Tippoo Sultaun and of Mahomedan and British
Conquerors in Hindostan, Stated and
Considered

(British India analyzed)

PART-2

By

**Charles Francis Greville** 

Published by

E. Faulder

London

1795

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# BRITISH INDIA.

PART, II.

PROVINCIAL AND REVENUE

ESTABLISHMENTS

OF

BRITISH CONQUERORS.



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#### ERRATA.

Page 329, line 4, for rans read runs.

337, — 19, after period insert of the production.
342, — 3, for this read the production of.
344, — 14, for MH read MR.

347, note, after page add 135. 442, line 4 from bottom, for Nizam read Nazim.

463, - 4, for Ali read Reza.

581, — 1, for pecular read peculiar. —, — 18, for bave read bas. 583, — 1, for were read was.

\_\_\_\_\_ 15, for 1787 read 1785.





## PROVINCIAL ESTABLISHMENTS,

&cc. &cc.

#### CHAP. I.

The Principle of the Company's Government at the Period of the Acquisition of the Dewance.

LORD CLIVE stated his opinion of the nature of this government on a minute, dated October 28, 1765\*. "As I am not a very young servant of the Company, and have been twice honoured with the Presidentship of this settlement, (Calcutta) I think I may, without vanity, presume, that my knowledge is not in-

\* Appendix to Bolt's Confideration of India, p. 75.



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of a Governor.

"The respect I have for the laws of my country will always prevent my exercising a military force to apprehend any British subject, unless in cases of a very heinous nature, and when the offender might otherwise escape from the justice of a civil power, to whom he must of course be given up.

"But with regard to the natives of India I cannot confider them as British subjects; and the Court of Directors has cautioned us against putting our laws in execution on them. Were we to confider them as British subjects, our political government would be at an end; the power of the Governor and Council would be transferred to the Mayor's Court, and with it the whole authority of the Company, as if the charter for the establishment of that Court had been obtained, to make the Mayor and Aldermen masters over the Company. Besides, were the natives within our districts to be, on every occasion,

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profecuted by the laws of our country the Inns of Court would hardly be able to fupply us with a fufficient number of lawyers; and the objection would nevertheless remain, that, if the Indians will not of their own accord comply with the forms of the laws of England, we have no right to compel them; for what they have faid is true, that no Prince has power or authority over the fubjects of another Prince, unless it be by residing in his dominions, or by voluntary concessions, confent, &c.; and there are undoubtedly instances where the Company's servants could not justify themselves, if they were to admit the natives to the benefit of our laws, even at their own request.

"The Company's advantages and posfessions in India are maintained by the civil, joined with the military, power: the administration of their settlements, so far as respects the subjects of Great Britain, is purely civil, except in such cases as come peculiarly under the cognizance of martial law; but the civil administration has a right to command the assistance of the mi-

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litary in securing offenders. This is allowed of by the laws of England, and is frequently practifed, though the two powers there, are rather more distinct than in India: here the civil Governor has a commission, as a commander in chief of the forces, and, as fuch, has power in himfelf to exercise a military force in support of the civil. This is an institution founded on a very wife and evident reason, for as the Governor must always have the earliest intelligence of matters relating to his government, and of importance to the public interest, it is necessary he should be invested with the power of providing instantly for the fecurity of the state; nor can that power be dangerous to the liberty of the subject, whose military discipline is regulated upon the model of civil administration.

"But we are not to imagine that criminal actions alone endanger our principle of government; it is endangered by licentiousness, extortion, venality, by whatever eludes, though it may not totally subvert the laws: these, among numberless other

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afes, will fall immediately under the obfervation of a Governor, and it is his duty to endeavour to eradicate them with very exemplary feverity, when occasion demands it. If in the execution of his office he is guilty of oppression towards any of His Majesty's subjects, an act of Parliament points out a legal mode of redress; if his oppression falls on a subject, he is still amenable to justice. In any trifling causes, especially against a British subject, a Governor will act merely as a Justice of the Peace, but in cases which affect the Company's affairs, in cases of a villainous nature between man and man. particularly extortion, which too happens among the natives of this despotic empire, whether supported or not by us; in cases where the temper, moderation, the justice of the Company's government is concerned; in cases of fuch a nature, I fay, a Governor will not only act as a Justice of the Peace, but as Governor: he will not only, as a Magistrate, commit to confinement, but will, if he judge necessary, as Commander in Chief, affume his military power to prevent the offender's ef-

pe." A black man accused of a heinous crime, meditating an escape from justice, is confined to his house by a few sepoys, and upon this circumstance alone Mr. \*\*\*, like a true leader of party, thinks it incumbent on him to stand forth the champion of his injured country, declaims upon the British Constitution, civil rights, military force, arbitrary power, the liberty of the subject.-" I demand," fays he, " that the guards be removed " from the houses of the inhabitants, that " not only I, but the whole fettlement, " may in confidence and fafety attend the " Company's and our own concerns." In a London newspaper such an harangue might ferve to alarm weak minds, and draw recruits to the standard of faction, but on the face of our confultations, where truth and facts are conspicuous, it must appear a falsehood of the most dangerous tendency, calculated to answer the worst purpofes-I therefore defire the following question may be put, &c.

(figned) CLIVE."

From the above minute we may know what was the Government at the period of the acquisition of the Dewannee, and we may also, on equal certainty, state the principle and practice of the revenue system at the same period.

The principle of the Company's revenue fystem, applied to their territory, prior to, and at the period of, the acquisition of the Dewannee, was a systematic deviation from the equity of the Moghul system, as is fairly stated by Governor Holwell in the following extracts \*:

"To form a just estimate of the value and importance of these provinces, we must consider them at the period when they were governed by the younger Princes of the Blood Royal, and some years before fasser Khan's Soubahship, for in his time they began to decline and decrease in their worth, from causes + already investigated.

† Ibid. Vol. I. chap. 2. 397

<sup>\*</sup> Interesting Historical Events, 2d edit. Vol. I. p. 178.

few years recovered and began to flourish, until within two years of the decease of Sujah Khan, when, by the rapacity of Hodjee Hamet, the Rajahs and Zemindars were again cruelly oppressed and plundered and were thereby disabled from making good their contracts to Government; soon after that period commenced the usurpation of Aliverdi Khan, that drew on the Mahratta invasion, which overwhelmed the country in miseries of every kind for eight years.

"The peace which the usurper made with these invaders in 1750 seemed for four or five years to promise restoration of vigour to this harasted country; but its shattered constitution was scarcely beginning to revive, when the rash conduct of the succeeding young tyrant reduced it again to imminent peril, a just vengeance and necessity drew the English arms against him and his country, which produced a revolution fatal to himself and family—necessity again produced a second revolution—wantonness, a third—and when we

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shall stop, time only will disclose. A few individuals may benefit by this shifting fystem; but the total ruin of the trade of the provinces, and to the Company, must manifestly, in the end, be the consequence of this continued warfare, if not timely prevented, notwithstanding the flattering, fallacious fuccess of our arms."-" The country is capable of being restored under a proper settled government, and lasting peace; warfare fwallows up new-acquired revenue, turns the heads, and bewilders the Company's fervants from attention to their mercantile business; and the Direction must labour under heavy embarrassments in conducting the two branches of war and trade \* - A trading and a fighting Company is a two-headed monster in nature that cannot exist long, as the expence and inexperience of the latter, must exceed, confound, and destroy every profit or advantage gained by the former."-Let us boldly dare to be Soubah ourselves. our own terms have been more than once offered to us by the Emperor; why should

<sup>\*</sup> Interest. Histor. Events, Vol. I. page 180.

we longer hesitate to accept them?—we have not scrupled to seize and possess part of his territory with violence; surely it would be more conscientious, and more consistant with the laws of nature and nations, to hold the whole of these provinces under him by his own appointment.

"We cannot enough applaud the feafonable measure of sending out Lord Clive, which we esteem a happy event. I think the Public will not doubt this opinion to arise from a just regard to his Lordship's character, as they know we lie under no obligations to that quarter that might excite our partiality."

"To fum up the whole, we venture to stake our credit and veracity on the affertion, that the two provinces of Bengal and Bahar will fully yield a revenue of eleven crores of rupees, or £.13,750,000; if it yields this under a despotic, tyrannical government in time of peace, and currency of trade, what may we not more expect from its improvement under a mild British one \*?"

<sup>\*</sup> Interest. Histor. Events, p. 204.

Governor Holwell, in 1759, had co. vinced Lord Clive and the Board that his reasons for the public sale of the rents of the Company's lands by auction were unanfwerable; and the fale was unanimously refolved on: he explained the whole to John Payne, Efq. the Chairman of the Board of Directors \*. - " I had taken great pains to ferret out the real value of the lands, which was covered with almost impenetrable obscurity and difficulty. By an estimate I gave Colonel Clive at his return from the Patna expedition, I ventured to pronounce they would yield feven lacks and a half, and the total of their fale on the 13th July amounted to 7,65700 ficca rupees per annum, exclusive of several reserves in favour of the Company, fuch as a confiderable tract of land taken from the pergunnahs adjoining Calcutta, to extend its bounds, and all the advantages refulting from holding the royalties and judicial proceedings, &c. in our own hands on the Company's account: fo that I judge the whole produce of these lands (the before-

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<sup>\*</sup> Interest. Histor. Events, Vol. I. p. 230.

nually between nine and ten lacks, the fum I guessed, when in conference with you in England on the subject.

Methinks I hear you cry out, what the devil became of this difference last year? as it must have been collected, beyoud a doubt; or from whence can this advance answer to the present farmers? The answer is easy and obvious; the difference fell short in its way to the Company's treafury, by the felf-fame roads your former revenues were diffipated, prior to the reform of your Zemindary. As your former Zemindars could not justly be deemed culpable in that case, from the frequent change of post, so in the present no blame properly falls on your collector, the trust being too extensive for any one man existing; and though frauds are equally obvious from the extraordinary increase at a public fale, from farmers subject to every possible check and restraint that can either prevent their debasing their lands or oppreffing the tenants, yet there is a moral certainty or profit to him, at the expirathen yield a farther increase to the Company.

"I will clear up a circumstance that possibly may be cause of wonder to you; by what means I arrived at their real value.

" In the first place, I had long and full conviction that the same system of fraud and chicane ran through every Zemindary of the provinces, and from a general knowledge of the country granted to us, it appeared to me aftonishing they should yield no more than was brought to the Company's credit, at the close of the year in April 1758, when fo fmall a territory as Calcutta produced, on a fcrutiny and reform, an increase of 73 to 80,000 ficca rupees per annum. I tried various means to trace out a fatisfactory reason, and to account to myfelf for it, but without fuccess, until I learnt by accident that three or four of the old standards, employed as tax gatherers and writers in the pergunnahs, had been dismissed at the instigation of the new operators: I fent privately for one or

inquired into the cause of their dismission, and this brought on an opening of the whole scene, and gave me a sufficient soundation for forming my Letter of the 11th June, 1759\*.

"Thus having made you mafter of the subject in as fhort a detail as possible, I shall close it with this remark, that the fame chain of frauds runs through the whole empire, but more particularly in these provinces, to the heavy annual loss of the Crown, a circumstance which may, in a future, favourable conjuncture, be well worth confideration; at prefent we have but to ask and to have a more easy acquifition of the Soubahdary than we have already obtained of the Pergunnahs, but the times (1759) are not yet ripe for so great a grasp, nor have we sufficient strength to hold it; though it is certain, were we Soubahs of the provinces, the Emperor

<sup>\*</sup> Interesting Hift. Events, Vol. I. to C. Manning-bam, Efq. and Council, p. 226; and farther detail of the value of the Pergumahs under different management, Vol. I. p. 216.

would receive more than double the revenues these provinces ever produced to him, and the East-India Company would become in a short time the richest body of subjects in the world \*.

"On a candid and attentive perusal of my third chapter +, it will be obvious, from the whole tenor of it, that it is calculated to incite you to attempt the possession of this country in trust for the Emperor, and thereby put a period to a distructive and inadequate war: but can you imagine I excite you to this from the confideration of the worth of the provinces, according to the rates standing on the King's books? no; it is from the consideration of their real value and actual produce, and the farther consideration of how much this produce would certainly be increased under an English Soubab ‡.

<sup>\*</sup> Interesting Hist. Events, Vol. I. p. 231.

<sup>†</sup> Ibid. Vol. I. p. 177.

<sup>‡</sup> Ibid. Vol. I. p. 211, supplementary letter to H. C. Boulton, Esq. and the Directors, December 1765.

You have been told, gentlemen, that the revenues of Bengal are rated in the King's books under three crores of ficca rupees; if it is faid the lands are fo rated, you have been told the truth; thefe only go into the Royal Treasury, and, to the best of my remembrance, are rated two crores feventy-five or feventy-fix lacks. and fome odd, thousands rupees. Ought this information, without looking farther, to be taken as a proof of my exaggeration? when my estimate expressly includes the rents of the lands, and the revenues arifing from their produce, which I have estimated conjunctly at eleven crores, and now proceed to the proof \*, resting it upon what those conversant in your affairs in India will admit to be an indisputable fact, that the lands throughout the provinces bear nearly a proportional value to each other."

I repeat then, and infift on my estimate, that exclusive of the royalties, upon an obvious and fair calculation, the whole lands of the three provinces have never

<sup>\*</sup> Statement of the value of the Pergunnahs, Interest, Hist. Events, p. 216.

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rupees per annum; and deducting for Orissa i crore and a half, at which the lands and revenues of that province are usually estimated, there will remain nine crores and a half for Bengal and Bahar, to which annex the royalties, and they will more than make good the above deduction for Orissa.

Though I have, in my general estimate, confined myself to the consideration of the known and established rents and revenues of the provinces, yet the extra items specified above no less constitute a part of their value, and though these items have for a long course of years been concealed and embezzled from the government, that is no reason why they may not in suture be brought to account by a British Soubah at the head of it, an event which I will still hope is not far distant.

Governor Holwell concludes his Letter to the Directors, December, 1765\*, "with

<sup>\*</sup> Interesting Hist. Events, 2d edit. Vol. I. p. 220.

a few anecdotes relative to the lands and revenues of Bengal.

- The rents of the lands are the property of the Emperor, in consequence of which he has a royal Dewan in every Soubabdary, but there is always a good understanding between the Dewan and the Soubah; they never are at a loss in pretending reasons for the rents falling short, though the whole is strictly and fully collected: what is diverted from the royal treasury is divided between the Dewan and the Soubah, of which the latter always takes the lion's share.
- "Though the amount of the rents on the King's books is near three crores a year, yet the highest stipulation made with the Emperor was one crore one lack one thousand one hundred and one rupees, by the Soubab Soujab Khan, and this was regularly remitted to the royal treasury until the usurpation of Aliverdi. He, on pretence of the distresses of the provinces, (to which distressed state he himself had brought them) made a new stipulation of

fifty two lacks per annum, to which he paid no regard longer than the Vizier Monfoor Ali Khan's army was within a few days march of Patna, A. D. 1750; nor has the royal treasury benefited a rupee from these provinces since that period.

"The established ground rent is three sicca rupees per Begah\*, about one third of an English acre, throughout the empire; but Aliverdi Khan made the first innovation in this established law, and assessed the land four annas sicca, or a quarter of a rupee, upon each Begah, on pretence of the Chout paid to the Mahrattas, and raised the rents of the Rajahs and Zemindars in that proportion; these had no other means of reimbursing themselves but by levying it on the farmers, and they again on the tenants.

"Subsequently, the lands were, on various pretended exigencies, at different periods, affested to ten sixteenths of a rupee, though every additional tax on land above

Reyutty.

three rupees per annum is contrary to the standing law of the empire, which, until Aliverdi's time, had been held facred and inviolable.

"In the year 1732, your Governor and Council had in agitation the raifing the rents of your own Zemindary of Calcutta, which, being rumored abroad, they received a peremptory Perwannah from the Soubah forbidding them, in which the Soubah told them that they were prefuming to do a thing which he himself had not power to do, and that if they persisted they would, by the laws of the empire, forseit their lands.

"Frauds throughout the empire in letting the lands are manifold: for instance, the Rajah and Zemindars, by private compact with the Soubah's officers, who are charged with the management of this department, obtain more lands than by their Sunnuds (or grants which are commonly called Pottahs) appear, and consequently pay no rent to the King for the surplus land. The same artisce is practifed between the

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Dewans of the Rajabs and Zemindars, and the Izardars or farmers, and the tenants (Reyut) or common Pottah-holders under them, by bribing the officers of the Jummabundy and those entrusted with the meafurements of the lands, that they may enjoy the benefit of the furplus land: and I may justly aver, there is not a tenant in Hindoftan but poffesses and occupies a greater quantity of land than his Pottab exprefies, consequently it is the tenant (Reyut) that ultimately enjoys the benefit of the furplus land, thus gained by corruption from the Soubah's ministers, while the King specifically suffers in his rents. It extremely well answers the tenants (Reyuts) purpose to posses, if he can, by a small bribe, more land than he pays for, because himself and his heirs enjoy the profit of it for perpetuity; fince, by a fundamental law of the empire, their Pottabs are irrevocable as long as they pay the rent rated in them respectively; and so tender and indulgent are the laws of Hindostan in this particular, that no tenant forfeits bis land before he has failed in his payments twelve

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months, though the land tax by the fame laws is to be paid every three months.

"This method of fecreting or purloining the land from the King and the Soubab has been practifed time out of mind; and it is quite in point to mention a flagrant instance that appeared in the year 1753, when, in consequence of the general scrutiny made by your order in your Zemindary of Calcutta, it was demonstrated that in your fmall diffrict, upon a favourable new meafurement of your land, there were near 500 Begahs secreted in this way and fraudulently enjoyed by your tenants, for which you had received no ground rent from your being invested with the Zemindary, of this you may be convinced by turning to your Jummabundy, or register of your lands, fubsequently by me transmitted to you. As you, gentlemen, have by that measurement gained 500 Begahs of ground upon a possession of 6,200, you may judge from thence what an aftonishing additional revenue would arise to you, when Soubab of the provinces, from a new though favourable measurement of the whole lands.

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When the revenuesarifing from the lands of this country are retained in the proprietor's hands, that is, not farmed out, one universal chain of roguery rans through the whole, as well as in the rents of the lands, and there is a fellow-feeling between every one employed in the collections, from the Dewan to the lowest Moree or writer, and this the Rajabs and Zemindars, the great proprietors of the land, are no more exempt from than the Company is, notwithstanding the utmost integrity of their covenanted fervants: but I have fo clearly traced and laid open the nature of those frauds, which are fimilar throughout the empire, in my state of the Company's revenues Zemindary, dated December 15, 1752, that I need not trouble you further on the subject than to refer you thereto."

In another part Governor Holwell\* mentions an anecdote which recalls the attention of Great Britain to the *rights* of the natives of the Bengal provinces; that when the Hindoo Rajahs, or Princes of

<sup>\*</sup> Interesting Hist. Events, Vol. I. p. 37.

SI it was

Hirdostan submitted to Tamerlane, it was expressly stipulated that the Emperors should never impose the fesserab, or polltax, upon the Hindoos.

But to bring forward an authoritative native youcher of the peculiar rights and customs of Bengal and Bahar, I shall, in this place, infert extracts from the Ayeen Akberry :- In the Soubak of Bengal " the fubjects are very obedient to Government, and pay their annual rents in eight months by installments, themselves bringing Mohurs and Rupees to the places appointed for the receipt of the revenues, it not being customary in this Soubab for the Hufbandmen and Government to divide the crops. Grain is always cheap, and the produce of the lands is determined by Nuffuk: His Majesty has had the goodness to confirm those customs."—the term Nussuk is explained in the article relating to the duties of the Collector of Revenues, and connects the custom of Bengal and Bahar under the description Kunkoot. "Kun in the Hin-

\* Ayeen Akberry, Vol. II. p. 9.

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dooee language fignifies grain, and the meaning of Koot is conjecture or estimate: the way is this, the land is measured with the crops standing, and which are estimated by inspection; those who are conversant in the business say, that the calculation can be made with the greatest exactions: if any doubt arise, they weigh the produce of any given quantity of land, consisting of equal proportions of good, middling, and bad, and form a comparative estimate therefrom \*. "The Nessuch is the estimate of assets of revenue +"

The custom of Bahar. "It is not customary in Bahar to divide the crops; the Husbandman brings the rents himself, and when he makes his first payment he comes dressed in his best attire."

This book being made up of extracts at length, as far as possible to enable every one to draw his own conclusions, it will

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<sup>\*</sup> Ayeen Akberry, Vol. I. p. 379.

<sup>+</sup> Ibid. p. 381.

<sup>‡</sup> Ibid. Vol. II. p. 31.

be necessary to make some very short obfervations to rescue this period from hasty criticisms of the superficial reader.

Prior to the acquisition of the Dewannee, the Company, in the management of their landed territory, did not feel a common interest in the rights of the natives, nor of the Moghul, nor in the consequences of their trade on the general prosperity of the country. Governor Holwell and the Company only considered how much they could get in the scramble.

Lord Clive, with an ability and decision which marked his character, and a judicious use of the technical term Dewan, acquired an empire, and combined a complex government, capable of being thus kept together by power as absolute as that of the Moghul, and by ability eminent as his own, until an avowed sovereign could be held forth to rescue the country from the inevitable abuses of nominal sovereignty. The minute above recited shews Lord Clive to be sensible of the difficulty and peril to which his tystem was exposed,

but he did wonders in grasping for Great Britain an empire which his abilities had brought within his reach.

Before we take leave of this period, to which, for the purposes of good and permanent system for British India, we shall often recur, more for instruction than imitation, we must remember the concurrent plans of France, and the ability of Busy

"The French appear to have been the first European power that trained the natives of India to regular discipline, as well as the first who set the example of acquiring territorial possessions, of any great extent, in India\*, in which they have been so successfully followed by the English." In another part of his Memoir, with a liberality of sentiment, and a love of truth which guides the pen of that invaluable geographer, Major Rennell informs us that, "had it not been for the marches of M. Busy (the only monument remain-

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<sup>\*</sup> Rennell's Memoir, Introd. p. xci.

ing to the French nation of their former fhort-lived influence and power in the Decan) the geography of those parts would have been extremely imperfect; but they extend through more than four degrees of latitude, and more than five of longitude." Mr. Grant examined in detail the financial plans of Mr. Buffy in the Decan, interrupted by his being recalled fuddenly into the Carnatic by Lally, justly accused of being jealous of Bully's fame. It will always be an honour to the British name, that the character of that great man, M. Buffy, has been rescued from the nibblers at his fame, by Mr. Orme's investigation of his military and political career - by Mr. Rennell in his geographical - and by Mr. Grant in his financial plans: and it will be gratifying to every Englishman, that an English Clive, in ability, decision, and success, should live preeminent in the page of history; and it is no finall confirmation of Mr. Grant's opinions, that, on a plan similar to his own, Buffy intended to establish the power of France in India.



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### CHAP. II.

HAVING stated the principle of government and revenue at the period of the acquisition of the Dewannee, we must enumerate the financial experiments of the Dewan, under the orders of very respectable and able fervants of the Company, to whofe lot it fell to endeavour to combine all the profits of the Moghul, the peculations of the Soubab, to a rack-rent of the territory, by a revenue-administration supposed to correspond with the Moghul system, supported by the force of the British arms. The veil of a nominal government naturally threw the whole of the detail into the hands of native managers; and the above extracts from Governor Holwell shew how little the natives had to expect from the moderation in the demands of British management, and how difficult it was to investigate the native forms or institutions.

