French, Dutch and Portuguese in India.
- Plassey
- Seringapatam