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Mr. Grant admits\* that Lord Clive could not have found a more respectable Mussilinam than Mahomed Reza Khan, a more experienced Hindoo than Rajah Doolubram, nor a more intriguing and skilful manager of the complex and involved obscurity of Indian sinance, that Rada Kunt Singh, the elder brother of Gunga Govind, father of Praen Kishen; yet under their management every source of information was completely stopped, and successive governments have been soiled in every attempt to execute their plans.

During the first period of the Dewannee, or M. R. Khan's administration, the veil of nominal Moghul government was strictly adhered to; but the Company's government, after a very short trial, found its profits not corresponding to their expectations, to which, indeed, they themselves do not seem to have placed limits. The subject was taken up in Parliament, and a Committee of the House of Commons en-

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<sup>\*</sup> Analysis of the Revenues of Bengal, MS.

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leavoured to develop the intricacy of the double government in British India; from the Reports of which Committee, in 1772, 1773, and Mr. Grant's Analysis of the Revenues of Bengal in 1785, any diligent financier may ascertain the innovations artfully introduced in the revenue system of the Bengal provinces at this period, both in the definition of persons and things, to render the Moghul system unintelligible, and to cover their peculation from the poffible control of the Company; or, if in candor we can give to the native adminifiration the colour of pious fraud, to fave their countrymen from the avarice of their new conquerors, and to obtain the exclusive direction of the internal government.

## CHAP. III.

Second Period Dewannee.

UNDER all this real and artificial confusion began the second period, by Mr.

Grant called Provincial Administration: Jummabundy of the Dewanny lands was fettled with Zemindars by the Council of Revenue at Moorshedabad in 1771 to aid and control English supervisors, then recently appointed to act in the last year of the Naibut of M. R. Khan; they depended chiefly on him for official information, and conformed, for the most part, to his fystem. Mr. Hastings at this period was called on to produce an oftenfible plan, which is recorded in detail in the Reports of the Committee of Secrecy of the House of Commons; the occasion arose from the necessity of putting a period to the native administration, under the veil of double government, impenetrable even to the Proprietors and Directors \*. The Bengal Government was informed that "the Company have determined to fland forth as Duan +; the fervants employed in the collections shall be stiled Collectors" instead of the present appellation of Supervisors; a fixed Dewan to be nominated by the

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<sup>\*</sup> East India, 6th Rep. Com. Secr. p. 307.

<sup>†</sup> Letter of the Directors per Lapwing, par. 12.

Board; lands to be let for five years, and to confift of an entire Pergunnah, not exceeding one lack of rupees; the Bundebuff to be made by a Committee of the Board in a circuit of the province: these were the outlines of the revenue plan; it was immediately executed, and the plan of settlement for five years, exclusive of the form of lease by auction, seems generally modelled to the Bundebuft of 1765; and its improved amount, by Mr. Gram's calculation, exceeded Cossim Ali's net Malgoozary revenue by three lacks.

The flattering prospects which were held forth, and had influenced the measure of appointing a Committee of Circuit, with powers to make a five years settlement with temporary farmers or renters of the revenues, soon vanished, and closed the farming system; for instead of prosit, there ensued alarming diminution of revenue, joined to an increased expenditure, without a possibility to foresee or prescribe a limit to the mischief. The Zemindars, excluded from the functions of their assistance in collecting the rents from the Reyuts,



hich gave them influence in the country, excused themselves from performance of their justiciary duties, whereby, in all the principal towns, Moorshedabad, Patna, Dacca, Houghly, Purneah, Rajemal, &c. the Soubabdar himfelf, his Naib, and Fougedars, refided with falaries, stipends, and allowances, more than fufficient to support all the tribunals of criminal justice necesfary for all Hindostan; while another set of individuals was invested with the rank and dignity of those officers, with appointments larger than they could have enjoyed in the most splendid periods of the Moghul government. This impolitic expence and parade to the delegates of British administration, diverted the respect of the natives from the British to their native agents, who, to increase their patronage and profits, fuggested leffer Fougedary tribunals, and had the art to continue these Fougedary incumbrances, even after the Zemindars were reinstated in their full jurisdictions, when all should have reverted to the former order.



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#### CHAP. IV.

The second Period, corrected by Att of Parliament.

IN this state was the system of revenue management when the Legislature of Great Britain prescribed an amendment; a Supreme Civil Government, a Supreme Court of Judicature, a limitation of the Company's dividend, an affumption of three fourths of the furplus of the net revenues in behalf of the nation, and the separation of the revenue from the commercial department, were the principal features of Lord North's plan for the better administration of British India, to preserve it for Great Britain, after he had ably afferted the rights of the State against the claims of the Company to the territory. At the expiration of the five years fettlement of the Committee of Circuit, Mr. Haltings, profiting by experience, wished to revert to the constitutional system of Moghul settlement on the best information he could obtain: his real diffi-

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culty, his mistrust of Ameens and convidtion of abuses, and of an existing regular fystem in the country, by this production a Kurcha\* of a Reyut should be taken collectively with the acknowledgement which closes Mr. Hastings' minute of the 12th November, 1776, "I am not prepared to propose a complete plan, and decline giving a premature and partial opinion while I am professedly seeking for the grounds which are to determine it +," they fully evince the mind of the Governor General, and the motive of his experiment. To Mr. Francis it appeared, on the contrary, that there was no necessity for the interpolition of Government between the Zemindar and Reyut; " if they are left to themselves they will soon come to an agreement, in which each party will find his advantage ‡;" " we have no fafer rule to direct us, than the actual receipts of the three last years, because they shew best the actual state of lands;" " that Government must make an estimate for a

<sup>\*</sup> Account current.

<sup>†</sup> Mr. Francis' Original Minutes, p. 155.

<sup>‡</sup> Ibid. page 55.

permanent establishment, civil and military, and investment, with a reasonable allowance of surplus to answer the possible excess of disbursements beyond the estimate; that the revenue of 1776 of itself would leave a sufficient surplus to provide for unforeseen emergency, and so far from wishing to increase it, he conceived it would be necessary to remit part of it in the future collections, less the accumulating surplus should absorb all the circulating specie of the country."

It is not necessary to enter farther into the controversy, than to state that whatever degree of rivalship or personal animosity unfortunately existed between Mr. Hasings and Mr. Francis, the point of political difference in 1766 appears limited to the revenue system. Mr. Francis agreed that the appointment of the Naib Subab was a proper beginning, which the proposed farther investigation of the Fougedary and Zemindary jurisdiction might render applicable to the country and to the reduced state of the Zemindars; but to Mr. Hastings' plan of settlement Mr. Francis op-

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fed with an acknowledged want of information, entire dependance on the fingle principle of permanency to render unequal affeffment, and an absolute dependance of the Reyut on the Zemindar, unproductive of inconvenience. The original minutes and the plan of fettlement of Mr. Francis, I may again revert to; but at this period it is sufficient to obferve, that Mr. Hastings' Aumeen plan was adopted, and the refult of that fettlement certainly produced only a larger remission of the diminished Jumma of M. H. Khan, a farther increase of charges, farther diminution of income, and balances as large as ever. Mr. Grant has investigated in detail the accounts of this period; and he makes it evident that the whole of these consequences were imputable to the want of a system founded on fixed principles of finance applicable to the state of the country, and not merely to cafual increase of charges; for the income of the Soubah, collected from Zemindars and farmers, or the Malgoozary, is demonstrated to have been lefs, even where the country was improved, and where the Reyuts

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Government, more than they paid on the highest standard of former years; still the balances increased, and appeared to grow, in the inverse proportion to irregular, injudicious full remission of the stipulated dues of the Exchequer.

In tracing the revenue arrangements. which engaged the controverfial talents of Mr. Hastings and Mr. Francis, I mentioned that the Fougedary system, by the appointment of a Naib Soubah, or Deputy Soubah. was not objected to by Mr. Francis: this department, including all the criminal justice of the country, was not wantonly taken up for the purpose of reform by Mr. Hastings, any more than the Revenue Department; Parliament had appointed a Supreme Court of Judicature by the act 1773\*, on the supposition that a Mayor's Court would not be adequate to the administration of the provinces. It is not necessary to state the consequences of British law, and of the King's writs having

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<sup>\*</sup> Vide Act 13 Geo. III. cap. 63. fec. 14.

errency through the provinces; or of the application of the law to persons ignorant of European process, and themselves undefined by British Governors; it is enough to observe, that, so early as March, 1776, the majority of the Supreme Council of Calcutta confirmed the opinion of Mr. Verelft, that Bengal could not be held by Britifb laws, administered to the natives by the Judges of His Majesty's Supreme Court of Judicature \*; and farther fatisfactory demonstration of the necessity of constant reference to Sunnud, for the purpose of correct definition, appears in Mr. Grant's statement of the proceedings of the Courts in the cases of Zemindars +.

The Legislature of Great Britain was not inattentive to the confusion it had occasioned, and, in 1781, took the best measure, as a preliminary to more effectual regulation, to grant a general indemnity. 21. Geo. III. cap. 70, sec. 28, "and where-

<sup>.\*</sup> Mr. Francis' Letter to Lord North, p. 41.

<sup>†</sup> Inquiry into Zemindary tenures. Debrett, 1790, p. 9. and Appendix, No. 4, C. D. E. F. G. H.

as in the late diffentions between the Governor General and the Judges in " Bengal many things have been done not " justifiable by the strict rules of the law," it is farther enacted that " the faid Go-" vernor General and Council, and Ad-" vocate General, and all persons acting " under their authority, are feverally and "jointly, so far as relates to the refistance " to any process of the Supreme Court. indemnified and faved harmlefs," &c. And by fection 8 of the same act, it is enacted, that " the Supreme Court shall not have or exercise any jurisdiction in " any matter concerning the revenue, or " concerning any act or acts done in the " collection thereof, according to the usage and practice of the country, or the regulations of the Governor General and Council." And by fec. 9 it was farther enacted, that " no person shall be subject " to the jurisdiction of the Supreme Court " on account of his being a land-owner " or farmer of land;"-this was connected with the other clauses of the same act inferted at length \*, which guarantee the and masters of families, according as they might have been exercised respectively, by Gentu or Mahomedan law \*. And it must be particularly attended to, that the act of 1781 reduced the Supreme Court of Judicature, instituted in 1773, nearly to the limits of jurisdiction of the Mayor's Court, according to its original charter still existing at Madras and Bombay; but the forms and increased expence incident to the great scale of the Supreme Court, perhaps necessarily, have been continued to the present period.

I remarked that at the period the Directors stood forth as *Dewans*, the commercial and revenue departments were intended to be distinct; it was obvious at that period that the landed revenue was the basis of the commercial and political greatness of the Company, and having seen that the Revenue Department alone had absorbed the zeal and contests of the Govern-

<sup>\*</sup> Vide Act. 21. Geo. III. cap. 70.

ment, it is not therefore furprizing that no one of the plans intended to render the country prosperous had been attempted: the subsidiary principle which, in 1773, fucceeded the unjust auctioneering practice of farming, on the avowed principle of collecting as much as possible from the country, has fully employed the talents of Mr. Haftings and Mr. Francis, and Sir John Shore and Mr. Law, who all have, and they profess to have, the same subsidiary principle, of forming a fettlement to the amount, which, from past experience and conjecture (expressly excepting actual meafurement and actual valuation) they feverally, in honour and conscience, believe the country capable of paying into the Exchequer, without a possibility of outstanding balances; it is therefore necessary to rescue that period of Lord North's administration from obloquy, by stating an extract of fome speculations, and practicable means of giving prosperity to British India, composed by Sir James Stewart, at the defire of the East-India Com-

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pany, and printed at their expence, hall

### CHAP. V.

Methods proposed by Sir James Steuart for extending Circulation by the Means of Paper Gredit in Bengal.

LET us now suppose that the nature of the drains which tend to diminish the current coin of Bengal have been pointed out, and that the methods for rectifying the abuses have been understood as hints for making more accurate discoveries upon the true state of these important objects: the next objects of inquiry are, the proper methods for accelerating circulation; for by accelerating the circulation of the coin

\* A memorandum in the copy I bought at a bookfeller's, states that it was not published, but circulated by the Directors in 1772 to particular persons.

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you have, you virtually increase the quantity of it; that is to say, a less quantity will be necessary for performing the same purposes.

The great branch of circulation in most modern states, and in Bengal like the rest, is the collection of the public revenue, and the expenditure of it; promptitude, and punctuality in this particular, work strongly by example upon every private transaction.

The revenues of Bengal are, properly speaking, the land rents of the country; these have at all times been let in farm by the sovereign, to Subas, Nabobs, and the greater subjects, who, paying a fixed tribute to the Prince, parcelled out their districts to persons of an inferior rank: each of these in his smaller department did the same, until the lowest in this subordination of lesses collected his proportion from the labourers of the land.

We need not travel fo far as Bengal to find examples of this œconomy: the cuf-

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was very common over all Europe not many centuries ago; and the method of farming whole estates, or of collecting the rents of landed property by an interposed person, is at this day very well known in France. The custom of letting leases of very extended property in land, to people who sarm it out, differs very little from the system of Bengal.

Besides the great loss to the Company in continuing to follow this plan, the unheard-of extortions, and the oppression of the body of the people, which are the consequences of it, call loudly for a change of management.

The money paid by the labourers of the ground is at present interrupted in its course at every change of hands, until, by the repeated shrossage, it comes at last reduced, as I may say, to a shadow, into the Company's treasury; this abuse is selt and acknowledged by every body; and unless it be reformed, the revenues of the Company

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must daily diminish, and be, in the mean time, very precarious.

It is, no doubt, an arduous task to undertake so great a reformation; but absolute power, supported by justice and common sense, will get the better of obstacles, which in other countries would be unsurmountable.

It will require the greatest talents, and the best information as to facts, to bring so great a change to a perfect execution: but let it be remembered, that William the Conqueror made a complete survey and valuation of a country less known to him than Bengal is to the East-India Company; and nothing prevents the Company from availing themselves of the principles of the seudal system of government in the execution of their plan.

If the whole lands of *Bengal* be valued; if a book be made out for every district of the country, and for every city and principal town, and the rent payable to the Company by every possession be therein spe-

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ened, it will be an easy matter to establish a fort of quit-rent which may be payable by the whole district to some man of confequence, who may be confidered as the fuperior lord of it, without giving him any jurisdiction which may enable him to oppress the people or interrupt the settled plan for levying the revenue. By this regulation the rents of the lands will pass directly from the occupier into the hands of the Company; the circulation of money will be quicker; the revenue will be greatly augmented, and feveral of the most confiderable people will be provided with revenues, independant of every one but the Company; instead of the wealth of the country being swallowed up, as at present, by the Shroffs, a fet of people of no consequence for supporting the authority of government, but who, like a canker-worm, are always preying upon the vitals of the State.

Were this first part of this plan put in execution, another may be made to succeed.

The labourers in Bengal are, for the

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most part, manufacturers; part of their rents, instead of being made payable in ficca rupees, might be made payable in goods; and stamp offices might be established to ascertain their being made without defect.

In the proximity of great cities, and in very populous districts, granaries might be established, and part of the rents might be received in grain for the supply of markets, at a price proportionate to the plenty of the year. Even these granaries may be converted into banks for grain, according to a plan which may be contrived for the circulation of subsistence, and even of paper credit within a small district.

These are mere hints which point out progressive improvement; but were I here to enlarge upon them, they might appear so very chimerical, as even to discredit the thought itself. Let it, however, be observed, that what is here proposed is not intended to be executed by dint of authority; it is calculated so as to execute itself, as soon as the utility of it is perceived, and the

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credit of the Company is firmly esta-

I have, without fuccess, investigated every principle upon which a paper currency, under the authority, and upon the credit, of the Company, can be established; but the principle upon which this branch of credit is grounded is totally incompatible with sovereign power; it is sounded on private utility, and it has even occasion for a superior authority to keep it within bounds.

Were the Company to open a bank in Bengal, fuch as the Bank of England; were this bank to become there as the other is in London, the center of all circulation; and were it to get possession of a great part of the coin of Bengal, what security could be given, that, upon a pressing occasion, this treasure might not be spent in the defence of the country? were it made a bank purely of deposit, like the banks of Amsterdam, Venice, Nuremberg, and many others upon the continent, the deposit contained in it would be exposed to the same danger. Were it established upon the mortgage of land property, and upon the

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best personal security, as the banks established in Scotland are, the former inconvenience would not indeed be so great, because the quantity of the bank treasure never could carry so high a proportion to the notes in circulation. But, on the other hand, where is there to be sound a solid property in land to be mortgaged for such an immense quantity of paper as is the unavoidable consequence of this plan of banking? and this growing desicient, the powers of such a bank would be very limited.

A fystem of paper credit, similar to that established in the Colonies of North America, where the paper is issued upon no other security than the bare promise of the Colony to make it essectual, with an obligation to receive it in payment of their taxes, but without providing any fund to pay upon demand either the capital contained in the note in specific coin, or even an interest corresponding to the sum during the delay of payment, is so defective a scheme, and one so liable to great objections, particularly so that of gradually debasing

the value of their money of account, that I never can recommend it to the imitation of any trading nation.

But although I am of opinion that no bank can be established in Bengal under the authority of the Company, with the same advantages as in Europe, where governments are better established, and property well secured, still I am far from believing that the circulation of Bengal may not be greatly assisted by the use of paper currency.

I have observed above, that the lending of money to strangers by the servants of the Company, who have a redundancy of wealth, contributed not a little to produce a drain of specie from Bengal; I have also hinted, that certain reasons might engage the Company to borrow this money from them upon reasonable terms.

From this circumstance, I think there is an opening for the establishment of paper credit.

Let us then suppose the money borrowed by the Company from their servants in India to be sufficient to compensate what the latter now lend to strangers.

Were it proposed to them, either to subferibe their claims upon the Company into a banking fund, or to receive reimburfement from the Company to the extent of what may be subscribed by others for this purpose; this new fund may be divided into fhares, of rupees, transferable as the funds are in England, bearing per cent. interest, irredeemable by the Company for years; and an exclusive privilege may be granted to the subscribers for the same number of years, for the purpose of carrying on a banking trade; by the iffuing of notes in the discounting of goods, bills payable in days; or in confideration of pledges of treasure, jewels, or precious effects, deposited in the bank; or upon the mortgage of good property, and the best personal security, for such length of time as may be judged reasonable and fafe; or in the purchase of gold and silver; or, laftly, for advancing certain fums of

money to the Company, upon the fecurity of their annual revenue, according to the practice of the Bank of England. All these articles of credit to be given in confideration of such rates of interest as to the Company may seem reasonable, and as the same may be regulated by the Company in the charter to be by them granted to the said banking company.

But the faid banking company shall be prohibited from launching out into any precarious object of commerce, or from iffuing their paper upon any other fecurities except those above specified. Under thefe, and fuch other regulations as the East-India Company may think proper to add, this banking company may be laid open to natives as well as Europeans: it may begin to discount bills and notes of hand at short dates, which it may renew according to the goodness of the security; and the East-India Company may with fafety receive in payments the paper it iffues upon discounting such bills and notes. to the extent of the money owing by themfelves; or they may furnish out of their

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treasures what coin may be necessary for the ready discharge of such notes as may be presented for payment at the bank.

It will, no doubt, be necessary that the managers of the banking trade should quarterly lay before the proprietors an exact state of the notes in circulation, and of the fecurities received by the bank, at the time of their being issued. And for the greater fecurity against the malversation of those who are in the direction of the bank. and who must be chosen into the direction by the body of proprietors, let it be declared, that the fum of banking flock shall be necessary to intitle any one to be a Director: and farther, that the whole property (in India) of fuch Directors shall be pledged, while they hold their office, as an additional fecurity for their good administration.

It is impossible to say what operations may be carried on by this bank, and how far it may in time extend its credit. It may for this purpose open offices in all the principal cities of *Bengal*; which will be admi-

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coining all the old and unequal coin. The Shreffs will naturally become proprietors, and will lend their affiftance in this particular, which will be a douceur for them. They will be employed in a trade fomething like what they now carry on; but it will be fo fenced in by proper regulations, that it will have every advantage and none of the inconveniences of the prefent practice.

If it be thought expedient to establish granaries, or banks for the circulation of grain, this Company will be at hand for carrying on the operation.

In thort, it is impossible to foretell the many advantages which may follow the establishment of credit, secured upon a solid fund of property, in the hands, and under the protection, of the Company, who are to have no share of the prosit, and the greatest interest in preventing the issuing of paper upon precarious security.

It would not, I think, be proper to ad-

mit any person of the Council to be either a Governor or a Director of this bank; but I think it would be expedient to secure the property of the fund for the payment of the bank paper, exclusive of all other engagements the banking company may contract.

If we consider the rate of money in Bengal, there will be, perhaps, 8 per cent. upon the bank stock, and 8 per cent. more upon discounting loans, &c. both together will produce fo great an emolument as to engage people of wealth and property in the banking scheme: besides, the very notion of standing upon a folid and independent footing, will be extremely flattering to many of the natives. And as the establishment is planned upon the same principles as the Bank of England, it is natural to suppose that it may produce similar effects in supporting the credit of the Company on one hand, and in being supported by the Company on the other.

As I have been investigating every method to improve and augment the riches

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and circulation of Bengal, I cannot ome enlarging upon fome circumstances relating to what I may call their foreign trade.

I have endeavoured to find out a method for conducting those resources which proceed from herself (namely, the money she at present possesses) into a channel which may set new engines to work in order to augment circulation and encourage her manufactures, instead of serving as a bare equivalent for those at present produced: this, I hope, will be accomplished by the establishment of a bank, which is a more profitable employment for the Bengal money than lending it to our rivals in trade.

The consequence of this will be, that more European filver will flow in upon her, from sources which we ourselves at present are shutting up.

As foon, therefore, as the Company's investments are made, and that the annual revenues from certain districts are paid, or credit given for them, let all the Bazars be thrown open to every foreign merchant;

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let these be considered as the fellers of silver, not as the purchasers of goods; let not the Company grasp at the highest profit possible upon their trade, but let them be satisfied with the highest profits compatible with the prosperity of the country which enriches them.

Were this regulation established, every stranger who should pretend to trade in a district which is in arrear of rent to the Company will be considered as a smuggler, and the prospect of obtaining a free trade by the payment of their rents, will be a powerful motive for the inhabitants of every district to make the promptitude of their payments a common cause.

This will engage them to apply to the bank, and in order to obtain relief from this quarter, they must establish their credit.

In this view the bank will be a check upon every one who may have it in his power to oppress the labourer or the manufacturer; because the profits of the bank

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will depend much upon the credit of the inhabitants, and upon the prefervation of their property.

What a new phenomenon in Bengal, a Shroff director of a bank, from a blood-fucker, is become the protector of the labouring man! Interest does all; he sucks the blood because it is his interest so to do; he gives his protection from the same motive: by directing the interest of individuals to a proper object, good government is established.

The foreign trade of Bengal is what alone can increase her wealth, or, at least, keep the cistern full, in spight of its many leaks.

It is a general maxim, that exportations enrich a country, and that importations impoverish it; but this is to be understood in the way of trade.

The exportations made from Bengal by the East-India Company do not enrich it, any more than the importation of the poils of the world impoverished ancient

The foreign trade of Bengal, as I am now to confider it, confifts in the raw materials for their manufactures, and in that part of fuch manufactures as is fold for money brought into the country.

The raw materials are principally cotton, cotton-yarn, and filk. The trade in these articles ought at least to be free, not clogged with any duty, lest entirely in the hands of the natives, and every protection and encouragement should be given to those who are concerned in it: even bounties might be granted if necessary.

That the manufactures of Bengal need encouragement, is certain, fince the quality of goods is faid to be inferior to what it was fome years ago, while the prices are higher, and the fupply less; this never can be the operation of trade; it must proceed from some internal defect, which ought to be well examined into, and its causes removed.

That the investments of the Company should be made in the best goods and the choice of the market, is just and reasonable; but care should be taken to prevent the Company's servants from becoming the purchasers of what remains, with a view to make a profit upon it in the retail to strangers.

I do not object against this purchase because a profit upon it does arise to the servants of the Company; this, in my opinion, should rather be a reason for approving it, both in favour of the fervants, and because it is a drawback upon the profits of those who rival the Company in its trade: but when we confider Bengal to be a country belonging to the Company, exposed to many drains in consequence of this property, and to one among the rest not inconfiderable, viz. the price paid for the raw materials of all the goods exported by the Company without any profit to Bengal, it will be expedient to encourage as much as possible the fale of all that is over the investments of the Company, in fuch a way as to increase the demand of

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Arangers, which cannot be fo well accomplished, as by leaving a reasonable profit both to manufacturers and to foreign merchants. Had, indeed, Bengal no occasion for foreign resources, I should proposeno farther restrictions on the Company's servants in buying up goods upon their private account, than what might be necessary for the protection of the manufactures.

To enter particularly into the regulations proper to be made with respect to the trade of Bengal, requires the most intimate knowledge of the state of every branch of it: I shall, therefore, content myself with suggesting the objects of such regulations. These I take to be,

First, The branch of importations by the Company. As to this, the regulations will relate to the public fales of the goods imported, and to the rules to be followed by all those who are to vend such goods in every part of the country. Uniformity must here be observed: if every purchaser be not intitled to the same freedom; if every purchaser be not subjected

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to the same duties upon retail; and if these liberties and these burdens be not exactly specified; this branch of trade will never flourish as it ought to do, for the emolument of the Company and the ready supply of the consumer: and as I am informed that there is very little abuse in this particular branch of trade, it will serve as a good model for regulating the rest.

Secondly, The investments of the Company for the European market. Here all proper encouragement must be given to manufacturers: if it be thought proper to accept of part of the rents of the lands in goods, fuch goods must be of a determinate kind, so as to come under a regulation of prices; and although the nature and the prosperity of trade require freedom on all hands, still this freedom is not incompatible with fuch regulations as may infure to the manufacturer the prices and profits which the Company suppose to be confiftent with the interest of their own trade, and fufficient to produce a living profit to their industrious subjects, which from abuses they are sometimes deprived of.

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Thirdly, The internal trade of Bengal; or the fale of its manufactures for the confumption of the country, and the supply of all other markets, by merchants who are, or who are not, in the Company's fervice. What I shall observe concerning this is, that regulations ought to be made general with respect to all traders: whatever custom, duty or excise be laid on, let them affect every trader equally; let the general and only Perwannab be the Company's regulation; let the only dustuck be a permit from the Cuftom House; let frauds by the merchants, let oppressions by the Company's fervants, be punished by courts of justice, who then will have a written law before them to regulate their decisions.

The fourth and last branch of trade is, the importations from the Asiatic nations, principally consisting of the raw materials for manufactures: of this enough has been already said; I shall only add, that premiums may be given to those who will explore the rivers and avenues leading to the countries which abound in such productions, and security granted to the na-

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tives who will bring fuch goods to market.

Many bitter invectives have been thrown out against the excise imposed upon salt, beetle-nut, and tobacco; and because these articles of confumption have been monopolized, and that the profits have fallen into the hands of private persons, it is rashly concluded that the trade in them should be laid quite open. I confess that I fee the question in a very different light: the best of all taxes are moderate excises; the most productive excises are those imposed on the necessaries of life; they raise the price of living universally and proportionably, and therefore enable every induftrious man to raise the price of his labour in proportion to the tax he pays: they are hurtful to the idle; but I do not attend to the interest of the idle, any farther than to discover methods for making them industrious.

The plan followed in France for levying a tax upon falt and tobacco will furnish the Company with many good hints for establishing one branch of excise upon

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Talt: I do not approve of extending it to

Beetle-nut and tobacco are the common productions of Bengal, and no excise thould be imposed upon articles of confumption, except when it can be easily levied without oppression; it is therefore contrary to the principles of all excises to subject to that duty what may easily be consumed without paying it.

But falt is not a common production of Bengal; the places where it can be made are few, and a great distance from the places were it must be confumed. I shall not pretend to lay down a plan for putting falt under an excise, but I shall suggest the principles upon which the plan may be formed.

The falt works must be exclusively in the hands either of the Company or of their farmers: in France they are in the hands of the farmers. If in the hands of the Company, all the falt must be collected into certain magazines, and fold at a cer-

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tain rate to perfons who shall engage to supply every particular district of the country with falt at a certain fixed price. The difference between the prime cost of the salt to the Company, and their selling price to the merchant, is the excise.

The price at which the buyer of the falt for the provision of a particular district is obliged to sell it to those of the district is the assign which assign should be as many per cent. above the selling price of the Company, as to indemnify the merchant for all expence of transportation, risk, &c. and also to afford a living profit for himself.

Were this regulation made, and prices fixed for every district, people would be found who would make the proper provifion at the Company's magazine, and who would transport it to the place of consumption.

As it cannot be supposed that every individual can go for a small quantity of salt to the office of the district, retailers should

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be appointed by the falt office for distributing the falt, at a moderate profit above the office felling price, in every country village.

These are the outlines of the plan adopted in France, both for falt and tobacco, with fome finall variations, however, in confequence of particular circumstances relative to their method of farming and the like, and also to local exemptions from this duty upon falt, which make it very oppressive in those districts where it is collected, but which will be avoided in Bengal; first, because there must be no local exemptions; fecondly, because there can be no foreign falt introduced, except by permission of the Company; and, in the last place, because the duty imposed must be fo fmall as not to cost the confumer above the value of two rupees for the Maund of 80 pounds weight, except an account of extraordinary distances, or of countries of very difficult access; where, in every way the trade can be carried on, the commodity must bear an advanced price.

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From this branch of excise, properly laid on, a great income will arise to the Company, and the country will be better fupplied, than by any other method which can be contrived. It is not true that an open trade is always the best; the argument for it is, that the competition between dealers will bring down the price, but this competition is very small in the sale of a necessary of life, little different in its quality, and proportioned, in its quantity, to the confumption of the inhabitants. Under these circumstances, I say, competition will never take place, except when the quantity provided is not fufficient for the demand, and on every fuch occasion, prices will rife confiderably, and the advantage from the competition will not counterbalance the advantage of a steady and regulated price at all times.

Let me here observe, that when trade has for its objects such goods as are produced or manufactured in different places, under different advantages or disadvantages, natural or accidental, no excises can properly be imposed; because prices cannot

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then be put under any regulation: the trade must be left free, and those who sell cheapest will supply the market.

But in this trade in falt the case is different; all dealers in it will buy at the same price, and all of them must sell with the same profit.

There is no rifk or expence which will not be compensated with a corresponding allowance on the affize or price of retail; there can therefore be no occasion to encourage the ingenuity and speculation of merchants for the fupplying of markets with this commodity. The falt manufactured will be in proportion to the confumption of the inhabitants; and as the demand for it will be regular, and the profits to the dealers in it will be certain, the only objects to be compassed by the regulations upon the trade will be, to raife a branch of income to the Company, to supply the confumption of the inhabitants at a moderate and fixed price, and to allow a certain and regular profit to the merchant.

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Here again the bank will prove of notable advantage. The undertakers for the falt office in a distant part of Bengal may obtain credit from the bank at the Company's falt magazines for the quantity required in the district. It is the interest of the bank to take security for the delivery of the falt into the particular falt office, and when this is done, the general regulations will prevent all abuses in the tetail.

Thus have I endeavoured to lay down the principles of money, as far as they can apply to the present situation of Bengal, confined to a silver currency; and I have provided an expedient which will be ready at hand, whenever circumstances may require the affistance of gold: the only thing necessary for this purpose being, to give a legal denomination to the gold coins, according to the sluctuating proportion of the metals in the Bengal market.

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<sup>\*</sup> The Extract from Sir James Steward's Treatife on the Principles of Money applied to Bengal might end here; the remaining sentences are added that the extracts may serve as a directory to the interesting parts of the treatife necessarily omitted.

I have, to the best of my information, investigated the causes of that scarcity of the precious metals so universally complained of; and, in contriving methods for correcting this inconvenience, I have also, in proportion to my knowledge of the state of the country, thrown out hints which people of experience will be better able to improve than I can be to analize them.

The reformation upon the method of collecting the revenue directly from the occupiers of the land; the converting of a part of it into goods manufactured, or into articles of subfishence; the forming of granaries, and the administration of them, must be the work of time; and the possibility of carrying such ideas into real execution, will be discovered by circumstances only, which have not hitherto existed, and which the greatest human foresight cannot foretell.

The fuccess of the bank, and the profperity of paper credit, will solely depend upon the credit of the securities taken by the bank upon issuing their notes. If ever [ 380 ]

this bank thall carry on trade; if ever they shall pay for goods with their own paper; if ever they shall lend this paper on precarious fecurity; the ruin of the bank and of the credit of the Company in Bengal will be the infallible confequence.

### CHAP. VI.

Third Period of Revenue Management.

IN proceeding to the fhort administration of Sir John Machberson, we must not be led to the political or private transactions of Mr. Haftings' government, at prefent the objects of public inquiry; but having flated that the revenues had diminished, and the charges of management increased, during Mr. Hastings' administration, it would be injustice not to bring under consideration, that an accumulating debt arose to an enormous amount, from the wide-extended difficulty and warfare which at that time

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threatned the existence of the British empire in India: and it is remarkable that, in 1782, the increase of the revenues and decrease of charges in collection appear to have been 10,00,948 rupees; and in twelve or fourteen months of the same period, Bengal supplied Fort St. George with

C. R. 1,33,65832

And Bombay with

1,02,04175

2,35,70007

Besides providing an investment by a sub-scription loan; but if the exertions were extraordinary the pressure of public distress inevitably followed; whether public calamity was wantonly aggravated by Mr. Hastings will be declared by the judgement of the most high and Supreme Court of criminal jurisdiction of Great Britain, on the presentment made by the most solemn, grand inquest of the kingdom.

On the 5th of February, 1785, the government devolved on Mr. Macpherson, by the refignation of Mr. Hastings. Mr. Shore returned to Europe with Mr. Hastings, and bore with him the testimony also from Mr.

Machberson, of his being one of the most intelligent and experienced of the Company's fervants, during the past management of the Indian finance. But Mr. Macpherson appears to have thought every exertion, new investigation and experiment, as well as effectual reform, necessary to keep the affairs of the Company from fink-The attention of the Company and of Parliament was at the fame period unremitting, and very important changes had arisen in the public mind, and in one point only they all coincided, viz. the necessity of decifive measures; consequently, the Governor General, Mr. Macpherson, in Bengal, was employed in reducing to practice reforms, which in England the greatest abilities were engaged in reducing to przcrical theory. It appears, however, extraordinary, that in the valuable and bulky volume of Plans for British India\*, not one word relating to the difference of plans, or indeed any thing to lead to any part of Mr. Macpherson's administration, appears, notwithstanding papers leading to the si-

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<sup>\*</sup> Plans for India, 4to. Debrett, 1793.

nancial measures of his government had been laid on the table of the House of Commons to meet the notification of the proposed settlement of Bahar in 1790 \*. My attention was therefore led to account for the omiffion, and, in great measure, I am satisfied that the concurrent proceedings in Great Britain and Bengal having proceeded on different views of the subject, the Board of Control to this day have only feen through the medium of Mr. Shore, Mr. Rouse, and other sensible men, wedded to old fystems, and prejudiced or committed in the old British Dewannee system, and confequently has laid afide all Mr. Grant's proceedings and reports, as Serisbtadar, following the advice of Mr. Francis; who affured the House of Commons, in 1790, that of all laborious and Herculean undertakings he had overcome, none equalled the perusal of Mr. Grant's papers, which Mr. Greville had moved to be laid on the table of the House, and also wished to be printed at the expence of Parliament; this fact at least shews that Mr. Grant's system was

<sup>\*</sup> Inquiry into Zemindary Tenures, Appendix.

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Known to exist among the records of the Company, of the Board of Control, and of Parliament. It not only remains for me to shew that there existed a remarkable concurrence between the Government General in Bengal, and the Directors, Board of Control, and Parliament, in Great Britain.

In January, 1784, Mr. Machberson addreffed a separate letter to the Directors, with an outline of a general plan of reform and regulation of Indian finance. The Reports of the House of Commons of February and May, 1784, were under confideration of the Bengal Governor in December, 1784, and the opinions of the Governor General and Council recorded, and promise of corresponding exertions of the Supreme Government in Bengal was promised to the Directors. The 1st of February, 1785, Mr. Hastings refigned the government to Mr Machberson. The reform of establishment was begun, the 14th of February, by the reduction of the Governor's body guard, and in general the reforms ordered by the Directors in London,

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the 11th of April, 1785, had been make Bengal in February, March, and April, 1785.

The plan for the discharge of the Company's bonded debt, ordered on the 11th of September, 1785, in England, had not sailed, though dispatched from the India House before Mr. Macpherson's plan for the same object arrived; and the Directors informed him, "that they had come to the resolution of leaving the first reductions of their several establishments in his hands, reserving to themselves the final revision \*."

The revenue plan was ordered by the Bengal Government in April, 1786, and on the same month, 12th of April, 1786, the Company's orders for their revenue plan were signed in London.

The decrease of charges in the different departments during Mr. Macpherson's short administration, forms to great a resource to the Government of Bengal, that it ought

<sup>\*</sup> Directors' Letter, 21st September, Par. 4.

rate examiner of the different administrations, with a view of establishing principles of fixed government.

Mr. Hastings, during his whole administration, was under the pressure of complicated claims from Proprietors, Directors, and Ministers, to participate in his patronage; Mr. Macpherson was relieved from this complicated uncontroled system, by the arrival of Mr. Pitt's India Bill, the 26th of February, 1785, at Calcutta: but the first advice of the Company's orders to liquidate the India bond debt by bills on England was received at Calcutta the 6th of February, 1786; consequently all the financial efforts of the Bengal Government were not then assisted, as they have been fince 1786.

The arrangements introduced by Mr. Macpherson, immediately tending to a real diffusion of knowledge, and to a real practicable control of British India, which have been approved and continued, were, a new calendar, or abridgement of the Ben-

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gal Government, in the form which Ja ever fince been usually made part of the Court Calendar in England; it was compiled by a committee of the heads of the different offices, in 1785, and was in the prefs in January, 1786. The eftablishment for the Company's shipping at Diamond Point, the establishment of the tettlement of Prince of Wales's Illand, for commercial and political purpofes; the commercial negociations with the European foreign chiefs, and the political confiderations relative to the native powers, at least are entitled to general view; some of the objects of internal government appear, from public advertisement, or in the Bengal confultations, to be postponed for the necessary intervention of Parliamenry the police of Calcutta, the regulation of Bazars, and reduction of oppositive taxes on provisions, appeared practicable to Mr. Machberson, from the example of Chinfura, Serampore, and Chandernagore, heighbouring European factories; the judges found difficulty in forming a legal and effectual

<sup>\*</sup> Bengal Confultations, 25th of March, 1785.

remedy; the markets however, were, regulated; wages of fervants could not, though there appeared to be in Calcutta 30,000 fervants and 6000 horses, and the wages one half more at Calcutta than at the above-mentioned foreign factories. A bank was established by individuals in Calcutta; the Bengal Gazette, 23d of March, 1786, contained the plan, and the legal opinion of Mr. Dunkin and Mr. Davies, which enabled every person to know that the plan stood on private confidence until the Legislature, or a charter from the Crown, incorporated and regulated a bank. But Mr. Macpherson's certificate plan established at once confidence in the Company's paper, which he iffued, as a fubstitute to the deficiency of specie from the remittances, to the Coast and China; he published in the Bengal Gazette the names of the holders, and number of the certificates, and pledged payment of every certificate according to priority of date, whereby it is obvious he destroyed the poffibility of continuing private management or preference to the prejudice of the Company's creditor.

By a regulation of March, 1785, in the revenue department, every farmer, Zemindar, or landholder, was required, at the close of the year, to pais his bond, at 12 per cent, interest, to the Company for whatever balance remained unpaid, to be cancellable only by the order of Directors, whereby it is obvious he cut up the fystem of fraudulent balances and compositions; these appeared fundamental principles, and led me to investigate the degree of fecurity which was given to the meaneft landholder, native portab holder, bound by his heritable pottab or grant, to pay a certain portion of the produce, or an equivalent in money, to the protecting fovereign: the reference I make to Mr. Grant's information is fufficient to shew at least that I have been convinced his fystem alone will realife practicable fecurity to native landholders, and to the British nation. The honourable distinction of a Baronetage conferred on Mr. Macpherson, followed his supercession, and the thanks of the Company, hitherto without their liberality, have acknowledged the extent of the

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reforms completed during his administration.

Grand total established charges of the Bengal government, as they flood 31st of January, 1785, when Sir John Macpherson received charge of the government, per C. R. 29,60,627 2 3

Grand total of the same charges, as they stood 30th June, 1786, two months and feventeen days before Lord Cornquallis's accession to the

government

19,76,742 4 3

Total monthly decrease of charges or reduction 9,83,884 14 0

Total annual reduction in the established charges of the Bengal government, from the 31st of June, 1785, to the 30th of June 1786, 1,18,06618 8 current rupees, or about f. 1,200,000 fterling.—See comparative account charges of Bengal government, dispatched from the Accomptant

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General's office, Fort William, 18th September, 1786,

(Signed) J. CHEAP, D. Ac. Gen.

Read per Ranger pacquet, in England, April, 1787.

I could not pals over this period, from which I have derived much instruction, without directing the public attention to it. particularly as Sir John Macpherson has for some time been absent among the Durbars. of the continent of Europe, and Mr. Grant has been judiciously settling the Dowl Bundobust with his tenants in the North of Scotland, where the Board of Control might fend for the original native accounts of British India, under the Mogbel Seal of office, and for the valuable historical H. brary, in Perfian, which with fo much modestry Mr. Grant refers to in the extract I have made from his political furvey of the Northern Circurs, which information, I believe, could not be obtained in any public or other private collection in Europe.

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#### CHAP. VII.

On the Certificates concerning the Definition of Zemindars.

MUCH stress has been laid on the definition of the word Zemindar; in Europe it may appear excess of delicacy and purity of British administration; in India it can only appear evidence of our extreme ignorance. If we are ignorant, we ought to be cautious from what fource we gain information; and the necessity of connecting the definition of office with the Sunnud, will appear even from confidering the Company's tenure of their Jageer in the Carnatic, and their Zemindaries in Bengal. Mr. Dalrymple informs us\*, that he uses the term Jagbire geographically only, for if it was properly Jaghire, there would be fervice due; whereas, the lands being free

<sup>\*</sup> Short account of the Genton mode of collecting revenue, p. 5. Elmfley, 1783.

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of all fervice, he classes the possession as Inaum.

Mr. Grant informs us, that Zemindary tenure in Bengal implies official service, and that if it was an heritable grant, it would be Al-tumgha, only in use since 1765 \*; confequently a definition of these two important terms in the revenue division of India, misapplied as a general definition of Fageers and Zemindaries of the Moghul government, must involve us in infinite confusion; and this has actually happened, by referring to the interested native officers for proper definition of these terms. The impropriety and fallacy of the evidence of the officers who answered the questions proposed by the Governor and Council in 1773, is fully stated by Mr. Grant +; it will therefore be only necessary summarily to refer to a fentence in his analysis of the revenue of Bengal. "We must admire the candor and simplicity of the Pundits or

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<sup>\*</sup> Inquiry into the Nature of Zemindary Tenures, p. 1. Debrett, 1790.

<sup>†</sup> Inquiry into Zemindary Tenures, p. 37.

learned Brahmin Hindoos, when applied to in 1773, to expound the doctrine of fuccession to Zemindaries in Bengal; whether by civil, or hereditary right, it devolved to the lineal defcendant of the last occupant, or in virtue of Sunnid of the Prince? They declare, " it is not written in the Shafter," or divine books supposed to be promulgated 4,000 years before the polirical institutes of the Mogbul Emperors in Hindeftan; and we must contrast, not without indignation, the reference of the Naib Soubab to the Scriptural code of the Legislator of Arabia, published in the 7th century, as the rule of fuccession to Hindon Zemindaries, a species of official property, undescribed in the Koran, and first introduced with the Meghal conquest of Hindostar, almost 1000 years after; besides which perversion of chronology, it was a criminal perversion of one of the best-understood fundamental and facred principles of Makemedan faith, for a Mussulman to acknowledge a right of territorial inheritance, independant of virtual supreme authority, to be vested in any conquered infidel subject." Mr. Roufe, however, reits very much on

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this evidence, though he admits "that if there should be contradiction on similar queries, proposed even to other persons occupying their stations, it would certainly weaken the first evidence; but if from the very persons themselves, would not only disparage the first, but render the testimony of such persons altogether inadmissible "."

My private opinion was fatisfied with Mr. Grant's objection to the channel of inquiry; but having heard that fimilar inquiry had been instituted, 1787, in the revenue department at Calcutta, by questions to persons more or less under the disqualification imputable to the respondents of 1773, and that similar questions (I believe with an additional one) had been submitted by Colonel J. Murray, for his own information, to some of the most respectable natives of Hindostan, whose situation and character placed them above suspicion of intentional misinformation, I was so lucky to obtain a copy of their answer in 1790,

<sup>\*</sup> Rouse's Differtation, p. 133. Stockdale, 1791

consequently my opinion was Arengthened but from the above passage of Mr. Rouse's book I should have believed that the other andwers obtained by the Bengal government, in 1787, were not to conclufive to Mr. Roufe's argument as those in 1773, otherwise he would have published them, instead of repristing those answers \* which Mr. Francis had published to if he had not told us that he had " inspected all the material proceedings of the Company's administration at home and abroad, fince 1773, any ways relating to Zemindars, (except some that may have arrived within this last twelvemonth) and I declare I have not feen any thing like the contradictions fuggested by Mr. Grant 1." Mr. Grant's letter to Sir John Shore &, to which Mr. Roufe's differtation is an answer, ought to have directed Mr. Roufe to the examination of the Bengal revenue papers received in 1789 and 90, and he should have made every inquiry before he ventured to infi-

<sup>\*</sup> Roufe's Differtation, Appendix, No. 8:

<sup>†</sup> Original minutes, p. 71. Stockdale, 1782.

<sup>1</sup> Differtation, p. 134.

Inquiry into Zemindary tenures, Appendix, No. 3.

wate " that Mr. Grant would feem to in vite this country to retract its plighted faith in their favour \*;" particularly as, in the page preceding, he had faid with candor, " I must do this gentleman (Mr. Grant) the credit to fay, that his fentiments are here delivered without any tincture of party fpirit or perfonal invective, except only against the Mahomedan and Hindoo officers, whose opinions have been quoted by Mr. Francis." Leaving therefore the controverfy of these respectable and able gentlemen, I shall state the answers above mentioned, which I consider conclusive against the fashionable definition of Zemindar: yet I am very far from imputing blame to the different administrations in Bengal for confulting their native officers, under the impressions of caution. The opinions contained in the following papers, may be faid to evidence the opinion of the Carnatic and of the Decan, of Oude and of Bengal.

<sup>\*</sup> Differtation, p. 22.



Translation of Eight Questions proposed by Colonel John Murray.

#### Question I.

Who is the proprietor of the land or foil; the Hakim (that is, the Governor) or the Zemindar?

#### Question II.

What is the origin of the jurisdiction, or authority of the Zemindar?

#### Question III.

What are the actual rights of the Ze-

### Question IV.

What is the nature of the Zemindar's power and authority?

#### Quellion V.

What is the origin of the jurisdiction, the rights and power of the Jageerdars?

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#### Question VI.

What is the actual jurifdiction and authority of the Talookdars?

### Question VII.

In what manner used the Zemindars and Talookdars to discharge their several obligations of Mal-guzari and Nal-bundi to Government? and what was the nature of the services rendered by Jageerdars?

#### Question VIII.

What were the ancient limits and nature respectively of the jurisdiction, rights, and powers of Zemindars, Talookdars, and Jageerdars? how were the several claims of the state as Nal-bundi, Mal-guzari, and services ascertained and regulated? and in what manner are these points at present settled?

N. B. The originals had been fent by Colonel Murray to Mr. Dundas before I was favoured with the translation.



Translation of the Answers of his Highness the Nahob Annul of Omrah Heir Apparent of the Carnatic to the asirclaid eight Questions.

## Aufwer to the First Question.

The proprietor of the foil is the King; the King constitutes the Hakim (or Governor) his deputy; the Hakim appoints the Zemindar.

Answer to the Second Question.

The authority of the Zemindar is derived from the Hakim, and fublishs as long as the latter pleases.

Answer to the Third Question.

The actual rights of the Zemindar confift in this; he brings waste lands into cultivation; and the Hakim grants him for the same an exemption from taxes (that is, he holds such lands tax free.)

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## Aufwer to the Fourth Question.

The power and authority of the Zemindar have been already defined, he being as a fervant of the Hakim.

## Answer to the Fifth Question.

The origin of the jurisdiction of Jageer dars is this: when a servant of the crown rendered any eminent service, he (usually) had a Jageer conferred upon him, which Jageer was considered in the same light as the ground forming the area of his house, and equally with that esteemed his home or property so long, as he was not guilty of disobedience or rebellion.

The Answer to the 6th, 7th, and 8th Questions is compressed by his Highness into his answer to the 6th.

All these (that is, all these various descriptions of persons) are servants of the Crown: first, the Hakim, called also Natural, or deputy; next, the Talookdars, otherwise Turasdars, to whose authority the Zemindars and Jaguerdars are subject, in the

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fame manner as the Talookdars are subject to the authority of the Hakim, and as the Hakim is subject to the authority of the King: in fine, whatever orders, either King or Hakim issues, are as obligatory on the Zemindars, Jageerdars, and Talookdars, as the holy law.

The origin of the insiduction of juggers dars is that; when a fervant of the crewn rendered any comment territe, he (ulbally)

Translation of the Answer of Meer Abul Cossim, Ambassador from the Nizam, and Meer Bend Ali, a Native Judge in Bengal, to the aforesaid Eight Questions.

## Answer to the First Question.

The proprietor of the soil is he who renders it flourishing, whether it be the Reyut, (that is, subject) by the permission of the Hakim, or the Hakim himself. In the former case the Sovereign is entitled to tribute from the soil, as the price of protection: hence it follows that the Sovereign

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can be faid to be entitled to tribute only when he effectually protects the subject from the oppressions and injustice of usurpers or lawless tyrants.

Answer to the Second Question.

The jurifdiction of the Zemindar is defined in the Zemindary Sunnud, or patent; and is just as extensive as is therein expressed.

Answer to the Third Question,
These are also defined in the Sunnuds.

Answer to the Fourth Question.

The powers of the Zemindar extend fo far only as they are fixed by the Hakim's authority: these are also stated in the Sunnud.

Aufwer to the Fifth Question.

All the rights of the State or Crown, agreeably to the nature of the Hakim's (perhaps it should be the Sovereign's) bounty, are vested in the Jageendar.

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Answer to the Sixth Question.

These points are all settled in the Sunnud of every Talook, from the terms of which it is not usual to deviate.

Answer to the Seventh Question.

Sunnuds were introduced in order to remove all doubtful points: all the particulars of these several heads are set forth in the Sunnuds, and also appear on the records: it is with the same view that written instruments are taken from persons entering into engagements with Government.

Answer to the Eighth Question.

In order fully to explain the usages of former times, and of the present, it would be necessary to enter into a minute detail; nor is it practicable, without consulting Sunnuds and Muchelkehs, (or engagements) to treat at all of such intricate and contradictory matters in a narrow compass.

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N.B. The character of the Nizam's Minister is publicly known to be highly respectable for ability and intelligence.

The character of the native Judge in Bengal is authenticated by a translation of the Testimonial of Mr. Petrie, in Persian.

These are to certify, that Meer Bundah Aly, Duroga, of the Calcutta Adarwlat, conducted the business both of the Fourdarry and Dewannes Adarwlats, during the whole time of my holding the office of Judge and Magistrate, (till succeeded by Mr. Gladwin) with propriety and great ability; and that I was well satisfied with his conduct, which, as far as I know, gave general satisfaction.

(Signed)

TOHN PETRIE.

October 29, 1785.



Calcutta, Jan. 18, 1786.

Meer Bundah Aly having requested that I would peruse the above-written Testimo-

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nial, and certify what I know of his character and conduct, I think myfelf bound in justice to fay, that, in my opinion, he fully merits all the praise which Mr. Petrie has given him. While Chinfura was under British Government, and I presided in the Court of Justice there, the late Mr. Thomas Dugald Campbel acted under me as Zemindar of Chinsura, and Meer Bundah Aly was his Daroga, in that capacity, as well as in the Calcutta Dewannee Adaulut; I had in that fituation constant opportunity of hearing what the natives faid of him. and of seeing the ability and temper with which he conducted bufinefs, and from what I have feen and heard of him, I think him a very fit man to be employed in the administration of justice.

(Signed)

ROBERT CHAMBERS.

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Translation of the Answer of Mahomed Abdul Speckoor Khan, Governor of Alfahabad in Ovede, to the aforesaid eight Questions.

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#### Answer to the First Question.

Formerly the Rojabs and Zemindars throughout the country were the proprietors of the lands, but fince the reign of Timur Shah (Tamerlane is mount) the King has been the proprietor of the foil, and enjoyed the power of dispossessing the Zemindars at his pleasure.

#### Answer to the Second Question.

The object of the jurifdiction of the Zemindary office is to promote industry among the Reyuts.

Answer to the Third Question.

The Zemindars, who excite industry among their Reynes, are entitled, in con-

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fideration thereof, for every Bega (duely cultivated) to two Biswabs: or, as in some Soubabs, to a premium of five per cent.; and this reward is called Nunkar. They also are indulged by the Aumils with inconsiderable farms.

Answer to the Fourth Question.

The authority of the Zemindar extends to the realizing of the dues of Government.

Answer to the Fifth Question.

A fageer is granted as a fort of increase upon the salary of a servant.

Answer to the Sixth Question.

Talookdars enjoy no fort of rights; (that is, exclusive of particular rights) being of the class of farmers of the revenue.

Answer to the Seventh Question.

The Zemindars and Talookdars used to account to Government for the (fettled) taxes, leviable or due on the lands in cultivation; and the fageerdars, in return for

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the bounty they enjoyed in their fageers, used to perform the duties of service.

Answer to the Eighth Question.

The rights of the Zemindars, in confideration of their promoting the cultivation of the foil, were afcertained (in the manner before stated:) but indigent and powerless Zemindars realize but a small portion of their just claims; while such as are refractory pay themselves the amount of their Nankar out of their respective Fummas, and even keep back annually fome part of the collections (in the form of balances.) The Jageers conferred upon Fageerdars were in consideration of the duties of service to be performed by them; at present the business affumes various forms: and as to the Jageerdars, all their Fageers have been resumed.

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## CHAP. VIII.

WE are now arrived at the important period of the government of the Marquis Cornewallis, with Sir John Shore at the head of the revenue department: the first revenue measure appeared in the Codes for the general regulation of Collectors in the revenue department, and regulation in the administration of justice in the courts of Dervannee Adaulut, and in the Fougedarry, or criminal courts, published in 1787. Mr. Grant, in the office of Serisbtadar, having begun to execute the revenue plan which Sir John Macpherson had approved, on the information contained in the Analysis of the Revenues of Bengal, and compiled by him in conformity to the act of 1784, then confidered as the Parliamentary Charter of Rights to the natives of British India\*, it became necesfary for Sir John Shore to introduce his

Introduction to the Analytis of Revenues of Ben-

plans on the investigation required by the act, before he superseded Mr. Grant's opinions, to which the new code of 1787 were not applied. The first question at issue was no less important than whether Zemindars were the legal real proprietors of the soil as landlords, or whether they were officers of the Moghul, collectors of the revenues in behalf of the sovereign proprietor of the soil? but it appears that the Board meant to justify, by the answers to certain queries, a prejudged opinion of the question itself.

The inftruction of the Board to Mr. Grant, March, 1787, was, "to prepare and lay before the Board a feries of queries for the purpose of ascertaining, as correctly as the nature of the subject will admit, what are the real jurisdictions, rights, and privileges of Zemindars, Talookdars, and Jageerdars, under the confitution and customs of the Mahomedan or Hindoo government, and what were the tributes, rents, and services, which they were bound to render and perform to the Sovereign power; and in like manner those

from the Talookdars to their immediate Liege Lord the Zemindar; and by what rule or finadard they were, or ought, feverally to be regulated." The observation of Mr. Grant on the mode the Board called on him to propound questions relative to the public revenue to interested individuals, and not to answer the queries officially connected with his department, appears in an, appendix to the treatife he published in London\*. The questions which, as Seriflotadar, he had answered, are the same to which the answers of different natives are detailed in the preceding pages. I refer to Mr. Grani's answer as of the first authority; and it will at all times be found policy, by minute investigation of intelligent covenanted fervants, to fuperfede the necessity of a public parade of ignorance; for, exclusive of the inconvenience which now exists from the erroneous decision of this question in 1789, it may occasion ferious political inconvenience, by encouraging every dependant on the British

<sup>\*</sup> Inquiry into Zemindary Tenures, Append. No. 3. p. 50. Debrett, 1790.

power, to institute claims, on our ignorance, incompatible with the rights and existence of the power of Great Britain in British India. The public, in the abovementioned treatife \* of Mr. Grant, the late Serishtadar, may examine the arguments which Sir John Shore rejected; and by perufing the treatise published by Mr. Law +. late a Member of the Council of Revenue in Fort William, may examine the arguments on which Sir John Shore adopted, in 1788, the Mocurrerry plan, ordered by Lord Cornwallis in 1789. It is sufficient for me to refer to these documents to justify my opinion of the investigation of 1788 and 1789, and it will not be disputed that the revenue and criminal regulations were published in Bengal in 1787, and that the definition of the persons to whom they applied was not decided in 1788, nor publicly determined before the date of the following order.

<sup>\*</sup> Inquiry into Zemindary Tenures. Debrett, 1790.

<sup>†</sup> Sketch of the late arrangements in Bengal. Stockdale, 1792.

To John Shore, Efg. Prefident, and Member of the Board of Revenue.

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Borr William, May 10th, 1789.

GENTLEMEN.

WITH a view to carry into execution the orders of the Court of Directors for a fetrlement of the Bahar province, we have thought it expedient to take the subject into our consideration at this early period, that at the expiration of the Fufilee year, in September next, the measure may be wholly accomplished, or, as far as practicable carried into execution.

Our instructions to the Collectors of Babar, regarding the settlement of last year, were preparatory to the measure, and had a reference to it; we have accordingly pastied the following resolution, with a view to the final attainment of the intended object.

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Ist, That at the expiration of the present Fusillee year a new settlement of Bahar be concluded with the Zemindars, the actual proprietors of the soil, whether at present independent or dependent upon any other Zemindars paying their rents immediately to Government.

and, That the fettlement be made for a period of ten years certain, with a notification that, if approved by the Court of Directors, it will become permanent and no farther alteration take place at the end of ten years.

3rd, That the Jumma which each Zemindar is to pay, be fixed by the Collector, with the referve of the approbation of the Board of Revenue, on fair and equitable principles, according to the best accounts which he can procure of the value of the lands, without a measurement of them; that if he should deem it eligible, he may call upon the Zemindars to deliver in proposals for renting their lands, but that his judgement is to determine the amount.

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4th, That the Gunges be not included in any fertlement with any Zemindar, but that, for the present, they remain under the exclusive jurisdiction of an officer appointed by the Collector, who is to propose such regulations as he may think best calculated for regulating and fixing the duties.

5th, That the Jumma of each Zemindar, being affessed, the amount thereof shall be apportioned by the different villages in it, if possible, previous to the conclusion of the Sudder Jumma, either by the Zemindar, who is to be required to make this distribution, or Collector; or subsequent thereto, under a clause binding each Zemindar to deliver in an account of the assessment on the villages apportioned to the Sudder Jumma within three months from the fignature of the Cabooliat.

6th, That if there are villages of which there are no proprietors, the fettlement of them be made as above with a farmer.

7th, That the Sudder Kiftbundy be so regulated as to afford the Zemindars all pos[ 417 ]

Able convenience on the discharge of their rents, with a due regard to the security of Government, and that the Collector report whether any, and what, inconvenience would ensue from extending the period of the Sudder and Mosufil Kistburdy to two months instead of one.

8th, That the Collector do also establish the Mosusia Kishburdy in such a form as may be most convenient for the Reynts, without risking the security of their payment to Government.

oth, That as the number of renters paying revenue immediately to Government may, in confequence of framing a fettlement with the Zemindars, be greatly increased, the Collectors report if it will be necessary and adviseable to appoint Tebfildars to receive the revenues from a certain number of the landholders, and whether any, and what, additional expense will be required on this account.

ar, who is a minor or female, be declared

incapable of having any concern whatever in the management of the revenues, and that no engagements for the payment thereof be contracted with any Zemindar under this description.

The management of the revenues of Zemindars who are minors or females, shall be affigned to a person especially appointed by Government for this trust, to be denominated Serbuzacar, or Manager, who, previous to the receipt of his commission, is to execute an obligation binding himself to a faithful discharge of the duties assigned to him, and no farther.

The Manager is to be chosen by the Collector, subject to the approbation of the Board of Revenue, and his commission is to be signed by the Collector, and to be authenticated by the official seal. In recommending the person to this trust, the following considerations are to be observed:

In the first instance, a near relation of the Zemindar is to be preferred to all others; in the second, a creditable servant of the

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family; and in the last refort, a person unconnected with it: capacity for the buliness is understood to be a necessary qualification, and to be particularly attended to in determining the preference.

Lunacy, contumacy, or netorious profligacy of character, are to be deemed difqualifications of a Zemindar, and the lettlement, in fuch cases, is to be regulated by the provisions above laid down with regard to the lands of minors and females; but no Zemindar is to be excluded for any of the disqualifications mentioned in this article without the previous approbation of the Governor General in Council.

1 rth, That the engagements with the Zemindars and Farmers be made for Sicca rupees, and in order to obviate any inconvenience which may arise from there not being a sufficient number of Micca rupees in circulation for the payment of the revenues, that the farmers and Zemindars be allowed, till the expiration of the Fufillee year, 1197, the option of paying their rents in Siccas, or in Sonauts at the Batta 503) E e 2

in the treasury account of the Collector. That the Collectors do either remit such Sonaut to the Presidency, or in the event of their being obliged to pay them away to answer bills drawn on them in Siccas, they insert in their treasury accounts the profits or loss, or on the disposal of them, under the head of profit and loss on exchange. That after the expiration of the year 1197 no other rupees except Siccas be received at the treasuries of the Collectors, it being the intention of Government to put a stop to the currency of every other species of rupees by that period.

We direct that the above resolutions be transmitted to the Collectors of Bahar, and that they be directed to prepare for the formation of a settlement accordingly, to the prescriptions of them, advising you by the end of June, if any objections should occur to any of them, either as to the propriety or practicability of them, to submit, with such objections, any other propositions which they may deem more eligible.

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This ten years fetilement, and new definition of perfons, deliberately refolved on, were published, Zemindars were invited to subscribe to it, but scarce had they reached the more distant stations than they were followed by orders cancelling parts of the agreement; for Government found, by the experience of three months, firong objections which ought to have been forefeen by a curfory view of the proceedings of the revenue departments referred to in the above order, and particularly by the correspondence of Sir John Shore and Mr. Law \*. The first operation of the article + affecting Absences appeared in the accounts Havillee Babar, in those districts of Babar in which the Mocurrerry fettlement had then taken place; the newly defined proprietors were disposiessed folely on account of their absence; of 70 villages, confilting of 22,452 Begas, affested at 18,535 rupees; and 40 villages of 10,760 Begas, affelled at 10,569 rupees, were refused by the proprietors on the conditions offered by

<sup>\*</sup> Sketch of late Arrangements. Stockdule, 1792. † Ibid. p. 117.

the Collector; and 4 villages, confifting of 2,679 Begas, affested at 773 rupees,

were taken from proprietors without any cause assigned; and in other parts of the return the detail was by no means fufficiently explained. Sir John Shore could not withstand public opinion, supported by fuch official evidence, and he confessed that the Mocurrerry plan, professing to establish hereditary estates with fixed rents\*, in practice, established an Ideal permanency; that the rules which he had deemed adequate to fecure Zemindars in their rights, and the Reyuts from oppression, though numerous, had proved indefinite and arbitrary; that the undefined relation of Zemindars with Talookdars and Reyuts, which he conceived would have been fettled by defining the relation of Zemindar to the fovereign, and by leaving the Zemindar to fettle with the dependants on his landed property, had brought forward cafes which the Revenue Board were unable to understand or define;

<sup>\*</sup> Sketch of late Arrangements; Mr. Law's Letter to John Shore, Efq. Prefident, and Members of the Board of Revenue, p. 48.

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and in common cases the want of data precluded decision on principles of justice and policy; and that uncertain decision led invariably either to diminusion of revenue, or to confirmation of oppressive exaction; that he was therefore convinced, if the Zemindars were left to make their arrangements with the Reguts, which was the fundamental principle of the Mocurrerry plan, the confusion could never be adjusted. In this dilemma, Sir John Shore recommended that the ten years fettlement, promulgated to the country as permanent, should be confidered by Government as a period of experiment; if it should be found impracticable to collect the tribute under the acknowledged inequality of affeffment, a due distribution of it might prevent the diminution of revenue; that the new prenciple would be better introduced by degrees than established beyond the power of revocation, but that during the ten years the affessment at all events thould be unalterable; that he was not forry Mr. Law's plan had been executed, as the experiment would lead to farther experience, which may affift in determining the general ques-

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tion; but he was convinced that many consequences of the plan appeared in a different light in practice than they appeared to him when under discussion; and on the whole, that the fundamental principle of the plan, if confirmed, must be corrected by annulling the parts which have a direct tendancy to subvert it, and Government must submit to rescind what it has approved \*. I trace Sir John Shore's exploded opinions, supported in England by documents, for which Mr. Rouse acknowledges his obligation to Sir John Shore in his answer to Mr. Grant's Inquiry into Zemindary Tenures +. It is no part of my investigation to ascertain in what degree Lord Cornwallis was embarraffed when Sir John Shore left him to amend his acknowledged errors; I make no doubt, all the circumstances were confidered; otherwise he would not have been recommended to the honourable marks of Royal favour, and fent back to India as fucceffor to the

+ Mr. Rouse's Dissertation, 1790.508

<sup>\*</sup> Substance of Sir John Shore's Minute, 8th Dec. 1789.

Marquis Cornwallis; but while the public opinion in England was reconciled to the definition of the Zemindar actual proprietor and liege lord, by the learned differtation of the Secretary of the Board of Control, the opinion of that measure in India may be collected from the Dedication of Agricola's Letters to Thomas Graham, Esq. President of the Board of Revenue\*, in the following extract:

"When I first committed my sentiments to the public on the sinance of this country, I little expected the important decision regarding the Zemindars' proprietary rights in the soil would be so soon passed, or I should have forborne treating of the subject, or endeavoured to do it on a plan consonant to such decision. I shall avoid giving my opinion at present on the propriety or necessity of such an acknowledgement on our part, nor is it any longer necessary to investigate their claims to it,

<sup>\*</sup> General Observations of the Mode of Affesting and levying the Land Tax, by Agricola. Calcutta, 1791.

bus permit me to observe, that the nature of their present tenures has wholly changed their relation to the Company, and that this change involves a quettion of the higheft importance to their interests. Before I hazard any decifive opinion on the above, permit me to alk, whether our fystem of finance is not wholly founded on the contrary idea, viz. " that the Zemindars are not the proprietors of the foil; at least I can view it in no other light: I have endeavoured to expose the severity and impolicy of our conduct, even under that confurtion of their privileges, but I, even now, question whether the terms injustice and violence are not more applicable and expressive of it.

'Mr. Law, in his Mocurerry plan, has tacitly denied the Zemindars' proprietary rights in the foil, and I am induced to attribute the many inconfiftencies which he has fallen into, to the difficulty of acknowledging such rights without adopting an entire new system; for it will clearly appear, if their rights be admitted, that all our regulations are diametrically in op-

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position to their exercise thereof. If the Zemindars are the proprietors of the foil, may I ask Mr. Law on what authority or title he claims about one fixth of the country as Crown land before we even invested them with this nominal right? we never confidered the cultivated and uncultivated lands as the property of different persons, and under the Moghul government the Zemindars were affeffed for both alike: a plan which strikes me to have equity and good policy for its principle, and which I have adopted. Notwithstanding Mr. Law has made this curious refervation, he yet talks of the advantage the Zemindars are to derive from the increased cultivation of their estates, which leaves a doubt of his meaning when he speaks of Crown lands.

"I cannot but regret that the Zemindars are declared the proprietors of the foil, as it must prove an almost insurmountable obstacle to secure the Reyuts from oppression, without a continued infringement of their privileges, of which, no doubt, they will become highly jealous, whenever they come to understand more fully the mean-

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and of property, and the incontestible rights annexed thereto, and secured by British laws. For my part, I think they would be justified in appealing, on almost every existing regulation, to the Courts at home, and doubt not but they would cause them to be done away, and recover heavy damages of the Company.

" I am fully perfuaded we had the fame authority for confidering many classes of Reguls proprietors of the foil, and the benefits to be looked for from fuch a measure far exceed those we can derive from that of declaring the Zemindars and a few Talookdars the only proprietors; nor would fuch a declaration have involved us in io many inconfiftencies in making a fettlement for the revenues; but had we not taken fuch an unproductive step, we should have been at liberty to divide the country into moderate portions, and to felect the most competent and deserving persons for farmers, to the improvement of the revenues and fecurity of the Reputs; we could have raifed a numerous class of reputable yeamanry, instead of aggrandizing a few, at

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expence of bundreds of thousands; w have now blafted the prospect of exciting emulation and industry; we should then have had real Crown lands to look to for a future increase of revenue. It is a ridiculous idea, to talk in the same breath of affeifing a country at a permanent amount, and yet subject the people to unknown exactions, under the plea of political neceffity. A little attention to the fluctuation of the value of money, in the courfe of a few years, will shew the falacy of a fixed and permanent rate of affeilment on land in this country, where every other refource is fo cramped and limited, or, I may fay, where there is no other. An infuperable objection to Mr. Law's plan is, that it subjects the interests of thoufands to the caprice of one, and is, in fact, inconfistent with the object aimed at."

Having found the difficulty of comprehending the outlines of general policy in the plans for *India*, I at least had given credit to their local information; but it is impossible to explain the acknowledged errors of the settlement of 1789, without

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appoling the Revenue Board ignorant of the Mofuffil management, and that they had proceeded on more reference to a bundle of Sudder Tauboods without recollecting that the Talookdars were, nine out of ten, oppressed by the Zemindars\*. The corrective measures adopted by Lord Cornwallis appear to be founded on Sir John Shore's Minute, and Mr. Law's zeal, combined with information published by Agricola. The first innovation of the settlement of Babar, 1789, was introduced with the fettlement of Bengal, ordered not to be made with Mufcoory Talsokdars pay-. ing through Zemindars, but with Zemindars: the diffinction Mujeoory Talookdar was found to be causeless, and at length exploded +, and they were declared actual proprietors of the foil composing their Talooks; and to produce unity of fystem, this discovery was extended to the settlement of Bahar.

The regulations relative to Sair or internal duties, were passed by the Governor

<sup>\*</sup> Agricola, Letter 22.

<sup>†</sup> Skeich of Inte Arrangements, p. 48 and p. 242.

in council in June, 1790 \*; they resumed Gunges, Bazars, and Hauts, which had been included in all former fettlements, and compensation was ordered, amounting to one tenth of the net receipts, to the Zemindars and holders of Malgoozary lands, who had been permitted to collect those duties as part of their fettlement; and officers were appointed by Government to collect the duties in the Gunges, Bazars, and Hauts, in the Malgoozary and rent-free lands +. The Sair duties, including Aboabs, were abolished, with the exception in behalf of Government of Calcutta and government customs; the duties levied on pilgrims, at Gya and other places of pilgrimage; the Akberry, or tax on spirituous liquors; and the collections made in the Gunges, Bazars, and Hauts, fituated in the limits of Calcutta, and with the exception in behalf of the actual proprietors, according to the published resolutions of rith June, 1790, of Aboabs, denominated in the Sair account Phulker, Bunker, and Jul-

<sup>\*</sup> Sketch of late Arrangements, p. 245.

<sup>+</sup> Ibid, p. 257.

tax on houses, shops, orchards, pak ture ground, and afheries, denominated by the faid order as of the nature of rents and proper objects of unauthorifed taxation \*: but it appears that the extent of these refumptions was not understood; fome were affumed and relinquished half a dozen times. in the first year, to render them compatible with the rule of Government's limited infraction of its Yoleran declaration in the preceding year #; thefe difficulties not only delayed the fetrlement many menths, but caused a general diffidence in the country, and convinced the Zemindars that the proposed Bundebust could not be permanent. Government was equally embarraifed, for having deviated from the principle of the festilement of 1780, it became necessary to change the regulations of 1787, to render them applicable to the purpoles of revenue and criminal judicature in the Bengal provuices; the amended code was published in November, 1791, and farther amendments were full wanting, which will

<sup>\*</sup> Sketch of late Arrangements, p. 258.

t Agricola, Letter 22, p. 137 5 16.

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oblige me to explain the progress of British judicature in Bengal.

#### CHAP. IX.

The Progress of Courts of Judicature in British India.

at Calcutta, such as it now exists at Madrass and Bombay, by royal charter, had been found adequate to the purposes of justice and police previous to 1757, the period at which the Company was obliged to apply to the King for powers to resent injustice, and to recover from the usurpers of the Mogul's power the privileges which had been granted to the Company by the Mogul. The King of Great Britain granted to the Company in 1757 his right to the plunder and booty of warfare; and the successes of the Company not only repaid their losses, but rendered them the most

r f (517)

powerful among the usurpers; and the Mogul finding it impossible to reinstate himself in the Bengal provinces without the aid of the English, threw himself under their protection; they pleaded their faith to usurpers whom they had supported, and the Mogul was under the necessity of figning the partition of his empire in the manner which Lord Clive dictated, judiciously and politically stated according to the circumstances of the English at that period, with a view of establishing the empire of British India; but foolishly and unjustly, if Delhi and Allahabad is permitted to become an hostile instead of a friendly barrier; and if Oude, instead of a powerful dependant, becomes an oppressed or an independant power. The northern defence being fecured by Lord Clive's partition, and the north-west barrier of Bengal being in the hands of independant Rajahs, who had preferred their fastnesses with limited diffricts to submission to Mahomedan or Mahratta government, required no change; the Circars were at that time important, from being the quarter in which the French could practife the leffon which the English

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had so aptly learnt. They were not re-Sponsible to the prejudices and constitutional jealoufy of a free government, but they were bent on attaining power in India, and it fuited the British policy to grovel with the Company's agency, under native grants or as allies, to rout the French in the Circars as allies to the Nizam, rather than to refult and defeat the policy of France, by a general war. The grant of the Circurs by the Mogul was made a paramount legal title to its fovereignty, and was established also by the British army; but the Mogul's grant of the Bengal provinces was framed to be compatible with the Company's European and Indian interest, and apparently with their engagements to the Nabob whom they had made. The Company became Dewans, or receivers of the Sovereign's revenues, not accountable to the Mogul, to cover by that nominal office whatever revenue they could not state as plunder and booty in their account with the King of Great Britain, and having got the purfe, they were not inclined to let others participate of the fiction; they fettled a penfion on their Nabob, and ap-

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pointed an intelligent native to execute the functions of Nazim; from which period the fovereignty has been exclusively in the English. The Company might have cheated the state if their fervants could have been permitted to adopt fimilar definitions; they had feen the profit of monopoly and inland trade, which they knew to be diftinct from territorial revenue, or the Company's commerce, and thought it reasonable that they should enjoy them as perquifites under the veil of the native government; the chief servants, civil and military, therefore entered openly and largely in mercantile concerns, with the powers of government to enforce privilege of monopoly. The Company was unable to control their principal fervants; their principal fervants were unable to control those who were not their partners; and the Company could not proceed without applying to Parliament: this necessity may be adduced as a political lesson, and in confirmation of the excellence of the British constitution, which possesses in itself the principles of renovation and felf-correction, whenever the temper of the times or the

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necessity of particular cases force its subjects to appeal to constitutional principles.

At the period the above-mentioned minute \* was entered on their proceedings, Lord Clive and the Select Council told the Directors + they were become "the Sovereigns of a rich and potent kingdom;" se not only the collectors, but the proprietors, of the Nabob's dominions." Governor Holwell made them remember that the plunder of the provinces during the decay of the Mogul government had been divided between the Soubab and the Dervan, and that the Soubab had the dion's thare. The Company appeared to approve the idea of retaining the whole legal and illegal profits, by taking the A. bgul's there as Dewon under his grant, and also the Saubah's exactions, and the Dewan's peculations, together with the whole yearly produce of the country. Governor Holwell's valuation above stated t has been reckoned much

<sup>\*</sup> Page 308, 28th October, 1765.

t Letter from Fort William, 30th September, 1765.

<sup>‡</sup> Page 316.

exaggerated, but if confidered as the whole yearly produce, will not appear either high or very inaccurate.

The Company thus obliged to apply to Parliament, and convinced that the temporary expediency of the veil of native administration could not be rendered permanent or effectual, determined, in 1771, to stand forth as Dewans, and to realise a fubfidy equal to the whole refources of the country, as before stated \*. The, act of 1773 went much farther than the Company wished; and the application of its powers not only gave rife to differences between the judges and the government in India, but between the Governor General and his Council, during which period every circumstance tended to delay the establishment of good order and of effective control. When the Company appointed supervisors in Bengal, the revenue and administration of justice was vested in them; a Council of Control at Moorshedabad and one at Dacca were ap-

• Page 338. 522

pointed to control the collectors, and these were subordinate to the Supreme Council of the Prefidency. On the paffing the act' of 1773, the Khalfa, or head revenue court, was moved from Moorsbedabad to Calcutta, and the two provincial councils of control were abolished, and the whole control vested in the Council of Calcutta. If the parliamentary promife, which I have called the Charter of British India\*, is not dead letter, the cafe of Nundcomar need not be prefented to excite contrition; eloquence and ability have not been wanting to represent it to the feelings of Great Britain, but I much question whether Britifb judicature would not have been left to its course, if fortunately it had not also impeded the current bufinels of the revenue, as the letters of Mr. Haftings+ and those of Mr. Francis above stated testify t. It is proposed to shew in what manner the supreme government got rid of the fupreme judicature, and induced Par-

<sup>\*</sup> Page 135.

<sup>†</sup> Letter from the Governor General to the Directors, January 1776.

<sup>‡</sup> Page 346.

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liament to confent to emancipate the revenue and the natives of *India* from *Britilb* law.

In 1774 the collectors were recalled, and the districts divided, and provincial councils established at Moorshedabad, Dignapore, Dacca, Burdwan, Patna, and Calcutta, and the administration of justice in a Member of Council by rotation. The new fystem of management, of a single fuperintending Committee stationed at the Presidency, with the additional charge of feven lacks, connected with the establishments of Dewanny Adaulet amounting to fix lacks more, evidently intended to eftablish a Court of Exchequer according to the Mogul fystem, totally distinct from other tribunals of the empire, and to extend the forms of its civil jurisdiction over all natives paying rent or duties; it was obvious to those who understood India that nine tenths of the people came under this description, classed either as farming landholders or manufacturing Reyuts; by fupporting this distinction the warrants and writs of the Supreme Court became use-

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less, and two or three cases were sufficient to shew that British law administered to the natives, without attention to their customs and opinions, would prove intollerable. I have already observed \* in what degree, by the act of 1781, Parliament reduced the jurisdiction of the Supreme Court of Judicature, on the general opinion of British statute law being inapplicable to the manners of the East; it only remains to state the modifications of the native courts, professedly to connect the administration of justice of the country with the realization of the revenues.

It was proposed in 1770 to vest the revenue causes exclusively in the Provincial Council, and thereby distinguish the jurisdiction of revenue causes from the jurisdiction of the Civil Court of Dewannee Adaulet and Fougedarry or Criminal Court, both newly modelled; but the acknowledged oppression of the Reyuts or Pottah holders was so great, that Mr. Hastings appears to have thought it impossible for the

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provincial council to do them justice and manage the collections, and therefore to have given the cognizance of exactions not warranted by Pottabs or leafes to the court Adaulet Dewannee Zillagaut \*. In 1780 the administration of justice was separated from the control of the revenues; but in fome districts, as at Chittrab, Boglepore, Mamabad, and Rungpore, the collectors for the time being were made the judges in the courts Mofussil Dewannee Adaulet in 1781, the period of the increase of the courts of Adauler and of the establishment, which continued during Mr. Haftings' administration; it would therefore appear that the justice of the country was sufficiently dependant on the revenue, but it did not prove to: the criminal jurisdiction had been at all times distinct from the civil, and a collector, also judge, both of civil and revenue causes, might be embarrassed by the chicanery of the Fougedarry or Ninam's courts, if a native chanced to incur the penalties or wilfully claimed the jurifdiction of the criminal court to avoid op-(52K)

\* Plans for British India, p. 114.

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pression or complicated civil process. It was by no means impossible that one manufacturer, being also cultivator of land, as they mostly are, might have a Peon in pursuit of him at the fuit of the receiver for rent; another on a civil fuit in the Dewannee Adaulet, of which the collector was judge; another at the fuit of the commercial agent, for the produce of his labor as manufacturer, to which private British and foreign companies, and individuals alfo. often instituted concurrent claim, on account of their advances of cash to the manufacturer, which they followed up by arrest, on their own authority, though generally under the claim of privileges, exercifed under the Phirmaund of the Mogul. It is clear that half-finished clothes cut from the loom cannot fatisfy the just claims of the trader, and that it matters not whether an exchequer, or a civil or a criminal messenger, arrests, such delinquent must be ruined, and the administration of justice is endangered either by its subserviency to revenue, or by oppressive and indefinite concurrent jurisdictions, incompatible with European or Mahomedan policy.

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When Parliament had curtailed the pretenfions of the Supreme Court of Judicature in 1781, these embarrassments in the native courts were confidered; the Fougedarry and Tannadary establishments were abolished; and civil judges, being Company's covenanted fervants, were appointed to act as magistrates, to apprehend persons charged with the commission of wrong, or crimes, or acts of violence, but were required to make reports unto a department of the Prefidency under the control of the Governor General\*; and in this state the courts remained till 1787, when, according to Sir John Shore's system, the collectors were made judges of Dewannee Adaulet, and magistrates with Fougedarry jurisdiction, judges of petty criminal causes, to inflict corporal punishment, or to impose fines on the offenders +; and his power extended to the commitment of Zemindars or landholders for breach of the peace, or conniwance at the same t. This gave the full

<sup>\*</sup> Plans for British India, p. 395.

<sup>+</sup> Ibid. 396.

<sup>†</sup> Art. 13 Regulation of Faugedarry or Criminal Courts. Calcutta, 1787.

measure of power to the collector of revenue, making him party and judge in revenue causes, and uniting in his person all the civil, and great part of the criminal, justice of his district; but the jurisdiction of the Nazim was still oftensible, for the magistrate arrested, and must send to jail, but he had not permission to release him if the examination convinced him of the prifoner's innocence \*. By the regulations of 1787 the collector was to become a check on the Fougedar, or Nazim, and the collector's representations against his neglect were to be transmitted to the Governor General, who was to represent thereon to the Nazim +: the reports of the Fougedarry collectors foon convinced the Marquis Cornwallis of the necessity of more prompt and impartial justice, and he proposed the meafure of removing the Nizamut Adaulet, or chief criminal court, from Moorshedabad to Calcutta, and to institute courts of circuit, three for Bengal and one for Babar; each

<sup>\*</sup> Sketch of late Arrangements, p. xxi. Mr. Law's note.

<sup>†</sup> Tenth Regulation of Fougedarry or Criminal Court, 1787.

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court superintended by two covenanted fervants, affifted by a Cauzee and Mufti: and by the present act, the Supreme Court of Judicature is to iffue commissions of the peace, and justices so appointed may fit also in the courts of Oyer and Terminer \*, and the justices may associate with the judges in causes appealed; consequently, if the collector shall be justice of the peace in addition to his other powers, as justice he will fit in the court of Oyer and Terminer to execute the law of England; and if he remembers the 21st of Geo. III. cap. 70, fec. 7, he will be able to elude the poffibility of an appeal laying either in British or native courts; for it is there enacted, " that the faid supreme court shall not have, or exercise, any jurisdiction in any matter concerning the revenue, or concerning any act or acts ordered or done in the collection thereof, according to the usage of the country or the regulations of the Governor General and Council."

I refer to the latest information, which

<sup>\*</sup> Plans for British India, p. 132.

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has been published by the permission of the Board of Control this year \*, in which Mr. Bruce has stated the regulations of 1787, and the amended code of 1791; I was rather surprised to see the code of 1787 fo foon amended, and notwithstanding I remembered Governor Holwell's opinion, that a collector had fufficient bufiness if he attended to his duty of collector +, I did not conceive it possible for any system to have occasioned such complicated business, as appears by the returns from the districts to the Revenue Board at Calcutta in December 1791; at which period the undecided causes amounted to seventyseven thousand, exclusive of Mhal causes, and disputes between Reyut and Reyut, and between Zemindar, or Renter, and Reyut; and also exclusive of causes in the Fougedarry departments, all which were then under the collector, together with his collection. It is expected the powers of the Naib Nazim, as head of the Nizamut

† Page 318.

<sup>\*</sup> Plans for British India, part 2, sec. 2. Debrett,

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Adaulet, being vested in the Governor General and Supreme Council, affifted by the Causee ul Cozaat, or head Mahomedan judge, and two Mufties, will be able to revise all the proceedings of criminal cases tried before the Courts of Circuit previous to the execution of judgement: and that a farther amended code, in 1793, will amend the two former codes published fince Lord Cornwallis's arrival at Calcutta; the Collector must then again define his Exchequer authority, and the civil and criminal jurifdictions will be again separated; the regulations may define the feveral jurisdictions with accuracy; they did fo before they were univerfally united in the collector in 1787; but the cases were so blended in practice, that it was, and will continue to be, impossible to class them, and determine to which tribunal they belong. It is not supposed that the Supreme Board of Judicature can be again thought of as a fubftitute for those defects of revenue judicature; that court remains under the present act as it flood fince the act of 1781, with the addition of being now made a court of

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admiralty, and will iffue commissions the peace ordered by the Governor General; with some encouragement, the old contest for jurisdiction might be revived, and an act of indemnity would again be necessary; but the consequence which Lord Clive predicted \* is not likely to arife, if the Court of Directors, who are deemed by Parliament competent to felect governors, shall acquiesce in the pretentions of that court to refuse a barrister the benefit of their licence without a reason assigned a fo long as the Supreme Court of Judicature exists, reference to the Chief Justice of the King's Bench should fanction the licence of Directors, without which no one should practile English law in India; the judges in Bengal should be responsible for the purity of the practice in their Court: but " Sciant Judices se jus dicere, non dare, Leges interpretari, non condere +." We are at prefent in no danger from British or from Hindaa law, but we are likely to become adepts in the Makomedan law.

\* Page 309.

+ Bacon.

When we refer to the Koran as the univerfal code, we cannot be supposed to look for a definite rule; a celebrated writer \* informs us, the substance of the Koran, uncreated and eternal, brought from heaven by the angel Gabriel, was revealed in scraps by Mahomed according as it fuited his policy or paffion; they were collected two years after his death and published, and the facred volume, in all its various editions, boafts the miraculous privilege of an uniform and uncorruptible text. At the end of 200 years the Sonna, or oral law, preferved by his wives and companions, was fixed and confecrated by the labours of Al Bochari, who discriminated 7275 genuine traditions from a mass of 300,000 reports of more doubtful or spurious character; the work has been approved by the four orthodox fects of Sonnites. It appears that we have felected the commentary of Mobumed and Yuzef; we are told + that for thirty years we had wavered

† Plans for British India, p. 403. 534

<sup>\*</sup> Gibbon's Decline of the Roman Empire, Vol. V. Cap. 50.

between their doctrine which made the h tention, the criterion of guilt; and Aboo Huneelh, who made the manner or instruments with which murder was committed, the rule of determining the punishment, and that the question had been lately determined by turning Aboo out of court. On later information of Sir William Jones. we are referred to Al Serajiyah, as before flated\*, who declares his diffent to certain doctrines, as incompatible with justice and with the doctrines of Omar and of Ali. I am very well convinced that no honest follower of Omar, or of Ali, though required by act of Parliament to take the prefcribed oath every fix days instead of every fix months, would put it in competition with the fundamental principles of the law of Mahomed, or fentence to death if the heir pardons; much less shall we have from the follower of Omar a tear of pity, fuch as Mahomed shed over the tomb of his mother, for whom he was forbidden to pray; though by his faith he must continue to believe the British conqueror doomed to the lowest abyss of everlasting

<sup>&</sup>quot; Introduction, page iv.

torments. We might expect better chance from the twelve Imaums, or heads of faith, deduced from Fatima, the daughter of Mahomed, given in marriage to Ali, whose followers, more tolerant, acknowledge the scriptures, but deny the divinity of Christ, and sirmly believe all nations will be converted to Mahomedism on the day of judgement\*. Even chequering the jurisdiction of Mussulmen and Hindoos by making Mussulmen collect from Durburtur and Bermuttur lands, and Hindoos collect from Khyuat lands, may vex, but would fail in effect, if the tax is not defined with justice, and abuse controlled with vigour.

The humanity of Akbar, in a variety of codes, enumerated in the Ayeen Akberry, recorded special grants to different classes of subjects whom he governed; by humanity and policy he softened the independent spirit of fanaticism with which the Mahomedan religion, destitute of priesthood or sa-

<sup>\*</sup> Franklin's Tour from Bengal to Persia, p. 74, 1788.

<sup>†</sup> Agricola's Letters.

crifice, looked down on the flaves of furperstition. There can be no doubt but the Parliament of Great Britain, confidently with the principles of a free conflicution and the influence of Christianity, may from the code of Akbar select the rule, and by its vigilance gradually diffuse the bleffings of its protection to an inoffensive people. The description of Cauxees in 1789 \*, and in the reports of the Committees of the House of Commons, concur that " the venality of Cauzees since the Company's accession to the Dewannee added new taxes on Reyuts and compromised criminal offences +;" I should as much question their ability as their probity.

It does not require professional knowledge to sympathite with the British native subject of India, who, grievously oppressed, has hitherto found the courts of justice that to his suit, if enough of his property does not remain, after seeing the lawyers,

<sup>\*</sup> Sketch of late Arrangements, Introd. p. xiii and p. xx.

t Seventh Report, p. 327.

to make a deposit of money in court proportioned to the greatness of the cause, that it may be admitted to a hearing. This might be necessary when the courts claimed the Chout or fourth of the amount of all fuits for their perquifite; and the credibility of one Muffulman opposed to two Hindoos \* might fuit Mahomedan conquerors; but the continuance of fuch diftinction between subjects is neither consiftent with policy nor justice; and yet the jury of Musfulmen and Hindoos+, as recommended by Mr. Law, appears not less inexpedient: because we know that the esfential rights of Calls would be perpetually violated unnecessarily, if persons, ignorant of the distinctions, formed what they thought a creditable lift of jurors, merely to assume the form of British juries. Parliament is pledged to respect usage and opinions, but not to perpetuate the abuses of usurpers.

<sup>\*</sup> Sketch of late Arrangements, Introd. p. xviii.

<sup>†</sup> Ibid. p. xxi.



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## CHAP. X.

Alienations of Revenue connected with political Error.

I CONCLUDED the analysis of the Provincial Establishments of Mahamedan Conquerors in the countries constituting British India, by an illustration of the expediency of native forms \* previous to the confirmed abule + of viceroyal affeliments by Zemindary jurisdictions in 1730, which ever fince has influenced the appropriation of the territorial revenue collected from the Reyuts. The extracts from Mr. Grant's analysis of the revenues of Bengal, and his political furvey of the Northern Circars, brought us to the knowledge of the amount of the fundamental alienations at the period of the acquisition of the Dewannee, and of the extent to which the peculation of native and European managers, or the ignorance or inattention of Parliament, had allowed the actual collections on the country to be

\* Page 231. 539) + Page 201.

diverted from the public treasury. remarks apply to the naturally intricate part of Indian finance to the Mofussil Zemindary \*, or ordinary establishment of internal government of the provinces, and are connected to the circumstances of the Bengal provinces in 1784. The Sudder, or extraordinary civil and military establishment incident to British government, has hitherto been more complicated and artificially intricate from a variety of circumstances, particularly from combinations of proprietors and directors to maintain the veil of a double government and elude the claims of the public; from combinations of the Company's fervants to elude the claims of the Company; from the combination of natives to elude both; and also from the preponderance of oratory in and out of Parliament, during the contests for power which connected the existence of the King's administration of the British empire with the selection of a plan to control the Company's administration in British India. The constant exertion of the patience of Parlia-540

\* Page 271.

ment during the investigation of past trainactions in India, at short intervals, brought forward the general statement of the Company's affairs: at the period of the coalition administration, they were stated, as far as the accounts were intelligible, with arithmetical truth by Mr. Fox, and yet Mr. Pitt's prophetical statement proved true; I have stated the amount of the reform in 1785 \*, which will fufficiently explain this paradox. The readiness with which Mr. Dundas promoted inquiry in Parliament was employed by fome Members in 1790 to explain particular opinions, and by others to complete the average account of receipts and disbursements in the Company's revenue and commercial management from 1785 to that period; they furnish the complete documents for the comparison of the three first years of Lord Cornwallis's financial management. The approaching expiration of the Company's charter, and the necessary investigation previous to the introduction of the bill, adopted by Parliament this year, occasioned

\* Page 390.

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a general public review of the accounts. for the purpose of calculating the amount of the net furplus by trade as well as revenue reasonably to be expected for the participation of the Company and the public, according to the provision of the former acts, during a farther period of twenty years. Mr. Ruffel, Solicitor to the Board of Control\*, as an East-India proprietor, " on authentic documents, and on his knowledge of the financial concerns of the Company," stated his opinion of the furplus: the East-India Company published also their opinion; and either account appears fufficiently accurate for the object of the investigation, which was obviously to afcertain whether the rule of appropriation established by the Legislature should be confirmed or varied.

It feems that Mr. Ruffel formed his statement on average, and the Company " had not been governed by the medium or average, either of receipts or actual disburse-

<sup>\*</sup> A fhort History of the East-India Company, first edit. 1793.

ments for any former period, but have given their reasons for departing from the one and the other; in confequence their receipts are not increased, though the new ceded countries of Tippoo Sultaun are brought into the account, while the probable disbursements are augmented: the refult of the whole is, that the probable net revenues of the Indian possessions, including the new cessions, are estimated by the Company only at £.1,621,050, from which £.561,923 per annum is to be deducted for the interest of the India debt. leaving a net surplus of f.1,059,127: to this fum they add £.350,000 a year for the produce of imports and certificates in India, making £.1,409,127, from which fum they take £.1,127,000 for an investment of Indian goods, and £.250,000 towards an investment of China goods, leaving a furplus in India of £.32,127 a year; with these aids they compute on such yearly fales as, with their annuity and profits on private trade, will produce a net furplus in England of £.1,207,114, after paying a dividend of 8 per cent. on the prefent capital stock of five millions, and the interest

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their bond debt, the expences of recruits and all other current charges ac home, and the establishment for St. Helena \*." Mr. Ruffel's furplus amounted to f.1,350,000, confequently his difference with the Company was only £.142,886, which appears a close approximation if compared with the opposite statements in 1782. It is not material to decide between arbitrary deductions from inaccurate documents, but it is material to render vouchers correct, that fyllogifins may not be wanted to make up for arithmetical inaccuracy. Government and Parliament will find their advantage in keeping off the veil from the arcana of Indian politics; the nation will Support what they understand, and if any part of the artificial management of former periods shall be allowed to revive, public opinion and the control of Parliament will be cluded by collusion of irresponsible proprietors with responsible ministers, and Parliament itself, which can withstand all open attacks, will be sapped to its very foundation.

\* Short Hiftory, p. 51:

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Parliament was informed in 1772 \* Your Committe have been obliged to make up the account to different periods, as the Company's Prefidencies do not obferve the same periods for forming the annual accounts transmitted home." "Your Committee also find several articles of expence which ought to be charged to the account of territorial acquifitions involved in the expences incident to the commerce of the Company, and to the general management of their affairs at home, &c. under the many difficulties in which this part of their inquiry is involved, the Committee can only state such materials as will enable the House to form a general judgement of the subject +." I am sure that the fame remark applies to the prefent period, and the powers of the prefent act are fully ample for control; and the interest of the Company and of the public combine in fimplifying the Company's accounts, and in defining the principles of

<sup>\*</sup> Third Report of Secret Committee, p. 59.

<sup>†</sup> Ibid. p. 72.

the double agency, because the profits of both form the common stock.

on the Mofussil Zemindary and on the defination of Zemindars in the preceding chapters, will point out a clear distinction between the Mosussil and Sudder charges\*. The Company's military audit is already sufficiently correct for all purposes of control; but the civil audit requires extended and defined powers to connect the services, and by a general review to correct errors, demonstrably of European origin, reducible to control by restoring to Asiatic accounts of the territorial revenues and civil disbursements their former simplicity.

I have flated that a Corn Rent, or a division of crops, had been the rule of tribute from the earliest periods, and that the Charter of Rights granted by Akhar to the natives of British India had been inviolate subsequent to the usurpation of Jaffier Khan, and until the British conque-

<sup>\*</sup> Page 270.

either of Mogul or of British government. It was hardly to be expected that Mahomed Ali Khan should impose on himself all the control of the pure system of Akhar if the Company chose to stand forth Dewans and not Soubah, when they allowed the territorial revenues to be received in their behalf.

The alienations in the Bengal provinces\*, and in the northern Circars+, at the acquisition of the Dewannee, and since the year 1765, could not have escaped detection if the register office, under the name of Canongoe in Bengal, and of Despandeah in the Decan, had been restored to the exercise of its duties described on Mr. Grant's information ‡. Without an argument, its distuse is evident, by reference to the records of Parliament for the desinition of the "Canongoe office §."

<sup>\*</sup> Page 267.

<sup>†</sup> Page 240.

<sup>‡</sup> Page 149.

<sup>§</sup> Sixth Report of the Committee of Secrecy, p. 314.

The nature and fervices of this office are fully explained in the proceedings of the Moor/hedabad Council of Revenue, 2d July, 1772; the Committee are of opinion that their utility is almost suppressed, from the change which has taken place in the revenue system; out of tenderness, however, to the ancient form of government, and deference to the grants which they hold for their office from the Court of Delhi, the Committee think the Head Canongoe may be continued, either receiving their prefent Ruffooms, or whatever may be confidered as an adequate penfion, but that all the dues allowted for the Support of their officers (inferior Canongoes) in the diffricts may be attached, and those officers enrolled among the monthly officers of each Cutcherry; thus the government will still reap the benefit of their knowledge and experience in carrying on the bufuefs, while a confiderable faving will be produced from the refumption of the dues they have hitherto received."

Note\*. "The office of Canongoe is of

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<sup>\*</sup> Sixth Report, Committee of Secrecy, p. 314.

Royal institution, of long standing, and, in many places, hereditary; it is frequently exercised by deputy, though the emoluments are enjoyed by the principal; in some districts it has been long abolished. The Canongoes have usually had the care of the Sudder and Mosussian records, and all papers attested by the Canongoe are received as authentic and decisive in all disputes relative to lands, their boundaries, or property of that nature."

It is farther observed in the reports \*, that "Canongoes, Registers of land, have no authority, but causes of land are often referred to their decision by the Nazim De-wan."

When I looked into the Ayeen Akberry for the description of the inserior Canon-goes of districts thrown off from the Head Canongoe, it appeared that, by the regulations of Akbar, Canongoes were paid by Government according to their rank, and Patwarrees were paid by the villages by a

<sup>\*</sup> Seventh Report of Committee of Scerecy, p. 347.

they are thus defined: "The Putwarry is employed on the part of the husbandman to keep an account of his receipts and disbursements, and no village is without one of these. The Canongoe is the protector of the husbandman, and there is one in every purgunnah\*."

If the Canongoes had little to do in 1772, we shall find, by the Bengal revenue confultations in 1789, that the Mocurrery plan did not include those officers †. "The Canongoes will have nothing to do when the village allotment takes place." "When the Mocurreys shall be confirmed the Canongoe office becomes useless; the old officers may receive their salaries for life, for as the rent of each village with its measurement are herein particularised, the old records are not necessary ‡." "Tehseeldars might employ the useless Canongoes in the

<sup>\*</sup> Ayeen Akberry, Vol. I. p. 358.

<sup>†</sup> Mr. Law has withheld his Appendix E relating to the Canongoe office, p. 223. Sketch of late Arrangements.

<sup>‡</sup> Ibid. page 170.

receipts "." In Bahar the Canongoe's Sepoordaneb, on the report of the Tehfeeldar, was ordered to be abolished as an imposition +. The confequent alteration of the Reyut's fituation is striking in every point of view; instead of his beritable Pottab registered by the Canongoe and guaranteed by the Sovereign, he is turned over to the Zemindar, his liege lord and proprietor of the foil. A village by the Mocurrery plan is defined to be " an average affellment of an extent of foil, which the proprietor must allot in the best mode for himself 1;" and it being generally allowed that the affeffment was unequal, and the measurement inaccurate §; Mr. Shore observes, " that irregularities in the affetiment are acknowledged to be of less importance to the state than the variable uncertainty of its amount is to the subject; it is, however, a defirable object in fixing the quit rent in perpetuity to render it in the first instance as equal as possible; whether, under all cir-

<sup>\*</sup> Sketch of late Arrangements, p. 170.

<sup>†</sup> Ibid. p. 147.

<sup>‡</sup> Ibid. p. 99.

<sup>§</sup> Ibid. p. 106.

cumstances, it would be adviseable to delay the plan with a view to this object is another, and ferious, confideration." The Prefident of the Board of Revenue \* stated that " Mr. Law observes, the Canongoe's measurement cannot be relied upon; he has inserted in the Pottab and Cabooleat the term more or less. In reverting to the copies of these instruments, accompanying the Collector's letter of the 24th of October, I could not find the term more or less." These observations lead to the explanation of the Collector's arbitrary rule of correcting the defects +: he " had only to diminish upon the highly cultivated, and confequently heavily affessed villages, and in some instances to increase a little the fumma of a few villages with an extensive tract of land which paid almost nothing." By freeing the Mocurrydars from the capricious claims of head Zemindars, " it were nearly impossible to over assess any villages t." In respect to boundaries, "ful-

<sup>\*</sup> Sketch of late Arrangements, p. 106.

<sup>†</sup> Ibid. p. 85.

<sup>‡</sup> Ibid. p. 106.

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ly aware of the confequences from litigated limits, I (Mr. Law) inferted the clause in the Pottab, or title deed, for the reciprocal fecurity of Government and landbolder "." 66 On reference to the Persian grant the word Tuckmenum is inserted, but, by some miftake, the copier of the English Postab transmitted to the Board has omitted its translate estimated more or less +." " Sooner or later the village holders will even mark their boundaries, which are fufficiently afcertained now, but they could not be relied upon for a report; first from their reluctance to incur trouble and expence; fecondly from fear of exposing themselves to higher rent, or from a wish to obtain a lower; thirdly to their liability to err, from ignorance or neglect. No report can exclude the revision of Adaulers when difputes arise; to attempt defining every limit would be to excite a spirit of dispute and encroachment instead of preventing it. The Collector's affiftant would be apt to mittake, and his menfuration could not be in

<sup>\*</sup> Sketch of late Arrangements, p. 109.

<sup>†</sup> Ibid. p. 107. 1553

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justice a bar to the Court's investigation upon an appeal, and therefore his trouble ab initio be nugatory \*." This important word "Tuckmenum" will leave every grant, or Pottab where boundaries are ascertained, open to the decision of the Adaulet; and where boundaries are not ascertained and increased, cultivation shall make it worth dispute: "the courts of justice will decide, in what manner is immaterial to the Government, whose quit rent cannot be endangered †."

Having thus settled the affessment, if the land proprietor resuse the quit rentallotment, he will receive permanent compensation ‡ of one tenth; if he accepts, he must make good his payments, or the lands must be sold privately § by the Zemindar, or publicly by the Collector, subject to the specified tax ||. "A purchaser's resusal of the quit rent cannot be admitted, else the applica-

<sup>\*</sup> Sketch of late Arrangements, p. 111.

<sup>†</sup> Ibid. p. 110.

<sup>‡</sup> Ibid. p. 42.

<sup>§</sup> Ibid. 121.

<sup>|</sup> Ibid. p. 85.

tions for deductions on various pleas would be endlers: thould an earthquake happen, overflowing rivers deposit fand, or mistaken affeffment render the village inadequate to bear the land tax, the proprietors should be at liberty to refign the estate, (the quit rent being the condition of his tenure) and the Board of Revenue may afterwards grant it to another \*." The Revuts can eafily move from one Mocurreydar's estate to another; " thus oppression will be prevented +." "The Adaulets will prevent oppression, and as rack-renting can only drive the Reyuts to a neighbouring Mocurrery, they will return immediately upon a change of proprietor I." It appears that so much of the old custom of corn rent had prevailed during the Company's farming fystem, that the Rejut had the option of delivering rice in kind \$; if he cultivated valuable articles, cotton, fugar cane, oplum, &cc. he was liable to pay those crops in coin; the exactions of the Zemindars had leffened the

<sup>\*</sup> Sketch of late Arrangements, p. 95.

<sup>†</sup> Ibid. p. 60.

<sup>1</sup> Ibid. p. 96.

<sup>§</sup> Ibid. p. 60.

cultivation of those articles; if the Zemin dar or farmer demanded during the farming system more than his proportion of the crop of rice; "the Reyut refused to cut it down, and steals enough at night for subsistence, leaving the remainder to rot on the ground \*"but by the Mocurrery plan, the heritable Pottah is of no avail, the Reyut must submit to exaction or run away.

I am unable to state the charge of this system. It appears that a Tehfildar, a native officer must be appointed to collect in each Purgumah † at an allowance of 2½ per cent. and "as the country becomes flourishing, offices under government will be sollicited more for honor than the salary ‡" when Zemindars are deprived of "the management of their own lands, they are, agreeable to the constitution of the Soubah, to receive permanent allowance of 10 per cent. Malconnah on the net Jumma of the Zemindary §. Mr. Law observes "that

<sup>\*</sup> Sketch of late Arrangements, page 60.

<sup>+</sup> Ibid. p. 92.

<sup>‡</sup> Ibid. p. 57.

<sup>§</sup> Ibid. p. 240.

every year, every month, every day, alters the cultivation in each village, in quality and quantity. The idea of a general appreciation by this means, incurred great expence, diffipated much ability, and defeated a Mocurrery plan under Mr. Hastings's administration" \*; and Mr. Law explains the necessity of deviating in some parts from Mr. Francis's plan for fixing the demands of Government upon the Zemindars, and of restoring the old feodal system. He could not admit Mr. Francis' calculation of a furplus of revenue which he stated in 1776 likely to abforb all the circulating specie of the country, because a different conclusion was established by Mr. Dundas's statement of disbursements +; he could not confirm all the Zemindary prerogatives, which would prevent Government from refuming criminal jurifdiction, or providing for unavoidable emergencies. "Much credit is certainly due to Mr. Francis for his fensible minutes, but he will no doubt acquiesce in the superiority of the present

<sup>\*</sup> Sketch of late Arrangements, p. 115.

<sup>†</sup> Ibid. Introduction, p. iii.

arrangements which have limited the demands on the land, which have abolished all feodal impositions, and lest taxation in the hands of Government. Mr. Hastings deeming the board not sufficiently informed for settling a land tax on perpetuity, recommended deputation of investigators; and thus Mr. Francis's plan was postponed." \*\*

It is not my wish to investigate the private opinions of public men; it is, however, proper to class public men as they please to class themselves; measures are then easily distinguished from professions, and judgement becomes founded on experience, instead of blind considence.

Mr. Francis stated to the public his plan of settlement; he also stated to parliament his opinion of the managers of the landed revenue; he told the House, that Mr. Shore's opinion coincided with his own, and not with Mr. Hastings. Major Scott assured the House that Mr. Hastings and Mr. Shore

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<sup>\*</sup> Sketch of late Arrangements, Introduc. p, viii. 1 Original Minutes, 1776, Debrett, 1783.

entirely managed the revenues after Mr. Anderson had left Calcutta\*. Mr. Francis concurred with Mr. Shore in combating the report and statement of Mr. Grant; consequently the demonstration of the errors of Sir John Shore appear to be at the same time the demonstration of Mr. Francis's error, so far as relates to the definition of Zemindar and its consequences.

As to the nature and amount of tribute, all the managers, from Governor Holwell's time to the year 1785, had adopted either the farming or subsidiary principle of collecting revenue. Mr. Rouse informed parliament that Mr. Hastings and council entertained an opinion that Government had a right to the full produce of lands, allowing compensation to the Zemindars; his predecessions had done so before him. The districts of Burdwan and Kistegar had been let to farm, and measures had been taken to ascertain the gross produce of all the lands, yet no charge had been laid against the hu-

<sup>\*</sup> Parliament Debates, Vol. 39. page 116.

manity and integrity of Mr. Verelft, the Governor who authorifed it \*\* ".

As to the amount and rule of affeilment, there appears the fame uniform avowal of ignorance. Mr. Roule told parliament what is now the flandard rate of that affectment in Bengal, or whether there was any universal standard, he had never been able to learn, either from books or inquiry; but he understood that in the province of Bahar the known and established profit or claim of the Zemindar was one tenth only of the produce +". The fame opinion was published in 17901 by Mr. Rouse; and the Revenue Board in Bengal continued in 1789, a diligent inquiry after a regular known fiftem of revenue in Babar S. Mr. Law answers, "I know of none" -- " revolutions must have been frequent, fubverfive of all regular fystem of revenue."

When Muffulmans fubdued the country they found a Maharajah, inferior Rajahs,

<sup>\*</sup> Parliament Debates, Vol.39, page 125

<sup>+</sup> Ibid.

<sup>1</sup> Mr. Rouse's Differtation.

<sup>§</sup> Sketch of late Arrangements, page 127

and Reyuts; and to this day the Rajahs in the hills have continued tributary landholders:" \* and Mr. Law farther fays, he is " not acquainted with any fixed rules of taxation, the division of the crop excepted" " I understand that Mr. James Grant has written, with affiduous research and great ingenuity, an analysis, and I trust to be excused referring thereto for what has escaped my knowledge"; and this reference is the Delphic answer to four queries of the Board of Revenue +. The statement of these opinions is sufficient for an anonymous writer, who "Errare potest, litigiosus effe non vult." The reader will be able to purfue these curious investigations in the publications referred to. I have justified my own opinion, and have no occasion to p ress arther on the bad success of Sir John Shore's financial experiments on the landed revenue, fanctioned by the published opinions of Mr. Francis, of Mr. Rouse, the late Secretary to the Board of Control, by the fair support of the Directors and Board

<sup>\*</sup> Sketch of late Arrangements, page 127

<sup>+</sup> Ibid. pages 129 and 130



of Control, and by the weight of Lord Cornwallis's authority.

Having traced the fources of error in the management of Territorial Revenue, it may be necessary to advert to the errors which tend to perpetuate anarchy and peculation in the other branches of revenue.

If Coffim Ali could have limited the Company's trade to the import and export trade of its factories, as before 1757, the Mogul's Phirmaund, and the Company's charter, would have answered every commercial purpole of the Company; but the Company graining at usurpations of fovereignty, and the Company's fervants grafping at all the internal trade of the Company, the one let up the pretention of levying duties, and Foreign Companies followed their example as far as they could. Conquest having thrown the power into the hands of the English, the pretentions of the Company were functioned by Phirmaunds; but the fervants of the Company employed them by no other rule than their private interest, to frengthen monopolies,

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and established decided superiority in their adventures over foreign companies and private traders \*. The extention of privileges and exemptions granted to the fervants of the Company, could not be granted to foreign companies, without granting in fact, a participation of fovereignty; for the Company's fervants varied the internal duties, at the will of their agents or Banyans, and of their Factors, or Gomastabs, superseded the civil and criminal jurisdiction of the country. Parliament is posfessed of useful information on this period +. The violation of the rights and fources of the revenue of the fovereign is plainly stated by an able fervant of the Company 1. The Nabob Coffin Ali, finding it impossible to participate of the Mogul's revenues, threw open the trade of the country, but the country was not permitted to enjoy his largess, for he was deposed, and Meer Jaffeer was restored under the condition of implicit obedience to the Company's fervants. At length the abuse of unautho-

<sup>\*</sup> Fourth Report Committee of Secrecy.

<sup>+</sup> Reports of East India Select Committee, 1772.

<sup>‡</sup> Mr. Vansittart, 2d vol. page 99-104.

rifed taxation endangered the territorial revenues \*; and notwirhstanding the reports in Parliament, and Mr. Grant's representations, connect the principle and practice of uturpation with the decline of the Mogul's power, yet all the experiments of reform have hitherto rended only to prune abuses and leave deep-rooted error to invigorate by multiplied sprouts of corruption. I shall illustrate this observation by tracing, curlorily, the fystem of Government imposss or Sair ., under the Company's management previous to 1773. Nine Government Chokees were dependant on three principal Custom-houses; the Packetra at Moorhedabad, the Buxbunder at Houghley, and the Shawbunder at Dacca; and the Zemindary as well as the Nizamut Chokees had been extended proportionably to Aboabs under which they included all unauthorised and unconstitutional imposts. The Committee of circuit in 1772 I fettled the customs, by allowing Zenundars a compensation for

<sup>\*</sup> Fourth Report Com. of Secr. 1773-Ninth Report, 1782.

<sup>+</sup> Page 164.

<sup>‡</sup> Sixth Report of Committee of Secreey, 1773.

feveral Chokees they had established, to the amount of 9,77,727 Rupees annual abatement of territorial rent, and on a representation that export goods had risen beyond the prices fuited for the Company's profit in the European market, the Government duty was reduced to 21 per cent; the goods of the Company's fervants were allowed exemptions from duties and tolls; and foreign companies were confined to the privileges of the Phirmaund; they were allowed to declare the cargo; and individuals, under the Privilege of their flags, claimed fimilar favour. It is not furprizing that disputes multiplied, and the revenue diminished under this system.

It may be necessary to state that the establishment of a Board of Customs in 1773 consisted of one member of council and four senior covenanted servants. The Government Custom-houses at Moorsbedabad, Houghly, and Dacca, were continued; and one established at Patna, and another at Calcutta; which brought the Magus or Government Collection within the Company's boundaries: two other Custom-hou-

fes were established, one at Malda, to collect duties on goods exported to the Northern parts of Hindostan; and one at .... to collect on goods exported to the Westward. The Company's customs were under the custom master.

I think it may be plainly deduced from the examination of this period, that the Company endeavoured to reduce the importance of Government duties, and to throw them into the scale of *Phirmaund* privileges, combined with the interest of the Company's servants; and it became necessary for that purpose to consound inland duties, and the import and export duties.

It is certain that the Mogul's Phirmaund granted exemption only to articles of import and export by shipping to or from factories or privileged settlements; all articles, whether of manufacture or produce of the country, for exportation, were subject to the same charges which affected the natives. Mr. Vansittart and Mr. Hastings could not dissent from Cossim Ali on this definition;

the Company's accounts proved the Company's payment of inland duty on falt \*; but the Company's fervants voted that Phirmaunds gave exemptions from internal duties. Coffim Ali was deposed, and Mear Jaffeer by treaty + exempted the Company from all duties except the duty of 21 per cent. on falt, which strengthened the monopoly of the fervants of the Company, by fubjecting foreigners to the government duties from which they exempted their own concerns; and also from Zemindary duties, by indemnifying Zemindars by the government rents; and there was a degree of indulgence to foreigners actually annexed to the regulation. The French and Dutch had been the chief importers of falt; and by a subsequent investigation in 1776, the report of the Collector of Cultoms, and of the Canongoes, afcertained that the old duty on falt I had been 21 per cent. on

<sup>\*</sup> Vanjitiari, 2d vol. page 143.—151.—271.

<sup>†</sup> Fourth Select Report, p. 481, 1772. Company's printed Treatics, p. 114.

<sup>†</sup> This does not appear to have been the general tariff on all articles; the Collector of Patna reported in 1773, that the Hindoos used to pay 72 per cent. on Broad Cloth.

Musfulmen; 5 and 6 per cent. on Hindoos, and 4 per cent. on European importers. The foreign companies therefore continued to import to their factories subsequent to 1773, and paid 21 per cent. on exporting it from thence into the country. The Committee of Circuit and the Bengal Government anticipated the order of the act of parliament\*. The abuses and smuggling were laid open; the revenue on falt had funk under 5 lacks; and the refumption of the falt mabals, and the fale of falt by public auction, was fettled in 1772, for the purpose of bringing to the account of Government all the profits which the Company's fervants and their Banyans had received from the period of Meer Jaffeer's treaty; and the Directors confirmed the arrangements in 1775 and in 1776 +. The difficulty which then occurred feems imputable to the impossibility of annihilating competition, the natural corrective of extortion. Mr. Francis inveighed strongly against the monopoly of falt in 1775, for it then ope-

<sup>\*</sup> Bengal Letter, 7th February 1773.

<sup>†</sup> Ninth Select East India Report, 1783. Appendix No. 30.—No. 33.

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rated to annihilate its manufacture. The confumption of falt in Bengal was that year computed at 20 lacks, of which 15 lacks was imported from the coaft. Mr. Haftings proposed to strengthen the monapoly by a total prohibition of importation; and Mr. Francis admitted that if a prohibition was not iffued, the French, Danes, and Dutch, would absorb all the sale trade; but that fuch prohibition would not be acquiefced in. It was deemed expedient to check the import of falt, by an additional duty on country veffels of 20 rupees per 100 maunds of falt, which, with the old duty, made it amount to 30 rupees. European veffels were to remain on the old dury. An European on board, or an European certificate, however, eluded the regulation\* and a new experiment became necessal Mr. Haftings, 24th September, 1776, fuggested the different modes of better managing the fait mahals +; and in 1777 the plan was proposed to farm the mahale; to make no advances, but to include the duty in the rent, to be paid in coin, and to admit of no balances; confequently the fale

<sup>\*</sup> Ninch Report Sciect Committee, 1783.

<sup>+</sup> Appendix No. 88-No. 90.

and distribution of falt was to be at the risque of the farmer. Zemindars were to have the refusal of their districts; but it was obvious that the farmer must have great capital and mercantile connections, and must be found chiefly in other descriptions of men. The Zemindars would not engage on this plan; and an additional duty of 30 per cent. was added to foreign falt; and an offer was made by Government in 1780 to make advances to Zemindars if they would engage; but they still refused. The plan of Mr. Hastings, in September 1780\*, on the principle of the first monopoly of the President and Council, was adopted by the Board. His minute explains the causes of former failures, and heir remedy. All the falt of the proinces to be provided for the use of the Company, and fold for ready money, by agents superintending the manufacture in fix different districts, under a Comptroller and his establishment, with an allowance of a commission of 10½ per cent. besides their falaries, to be estimated on the "dif-

<sup>\*</sup> Ninth Select Report, 1783. Appendix, No. 91.

ference between the fum of all the antecedent expences of whatever kind; and
the produce of the fales, the duty included,
of all the falt brought to account of the
Company in the division, whether by manufacture or confication, to be distributed
in proportion of one fourth to the Comptroller, three fourths to the agent, of each
division respectively;" and to strengthen
the monopoly, a total prohibition was laid
on the importation of coast or foreign salt,
which took effect on 1st January, 1781,
and salt has ever since been a productive
fource of revenue.

The foreign companies appealed to their Phirmaunds, in which they could not find the right to control the Sovereign will, but had unqueltionable rights, if the Company's construction of a Phirmaund was allowed to be correct. The English merchants, who had put all regulation of duties to defiance, could not evade a general prohibition, joined in clamour against the monopoly, as oppressive to the country, and supported the pretentions of foreigners as the means of emancipating their trade.

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This period was also distinguished by the abolition of the old Board of Customs, established in 1773. A new code of revenue regulations was perfected in May 1781 by a new Board; Collectors were stationed at Calcutta, Moorsbedabad, Patna, and Dacca; Government customs were fixed at 30 ficca rupees per 100 maunds on beetle-nut and tobacco, and 2½ per cent. on all other goods; Company's customs at 4 per cent. on the Calcutta price of all foreign imports or goods from sea; 4 per cent. on the Aurung price of gross inland imports, or goods from Aurungs; 2 per cent. on goods from the Aurung, fuch as piece goods, raw filk, and cotton yarn. The book of rates to be iffued annually of the fixed prices of imports for the enfuing year; Rowanahs to pass for one year, and not to be detained for examination above one day; double duty on goods which had no Rowanah: covenanted fervants were also stationed at Nea Serai, Scrool, and Malda; vigilance was stimulated by a commission of 15 per cent. on their gross collection. It is not intended to trace all the changes of stations, but to trace general

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principles. At this period the first regulation \* was, that "no distinctions be made in favour of particular persons, or goods, or places:" we shall examine how far this fundamental rule applied to the Government duty and to the Company's duty. The first exemption of Government duty was in favour of the Company's investment; the disputes between the Board of Trade and the Collector of Customs were settled by an order of the Supreme Council that the goods of the Board of Trade should pass free of inland duty.

The Collectors find it difficult to collect the inland duties without additional Chokies; feveral are ordered in the Patna divifion, with an increased establishment, an affistant to the Collector, and fifty-nine native officers; in other divisions the Collectors spread officers where they thought necessary, and complaints of oppression or interference from all quarters crowd on the Commissioners. The interference of Collectors with the farmers of Bazars was set-

<sup>\*</sup> Regulations of the New Board, 1781.

tled, by appointing the farmer to collect the Government duty on rice at the Bazars, and to account for it to the Commissioners. The Collectors are ordered to call in all officers from unauthorised Chokies, which, the Collector on the confines of Burdwan informed the Commissioners, would in effect be the same as to give up the duties.

The profits of the Collectors were curtailed as much as possible without abandoning the fystem; the regulation of Rowanabs, or permits, still marked the necessity of diffinguilling the collection of Government duties from the collection of the Company's duties. The office of Deputy Custom Master was revived; the Commisfioners were allowed to appropriate 15 per cent. of these collections, including duty on the Company's investment, among their officers; but the Custom Master was made independent of the Commissioners in adjusting amounts, and in iffaing his Rowanabs; this operated as a double charge on the traders; and the Government dues were eluded in both.

The import duty of raw materials for cordage was 4 per cent.; it was stated to the Board that cordage manufactured became subject to a duty of 9 per cent. besides the fees, and foreigners only paid 61 per cent.; the Board ordered that only one duty should be required: Surat cotton was under the same predicament, but could not be included in the fame rule without ruining the collection, and these goods were either fmuggled into Calcutta or carried into foreign factories, from whence they were exported without duty: this occasioned new arrangements in 1782; two new Cuftom-house flations were established at Houghly Point and Keeble Canal to intercept goods and collect the duty; and the Custom-houses at Scrool and Malda were discontinued, and the Government customs to the northern and western parts of Hindostan were thereby abandoned. A new participation of the commission on the col lection was ordered at the fame time; the first commissioner, as President, was allowed five shares, and four to each Commissioner, and two shares to the Secretary and Accomptant; the whole commission was thus

divided in fifteen thares. The Directors. in January, 1782, dilapproved of the arrangement, and recommended a general revision. In April, 1785, they ordered the Board of Customs to be abolished, and the allowances of Collectors to be reduced to the standard of 1776, and the Government customs to be managed, and the expences defrayed, from the allowance to which the revenue department was then limited. The foreign companies afferted their privilege of Phirmaund, and exemption from the Company's cultoms. The refined Britifh statesman who settled the treaty of Verfailles introduced a new description of sabjects to the British empire; that treaty guaranteed the freedom of trade to the French in British India, and Mr. Macpherfon endeavoured by negociation to render the thirteenth article intelligible and practicable: the prohibition of importing coast falt was maintained by conceding a partial exemption to the foreign fettlements of a limited quantity of falt. The other privileges of Phirmaunds were infifted on as very important, and it was proposed to reduce even these claims to a definite and conve-576)

nient extent; the honourable Charles Cathcart was entrusted by the Governor General, and his able negociation with M. de Souillac, the French Governor General, brought this important explanation to a crifis. The Directors had formed a treaty with the Directors of the French East-India Company in 1785, which the Comptroller General of Finances rejected; the agreement of Mr. Macpherson relative to salt was also disallowed by the French Government in India; and another plan which the foreign merchants folicited, met with favour from the Governor General; but it occasioned much clamour at Calcutta, and was not confirmed by the Directors and Board of Control. The foreign merchants were willing to carry on their trade from Calcutta instead of their factories, provided they were allowed to pay the same duties which they paid in their fettlements; and the whole argument which supported the clamour of the English merchants confisted in stating, that they should still be liable to pay to the Company's duty, from which the foreign merchant would continue to be exempt, and they prevailed in perpetuating

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the hopes of future evafions under foreign privileges, but Government was aware of the former evalions which the Company complained of, and adopted the expedient of discontinuing the inland Government duty on foreigners, and left them to make the most of their Phirmaunds. The convention fettled provisionally by M. de Souillac and Colonel Catheart was reduced into a definite explanation of the treaty of Verfailles by Lord Auckland, then plenipotentiary at Paris, and French subjects were to be as British subjects in commercial concerns: this explains the curious diffinction above mentioned \* in the introduction. French fubjects are as British subjects, other Europeans are not as British fubjects to British India." It is a necessary and important object of the Directors and Board of Control to revise this subject; the powers of the prefent act are competent, and the definition of privileges must be rendered uniform and just. "

I should not have dwelt so much on the

<sup>\*</sup> Page axix, and Plans for British India, p. 412.

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progress of the Company's collections if the attention of Parliament, and indeed of the Board of Control, had been fufficiently directed to the Company's policy. An erroneous definition of persons and things is still insisted on; the statement of securities to the proprietors of India stock, on territory and customs in British India, might have passed without observation so long as the enumeration rested on the opinion of an anonymous proprietor of India stock; but as it forms an important addition to the fecurity which Mr. Ruffel\* states to belong to the Company, and its amount corresponds to the sum stated by Mr. Dundas in opening the new India bill this year, it becomes necessary to shew that the Company's customs are the Government customs, and that the attempts to elude the rights of the state have hitherto been equally ruinous to the interests of the Company and to the rights of the public. and if permitted to continue, will superfede the benefits of the present act.

<sup>\*</sup> Short History, p. 36.

The Committee of Circuit in 1772 redeemed Zemindary Chokies by abatement of 9,77727 rupees of territorial rent, and the Governor and Council reduced the cuftoms of Government to 21 per cent.; the average medium of fix years Government customs subsequent to that period produced only 7,29433 rupees \*. The balances and remissions in landed revenue on record for the five years fettlement amounted to 100,00,000 rupees, or 100 lacks +. The economical plan of 1781 increased the charges of collection, and " in the year 1783 the charges of collection were double what they were in 1766, and the net revenue from the territorial acquifition in Bengal was one million sterling less than it was the first year after the accession to the Dewannee 1." This statement corresponds with Mr. Grant's calculation on the revenues of Bengal, detailed under different periods of the first nineteen years of the Company's Dewannee, and proving that

1 Ibid.

<sup>\*</sup> Bengal Revenue Confultations, 23d April, 1781.
† Directors' Letter to Bengal Government, 12th
April, 1786.

the progressive decline of revenue and increase of charges during that period "afforded sufficient data to predict with moral certainty, if the system was continued for forty-five years longer, it would gradually absorb and alienate all the known sources of public income and improved territorial funds of 80,797 square miles."

Whenever official documents shall aftertain the comparative expence of the collections during the first year of Lord Cornwallis's government, 1787, and of the present year, 1793, the allowances of the new native collectors, and the pentions to dispossessed Zemindars, and the Government duty given up, must all be taken into the account; one plain conclusion may be predicted, the charges will have increased, and the system will still require amendment; the remedy has been constantly within the reach both of the Directors and of the Board of Control; the Government customs should have been established and the Company's customs abolished, for the regulations of Government customs will include all descriptions of



traders; and the Company's customs necessarily require different heads of receipts and different titles, and perpetuate the ruinous evasions of control.

## CHAP. XI.

THE circumstances of British India require the constant superintendance of a just and provident government.

I have dwelt fufficiently on the errors of a modification of Mr. Francis's plan of fettlement in Sir John Shore's hands; and Mr. Francis's furplus has been shewn to be inadequate to the exigences of current disbursements. I am equally inclined to check the extravagant expectation of inexhaustible surplus from oppression and rapine, and must state the necessity of investigating the circumstances of the country, to avert the calamities arising from physical causes.

The embankments of rivers, the collecting water in tanks or refervoirs during the rainy feafon, for the purpose of giving fertility to districts which have no tivers, or from situation are more exposed to great drought, are included in the general superintendance of the Board of Control and Directors by the act of 1793. The charges of repairing embankments are included under the head of Poolbundy in Bengal: in the Carnatic the repair of Tanks is provided by a tax, and the Circars, from the neglect of its conquerors, continues exposed to the desolution of anarchy and of improvidence.

Lord Clive well knew that the Euphrates, under enlightened conquerors, might have preferved to this day, by regular and moderate charges, the fertility of its banks, which, from financial more than from physical causes, will probably never be restored to that once happy country; he considered it of great political and physical importance, and this head of expenditure was one of the jobs imputed to Lord Clive; his mind proportioned expences to the magni-

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tude of objects; he repeatedly told the Directors and Parliament that a liberal allowance would become an intolerable charge without a rigorous control of expenditure; where taxes had been collected by Mahomedan conquerors for tanks and embankments, they have not been discontinued by British conquerors, but the application of the money collected has been unfyitematic, and it will require a ferious investigation of the commissioners under the prefent act, not only to enfure the expenditure of the money, but also its judicious application on the report of experienced engineers, who may combine European science to Indian experience, and render the works both permanent and adequate to the object. The divitions of departments, introduced in 1785, are fill continued in the System of British India; Sir John Macpherson at that time proposed to let the Zemindars manage the repairs charged in the Bengul accounts under the head Poolbundy, which the Directors approved, subject to the superintendance of the Supreme Government. I am not able to state how these charges are connected with the Moccurrery

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plan by Sir John Shore; the Zemindars have no power to affels the districts. All the charges incident on land are thrown on the land, and " fhould any earthquake happen, overflowing rivers deposit fand, or mistaken affeffment render the village inadequate to bear the land tax, the proprietor should be at liberty to refign the estate, (the quit rent being the condition of his tenure) and the Board of Revenue may afterwards grant if to another "." And where new aqueducts and mounds are to be made; the Supreme Board, as Parliaments in England, confulting general utility, will grant particular licences +. I need not comment on the justice and policy of this opinion: I shall proceed to state circumstances which prove the extent and the necessity of a liberal expenditure, and stimulate the superintendance of the Commissioners under the present act to this fubject, which preffes on the humanity, and is in fact intimately connected with the interest, of Great Britain.

<sup>\*</sup> Sketch of late Arrangements, p. 95.

<sup>†</sup> Ibid. p. 119.

Lord Cornwallis, having traversed the Carnatic and the Myfore with a victorious army, will judge whether the regulations of Tippoo produced greater prosperity where they extended, than the Company's fyftem of affignments has produced in the Carnatic: Lord Cornwallis's honourable adherence to the Corga Rajah, on the final partition fettlement, and his decided fupport of the Rajab of Travancore, put him above the reach of detraction, and render him the faviour of the Hindoos in the peninfula of India; during his administration he has had opportunity to know that storms and droughts require the vigilance of a protecting government, both in Bengal and in the Carnatic, to preserve the people, who, by the right of the fword, are properly called our subjects in British India.

I was favoured by Dr. Anderson with his last publication\*, and the following passage in his letter to Colonel Kyd is an existing evidence of the necessity of a protecting Government.

<sup>\*</sup> Additional Letters, Madras, 1793.



Dear Sir,

I am favoured with your letter of 26th May, acknowledging the receipt of the publications I fent you, from which you have extracted what regards the fall of rain, in such a way, as to draw a conclusion that agrees with experience; for between the latitude of 16 and 18 degrees on the Coast there was so little rain fell during the years 1764, 1765, and 1766, that the country was desolated by famine.

The same thing has now happened again in the same part of the country, insomuch that, I am credibly informed, one half of the inhabitants are no more! and the remainder so feeble and weak, that, on the report of rice coming from the Malabar Coast, by order of the Governor General, 5,000 poor people lest Raiamundry, and very sew reached the sea side, although the distance is only fifty miles; the pestilence occasioned by famine is better prevented than cured.

I will leave it to others to declare the

causes of the uncertain fall of rain at the mouths of great rivers, for Egypt is remarkable for drought, and the Goadaveri spreads out into a Delta at Rajamundry in the same manner as the Nile, so that its mouths occupy fifty miles of the sea coast; and the Kistna likewise falls into the sea in the same manner about fifty miles south of the Goadaveri, and their waters are united on the intermediate slat country in the months of July and August when they overslow their banks.

It is curious that these two great rivers should proceed in opposite directions to join their waters in a country where, perhaps from the causes you have mentioned, of the participation of different monsoons, the fall of rain is most irregular and uncertain; one thing, however, is most certain, that the bulk of mankind reap little benefit from speculative observations, otherwise the waters of these rivers would long ere this time have been converted to the purposes of agriculture. I have heard say, for I was never at the place, that near Temericotta the Kistna is precipitated from rocks seventy

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feet, which is a fufficient height to carry its waters over the Palnaud and Guntoor countries, and streams from the Goadaveri might no doubt be carried over the Muftaphanagur, Ellore, and Rajamundry Circars, as even in the first week of June, when its waters are at the lowest, the channel in its bed is never less than a quarter of a mile in width and three feet in depth of running water \*. Dr. Anderson's letter is dated in August 1792. Dr. Roxburgh's letter, the October 1792, and Captain George Baker's, November 1792, had been laid before Sir Charles Oakeley, the Governor of Madras, by Mr. Andrew Ross, who immediately represented the whole to the Marquis Cornwallis, and obtained his warmest affurances of co-operating and affifting the benevolent intentions of the Madras Government.

I do not pass over Lord Cornwallis's humanity in this instance coldly, to make remarks, which some may think unneces-

<sup>\*</sup> Some additional Letters by James Anderson, M. D. and A. M., &c. Madras, 1793.

fary, and others may attribute to a dispofition to detract from his merit; his honour and private virtue have never been doubted; those who have seen him in difficulty, in victory, and at periods which appealed to his heart, may felect the very many moments of his life to evidence his elevated mind: when Tippoo's hostage fons experienced by Lord Cornwallis's reception that the exultation of victory and conquest had not stifled the feelings of a father, the eyes and hearts of India paid tribute to the excellence of British character, and revered him: an obligation is not conferred on Lord Cornwallis by flattery, but by pointing out the means to render his objects practicable. The circumstances connected with the Carnatic evidence the necessity not only of humane intention, but of mature reflection and investigation, fixed rule, and steady control, to digest the plan, on principles and by forms, if possible, equally applicable to every part of British India.

Captain Beatson informs us \*, that the

<sup>\*</sup> Mr. Dalrymple's Memoir on Watering the Circurs, p. 12, 1793.

Company's Jageer owes its fertility to 1,480 Tanks, or refervoirs of water, some of considerable extent. Mr. Dalrymple, who had been one of the Committee of Circuit appointed by the Directors, informed us\*, that the Tanks were in a worse state in 1776 than in 1764, though the annual taxes collected for their repair was very considerable; the renters, it is said, have usually appropriated to themselves the share of the produce collected for this purpose, and the temporary and partial repairs the Tanks have received were ineffectual, and generally done at the extraordinary expence of the inhabitants.

Dr. Anderson's letter, and the meritorious intentions of the Governor General, and of the Governor of Madras, are more likely to be directed to their object, from the comment of Mr. Dalrymple, printed last month +, than from the zealous and well-intentioned exertions of gentlemen in

<sup>\*</sup> Short Account of the Gentoo Mode of collecting Revenue, London, 1783, p. 11.

<sup>†</sup> Memoir on Watering the Circurs, June, 1793.

hydraulic improvements, who were without such instruments as a level: his interesting observations suggest, that previous inveffigation is necessary to decide on the propriety and utility of turning the course of the Kisma. The levels of the whole adjacent country, and the nature of the foil, can alone decide whether the new course of this vast body of water would take the proper direction, and whether the fuperabundance of water may not destroy the dry grain, without even promoting the culture of rice; but above all, whether it would not ruin the country to the westward of Masulitatam, and whether the Goadaveri may not better fuit the purpose than the Kistna. We must admit the neceility and importance of these works, when we read Dr. Anderfon's letter; but in the peninfula of India, we must also remember, that the prosperity of the country depends much on its rivers. To the Nabob of Arcot and the Rajah of Tanjore a mound has been the frequent source of ferious contest \*. The Coleroon, properly

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<sup>\*</sup> Memoir on Watering the Gircars, p. 12.

speaking, is only the waste of the Cavery, the water of which, being raised by a dam, or mound, run out from the west end of the island Swingham, is forced in various channels through the Tanjere country; but to prevent any inundation, the Annacatt at the east end of the island of Svringbam is raifed to fuch a height, that whenever the water in the Cavery is fufficiently high for the purposes of cultivation in the Tanjore country, the fuperfluous water flows over the Annacati into the Coleroon, and then runs wafte to the fea. This fufficiently explains the nature and objects of the works necessary to avert famine, and also demonstrates that it must be the work of the Government; confequently, that, exclusive of military considerations, economical purposes require unity of plan, and equitable distribution of the waters, fo far as they can diffuse prosperity over the lands between the Ghauts and the fea.

Dr. Roxburgh, at Samul Cotah, on 21st January, 1793, informs Mr. Ross at Madras\*, that " it is too far advanced in the

<sup>\*</sup> Memoir on Watering the Gircurs, p. 20.

feafon to begin any grand work, fuch as a dam across the Kistna, but the sooner Tanks on a fmall scale are begun, the fooner will the remaining part of the poor be enabled to live. The Rice given away in charity, and under that name, fince the famine began, would have constructed feveral large Tanks, and done infinitely more good; for then the poor would have found work and food at or near their houses, whereas, as it was, they were obliged to leave the inland parts, and try to cravel to the few places on the Coast where rice was to be had, and very few ever returned." And he concludes with another observation; " should the succeeding seasons be as favourable for the crops as there is a right to expect, what is to be done with the overplus produce? for there are not inhabitants left sufficient to eat half a good crop: it cannot be exported on account of the exorbitant inland duties, for only between the bills and the fea near this, they come to about 30 per cent. on grain," although the distance is only twenty miles. Mr. Dalrymple states, that abundance of teek wood might come down the Goodaveri if the in-

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land duties did not amount to 375 per cent., according (as it is faid) to a statement of the Committee of Circuit; and he truly observes, that it would be of infinite benefit to abolish inland duties equitably to the renter, but it does not follow that the national objects which Mr. Grant connects with this supply of timber should become private or public monopoly: their combined remarks prove that Government cannot longer avoid a direct and minute attention to the circumstances of the country and of its inhabitants \*.

Under different circumstances of Government, in Bengal, in the Circars, and in the Carnatic, different arts of management and subserviency have opened to Mahomedan and Hindoo officers a participation in the rents of the country, but the Reyuts, or Pottah holders, on all sides appear consigned to oppression. In the Carnatic every religious and social counteraction of the natives having proved inadequate to afford the Reyut protection, no matter whether

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<sup>\*</sup> Memoir on Watering the Circars, p. 30.

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from British neglect, ignorance, or avarice, or from Zemindary extortion and oppression. Mooda Kifina informs us, " that in many villages of the Carnatic the inhabitants have made agreements of restriction between themselves to fave the wreck of their property, and not fell their lands to any, even in time of their extremity, but to cultivate fuch part of their respective share as their ability may afford, and to let the remaining part stand still, and be used by the Reyuts and other inhabitants, until the owner of that share can find means to cultivate it. The villages under the above restriction are called Pashungare, by which is understood, that no lands of inheritance can be fold there by an individual inheritor; whereas inot her villages, which are called Ardevcara, shares of land may be fold and bought according to the ufual courfe \*."

From Mr. Dalrymple I first learnt that the Jageer territory had been accurately surveyed by Mr. Barnard; and the perusal

<sup>\*</sup> Postseript to Mr. Dalrymple's Account, 1785, p. 7-

of one page, in which he states the minute accuracy of the furvey \*, and of a table to arrange the detail of the information connected with the furvey, which, if they had come to England, would be a fufficient anfwer to the financial theorifts for Bengal, who reckon accurate meafurement and equal affessiment impracticable. I shall therefore only add one farther observation of praile, which is ever due to Mr. Dalrymple's punctilious adherence to correct information. Having observed the Gentoos work together, and fubmit their accounts to the village accomptant, &c. he had concluded the community jointly cultivated and shared the produce, which opinion Mr. Dalrymple published in 1783+: he received other information in 1785, which he immediately published 1. Moodo Kifina, the Company's Dubalb at Madras, wrote, " that every Reyut cultivated his distinct share of land, and received the due share of the produce;" and, he adds, "Mr. Bar-

<sup>\*</sup> Postscript to Mr. Dalrymple's Account, p. 6.

t A fhort Account of the Gentin Mode of Collecting Revenues on the Coast of Germanael, 1783.

<sup>†</sup> Postscript to Mr. Dalrympie's Account, &c. 1785.

nard's account of the furvey must certainly give a full explanation of all the particulars regarding the nature of the inheritance, &c. in the country, which may be found in the Company's office." "To collect the produce in kind is the best mode that can be thought of, but it must be attended with fome pains and trouble; it requires patience on the part of Government to convert or to receive them all in money, whereas, if the country is let to Renters, an immediate payment in cash may be expected from them; but this will of course produce an oppressive management of the Renters over the Reyuts, who will thereby be impoverished in the highest degree; in the present \* fituation of the Company's affairs, they can neither have patience to wait to receive the produce in its kind, or to be converted afterwards into money; nor can they place confidence in those managers who may be employed in the room of the renters to do fo; fo

<sup>\*</sup> August 10, 1784, is the date of Moodo Kisna's letter from Madras.

that the country must submit to the present

Such also must be the situation of British India, until a general system shall be defined by a fixed code; property ascertained by actual measurement and registry; and contribution of a fixed proportion of actual produce, ascertained by annual valuation, or by the average medium of several years valuation on a ten years settlement: then both Government and subjects, by bare inspection of the records, may see and distinguish the rights of individuals and of the state.

## CHAP. XII.

On the political Necessity of a Plan for British India.

IT had been often faid, when thall we affix bounds to the conquests in India? If we had exceeded the geographical limits of

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military defence, or the scale of dominion effential to preserve the sources of revenue and commerce, by which the naval interests of Great Britain are maintained against European competition, tending to annihilate both its fovereignty and commerce in India, I should not be an advocate for extended dominion; but if natural barriers of mountains, rivers, branches of the fea, and deferts, give fecurity with diminution of expence, it must be from the inhabitants within fuch natural boundaries, being either fubjects or allies, penfioned by, or penfioning, the protecting power, or they will be most formidable enemies in war, by their free access to the heart of the country, or in peace, by rendering a war establishment necessary. If we have had no fixed rule of conduct with our subjects in Bengal and in the Carnatic, it will not appear extraordinary that no fixed policy has guided our influence over the fovereigns whom we have created, protected, or conquered, to become the allies of Great Britain: or that the exercise of our in-Avence has often been as ruinous to the country as the ravages of a state of war-

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fare. It is not necessary to illustrate the remark by the instances of base iniquity imputed to Governors, of which the moment of investigation, restitution, or punishment is irretrievably past, and therefore, for the credit of Great Britain, ought for ever to be kept under a cloud, but for the future safety to the honour of Great Britain ought never to be out of the memory of the executive and legislative Government.

It does not require extraordinary penetration to distinguish the circumstances in which the interests of British India and of its neighbours in India concur or differ; a permanent system can only ratife from strengthening a common interest. I shall illustrate the necessity of general principles founded on accurate information, by the transactions in the Carnatic during the administration of Lord Macartney, an honourable man, who, on the statement of his conduct, during a period of difficulty, has received recompence and approbation from the Company and the Ministers; and the legal opinions which assisted him are <u>#</u>



of late adduced \* as conclusive to questions of great political importance.

In the early period of the Nabob's elevation, by the protection of the Company, the Nabob of Arcot had the entire command of Arcot and its dependancies, with his own cavalry and feapoys, and an establishment of ten battalions, paid by the Company, for which he allowed about four lacks of rupees per annum. The Company fold to the Nabob cloathing, arms, &c.; his payments were stipulated to be monthly, and the revenues of Arcot were always mortgaged by anticipation for that purpose. The early wars of 1756 to 1763 against Hyder, began the Nabob's debt; the expedition against Tanjore and against Pondicherry in 1778 increased it in a degree, that his ill-paid army became rather an object of terror than of protection; mutinies were frequent, and the garrisons were difmantled. The Company and the King's Ministers took into consideration the rapid growth of the despair or ambi-

<sup>\*</sup> Short History, 2d edit. p. 72.

tion of the Nabob whom Great Britain had created, and of anarchy and devastration to which the necessities of our ally, and the demands of the Company's fervants, tended: at last, bounds being prescribed to his ambition, an agreement was concluded, in April, 1781, between the Nabob and the Governor General and Conneil, by which the whole country was fecured so the Company, under certain stipulations, during the war. The Directors ordered the agreement to be annulied. Lord Macariney took charge of the government in June, 1781; he did not approve part of the treaty of April, 1781; he stated, 2d July, and 15th August, 1781, that the Nabob's managers defeated the attainment of aid from his country. On the 2d of June, 1782, the Governor General and Council repeated forcible injunctions to realise every possible resource of the Carnatic. His Lordship obtained from the Nabob a new affigument of the revenues of the Carnatic, stated in the general letter, Fort St. George, 26th of January, 1782; the Sunnud made an absolute assignment of the revenues, restoring to the

Nabob one fixth of the net collections for his personal support.

In the Madras correspondence, 23d of May, 1783, that Government acknowledged to the Nabob, and to the Governor General and Council, that the late arrangements were founded on the Bengal treaty of 1781, and virtually constituted a part of it. The Bengal Government considered it as a modification of the 8th article of that treaty. The treaty of 1781 having been annulled by the Directors, the Nabob resisted the rigorous exaction of the second assignment, and the Governor General and Council rescinded it also, as being part of the sirst treaty.

The Nabob forms a third agreement; to give one third more in money, cattle, and provisions, than Lord Macartney had collected in an equal period in his country, and to procure Bankers' security for the payment; or, in failure of his engagements, he stipulated to leave the ultimate and absolute disposal of the country, and its management, to the Directors or Go-

vernor General; which the Government of Bengal approve. It is not difficult to imagine the irritable and ruinous uncertainty of such a mode of settling with the ally of Great Britain, had it been in times of prosound peace, but it happened in the period of samine and warfare, while the country was overrun by Hyder. The calculation of the depopulation of the Carnatic during that period was sent to me in 1783 by an eye witness of the miseries of that unfortunate country.

The number of inhabitants destroyed within the Jageer by Hyder's invasion - - 1781, 150,000 Died by fickness at Madras 1782, 20,000 Ditto, by famine at Madras, inhabitants of it - 1782, 10,000 Ditto, at Madras, inhabitants of the country, forced in by Hyder - 1782, 50,000 Died in removing northwards from Madras in consequence of the famine - 1782, 40,000

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Hyder feized and carried with him from the Garnatic, manufacturers and youths - - 1782, 20,000

Destroyed during the war in the different parts of the Carnatic - - 1782, 250,000

Total 540,000

It appeared so very extraordinary, that I could not have credited any country existing under such complicated missortune; from all quarters I heard of the merit of the gentlemen who acted on the part of the Company with Sir Charles Oakeley, the present Governor of Madras; but ability and humanity could only palliate sufferings; nothing can render the system of assignment and irregular exaction just or politic.

I had heard of that stupendous building, the public granary, at Tanjore, and I was led to inquire whether similar establishments in the Carnatic and the Circars, with other resources of internal good ma-

nagement, had operated during this period of public calamity, while Hyder was fubfifting on the country, and the fupply in the Company's store proved infufficient both for the people and the Government. Every confultation with commercial men preceded the final determination of Lord Macartney, by his proclamation, to feize all the rice for the use of Government, at a price low, comparatively with the prices given by individuals; this in a degree prolonged the scarcity by decreasing the import; the period was calamitous, and the means of the Madras Government were limited, consequently its positive engagements should have been proportioned exactly to its means; the credit of the Company, and of British India, could alone make up the deficiency with favour to the distresses of individuals, who risqued for the public, even in preference to the Company, when the individuals and the Company became competitors in the market.

The Circars and Bengal were the fources of supply; gentlemen in the Circars were induced to exert themselves by the promise

of being regularly paid at Mafulipatam; at first they were paid by bills on a Shroff, who paid them in Pagodas; the second cargo was paid by bills on the Chief and Council of Mafulipatam, which that Board promised to pay when the Zemindars sent in their cents, which was ruin to gentlemen who were paying 12 per cent. for Pagodas to purchase the rice they had sent on their faith in the Madras Government.

Other traders, who had fitted out veffels to import rice, were difgusted by receiving in payment bills on the treasury of Bengal; they had no alternative but to discount their Bengal bills at Madras, with the lofs of 25 per cent.: these cases can only be accounted for by the Government's want of intimate knowledge of the circumstances of the country. The fupply on which the Madras Government calculated, and to which their offers were applied, proved infinitely greater than they could make good; but, its monopoly of the market after the necessity was past, can be considered only as a facrifice of political justice to commercial interests; the chief depen-

dance of the Madras Government was in fuccour from Bengal, and, by the exertions of Mr. Hastings and the Supreme Council, an aftonishing supply of grain was fent to Madras. In August, 1783, when the dread of famine was over, and the rice market had been opened, without restriction, an order of Government prohibited the difpofal of private rice, until the fuperfluity of the public granary was fold, at the Company's price, which, though not high, diffressed the poor people very much, by being twice as dear as the coarfer rice, which was to be had in the markets and in the Madras road; the merchants, without demurrage, were delayed in the fales of their cargoes, and as foon as peace was proclaimed they fent their ships of rice and flour to the French at Cuddalore.

These errors of judgement were of temporary effect; but the system of assignment appeared too likely to become the permanent plan of rendering influence productive, and accordingly we have seen, since that period, assignments necessary to realise our deliberate liquidations of the Nabob's

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debts, and of our demands on him for state exigences and for protection. The Nabob proportioned his exactions on his dependents to the demands of his allies, and British armies have been fince, at times, employed to collect the Nabob's rents and tributes; and neither the British Government at home, nor its Government in the Carnatic, can tell whether the demands were just; and how should they be competent judges, when they are encouraged to believe that, in the history of Indian finance, no standard of taxation occurs but the will of the defpot? To complete the picture, the Nabob had been, during this period, and, I believe, is at this time, a fuitor in the Court of Chancery, appealing by legal process to the equity of the High Courts of Westminster to bring the Company to a statement and settlement of their account current with him; this cannot be made the rule of future practice; its necessity must be superseded, for the practice under any modification cannot be decent; it arose from European management, fometimes to control the Company, fornetimes to blind the people of England

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to their rights and interest, and to turn public opinion in favour of servants eluding the Company's control, and even in favour of the Company eluding the rights of the Crown. The eyes of the public have at times been opened by particular acts of rapine and abuse of power, which have been exaggerated or softened by the political regulator of European politics or of British party.

The fighs of oppressed Reyuts scarcely have access to the Collector's ear, but the Nabob found direct access to the King's Ministers, which fortunately attached refponfibility more immediately upon them; Parliament, by the present act, has completed their responsibility by defining the objects and extent of the Minister's control; heretofore the fluctuation of system, and the periodical changes of opinion, diverted the confidence of allies from the oftenfible Ministers to private agents, and if Parliament had not attached to the King's Ministers the degree of confidence and power which made it their interest to account frequently to Parliament, and to explain the rule of connection to which the King of Great Britain shall be advised, so often as the occasion shall arise, the intrigues of deluded Indian Princes and their treasury would have been brought into action through the proprietors of India stock; the politics of India would have been regulated by party home-politics, and the interests of Great Britain have been managed by invisible Indian corruption: but so long as Parliament will enforce responsibility, and frequently examine the practical definition of its powers, India will remain an important and permanent resource to Great Britain.

## CHAP. XIII.

On the commercial Necessity of a general Plan for British India.

IT cannot be doubted that the real interests of the Company and of Great Britain depend on the judicious exercise and con-

trol of the powers of the East-India act: the Company cannot disprove that a system of waste and extravagance in the commercial department would confume all the profits of commerce; or that the territorial revenue, which gives the advantages of increased capital, may be perverted into a power of making both the juffice and pelice of the country subservient to the mismanagement of its commerce. I have explained \* the general powers of the Board of Control to check the abuse, and to direct the complicated interests of the Company and of the State: I shall state a few circumstances which induced me to infert the opinions of Sir James Steuart +, on the practical means of realizing the revenue and commerce without ruining the country. Mr. Ruffel informs us t, " It is pretty well known now with respect to the debts owing in India, that the greatest part is due to the natives, which accounts for no more of it having been drawn home

<sup>\*</sup> Introduction, page xlviii.

<sup>†</sup> Page 350.

<sup>1</sup> Short History, p. 50. 2d edit.

upon the transfer plan. It is evidently wife and politic to leave a confiderable debt among the natives at an annual interest:" if so, it becomes doubly important to guard the India debt, and to render it applicable to the relief of the country, and particularly to leffen the artificial fluctuation which the realization of the revenues in coin occasions. Advances for manufacture, and even for agriculture, are necesfarily in filver; and the Zemindar collecting grain from the Reyut, must sell the grain before he makes his payment: Shroffage feems inherent in the fystem, and its fluctuations have proved the fource of calamity to European as well as to native adventurers.

I perused the interesting letter \* by which Mr. Law superseded his observations on the necessity of emancipating the superabandance of Indian produce from exorbitant freight, and I hope to be excused for inserting, as a supplement to that letter, a paragraph in my possession, by the same

<sup>\*</sup> Sketch of late Arrangements, Introd. p. xxv.

author, from which, in addition to the parts which Mr. Law has published 1 had collected very fatisfactory information of the degree and influence of the fluctuation of the value of money in Bengal. "I do not observe to you that money is only the fign of wealth, or a measure whereby we compare the value of one commodity with another, confequently its value should be determinate, and not liable to fluctuation: how different is our fituation here! In the month of November last, money could not be lent at more than 8 per cent. per annum; in the month of May it was not to be borrowed for lefs than 2 per cent. per month, at short periods, or more than 24 per cent. pen annum; fo that its productive value rose upwards of 200 per cent. in a month, a fluctuation that would not be credited in any other country: What is the consequence of this? every commodity which money represents finks in the fame proportion; the merchant, the tradefman, the artificer, and the hufband-

<sup>\*</sup> Sketch of late Arrangements, Introduction, to follow the fifth line of page xxx.

man, are either ruined, or, if able to stand the thock, are taxed in all the amount of the increased value, to add to the overgrown fortunes of usurers and monied men, the drones of the country.

Government fuffers in the same proportion, and ever must, while the present system of finance exists; the remedy is obvious, and is of easy attainment; it cannot have escaped you that nothing more is neceffary than for Government to give circulation to its own paper iffues, by receiving back what it pays, this would at once add a sum to the circulation of the place equal to the whole amount of certificates isflued\*; to which I might also add the bonds, for both would become ready money, bearing interest, the best circulating medium perhaps in the world. But the subject of finance, however much interwoven with commerce, I must, for many reasons, avoid; I shall therefore briefly observe farther,

<sup>\*</sup> December, 1791, the year in which this letter was written, they amounted to rupees 2,40,90817:10:7.

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upon the baneful influence which high interest and quick changes in the value of money have on the trade of the country; that the late rife in the value of money, and depreciation of paper, withdrew from circulation, and of courfe from the capital of this country, a fum equal to all the Company's paper in iffue, which, whilft at par, was nearly equal to money as a facile medium of exchange, but when at a discount, as we have lately seen of 18 per cent., was a losing commodity, that the opulent locked up in their chefts to wait for a favourable change, and the merchant, contractor, or fervant, who had taken it from the Company as a money equivalent, pressed by their necessities, fold to the ulurer as fast as possible, at any loss, to avoid a still greater, who of course withdrew it from circulation until he could fell it to advantage."

A bank, it has been before observed, was established in 1786 \* at Calcutta; its capital did not exceed 22 lacks; its security

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and control not being defined by act of Parliament, became inadequate to its avowed purposes and to the aid of the industrious. The well-intended support of Lord Cornwallis to that institution was founded on an engagement of the bank to furnish a sum not exceeding 8 lacks, at 8 per cent., weekly or monthly. The bank notes obtained circulation in the public offices and in the remittances of the revenue, which enabled them to collect the circulating specie, and whether it was exported by Government, or fent up to the higher provinces by the bank to be coined for its emolument, is immaterial, the specie was withdrawn from the feat of Government, in a degree feriously to affect both the merchant and the manufacturers. Specie lent to the favoured was at the rate of 12 per cent. for four months, under saleable fecurities, renewable three times in the year; and the orders of the Board of Revenue on the Collectors paffing into circulation as the merchants remittances of their advances to the manufacturer, if ever they proved anticipations of revenue, unless realized by discount, they retarded the ad-

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vances, on the early payment of which the whole of the merchant's success and profits depended: these and other circumstances counteracted the real utility of the bank, and terminated in its total failure.

It will be the subject of serious consideration of Commissioners and Directors, under the present act, to ascertain in what degree a bank is necessary, and under what regulation it may promote the interest of the country and of Great Britain. I have stated sufficient to shew that neither the capital nor institution of the late bank was adequate to the object proposed by Sir James Steuart in 1772; the opinion of the public fince that period has been attracted by different statements, and the control of Government has been directed to connect systems absolutely irreconcileable, because they tend to favour different interests, and by different modifications to perpetuate defective principles. The present act has confirmed the exclusive trade of the Company in articles heretofore of close monopoly; leaving therefore to others their own opinion, I shall give the result of my private

inquiries, both as to the object and extent of the Company's authorised preference, and hazard an opinion as to the best arrangement under the present act to collect the investment and maintain legalized monopoly.

## Investment of Piece Goods.

In the first place, it is admitted univerfally, that without advances to the manufacturer no goods can be obtained; the money advanced to the weaver is in great part advanced by him to the spinner, who cannot obtain cotton without advancing to the farmer; what is retained by the different people is to enfure fubfistence by cropping their land, or by purchasing rice; thus the advance for manufucture, in fact, influences the general prosperity of the country: when they are not made in time, the weaver cannot affort his thread, which he would wish to do by letters for warp and woof; and private merchants, British or foreigners, wait the Company's advances, lest the Company should seize from the

looms whatever goods they found, whether they were begun on the Company's advances or not, therefore if they ventured to make advances, they strengthened themfelves on the privileges of foreign companies or on the privileges of English subjects; and these bickerings were often magnified by their transit to Europe into great national questions, or became subjects of declamation or of crimination. The various fystems of management by which the investment has been collected did not appear so defective in principle as in practice; too much depended on the individual ability and honesty of the Company's agent. In the end of 1786, I was introduced to Mr. Smith, a gentleman who had managed a district of weavers according to his own way, and the hasty minutes of a conversation on that subject, he obligingly put on paper at the time, were literally as follows:

"The advances are made in specie (nominal) of the district, in which there is always a loss; this might be rectified by establishing only one coin throughout the

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provinces. At the period of advancing, the weavers were affembled at the washing or head fastery of each division, and there paid their advance, having at the same time delivered to them a paper, called Handbill, as their account current, in which they were debited for the fum paid them, and which they acknowledged afterwards to the person keeping the English accounts, who checked off; they also at the same time acknowledged their balance of the former year, and if they had fuffered any grievances, then stated them. After this check they went home, and as they delivered their cloth, received a deposit receipt from the Gomastab of the division; when their cloth was valued at the washing factory, their account could be made up; frequently the cloths were returned, being too bad. Previous to the valuation of any cloth for the year, a meeting, by order, was held at the head factory of all the weavers, that is, each division sent two, three, or four, as they pleased, to reprefent them; they were generally two days adjusting the price of the cotton thread, endeavouring to obtain as large an allow-

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ance as they could, although they ought to have had the real and true price only; in this article they were always gainers confiderably. The price of the thread adjusted, the whole was completed, and the paper was drawn out stating particulars; thus the value of each piece was afcertained, the weight, length, breadth, and number of threads constituting that breadth were fet down, and the price of the cotton per Seer; to this was added the fixed price allowed for weaving each piece, and the true price of the best piece that could be made was fettled. The weavers then endeavour to impose: I have known one fixth, nay one fifth, of the number of threads deficient, confequently the piece must be inferior; for the valuation I employed brokers, at an allowance per piece, and they valued in the presence of all who chose to attend; some weavers were always present; they made a proportionate value of A, B, C, D, &c. thus they could do their business with ease and expeditiously. I am clear, if the Company adopted this mode throughout their whole provision of investment, that they would pro-

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cure in general better goods and cheaper, after allowing their agent commission of 3 per cent. in cost and charges, and 1 per cent. for loiles, as some must happen and balances acrue, the agent fwearing he will not act otherwise than for the advantage of the Company, to the best of his ability. I apprehend the difference between the Company advancing themselves through factors to the weavers on a 5 per cent. commiffion, payable at the end of each year, would be a gain of to per cent. to them, because contract includes charge, cost, and profit; providing through agents, produces a larger quantity of goods from the weavers for the proportionate amount, and the charges are monthly only, the 10 per cent. profit is therefore an extra quantity of goods. The same fixed servants for the provision of 30,000 pieces of investment can get up 5 lacks, the estimate therefore is thus: 3 lacks at 3 rupees cost in a medium from the weaver, and I rupee charges for fervants, repairs, profits, transportation, &c., is 4 rupees a piece, making 125,000 pieces in contract: now, I imagine that 60,000 rupees would do for all

expences, confequently 4,40,000 rupees advanced, produces at 3 rupees 1,40,000 pieces, or 21,000 pieces gain from this, at 4 rupees, 84,000; deduct 5 per cent. commission on 5 lacks, 27,500, leaves 56,500, or to per cent., profit. This calculation will hold through the whole investment, but not under a provision of 5 lacks in fine goods. The advances should be made regularly, and the expences paid monthly, to fixed fervants; to others, as necessary for the best management, the profits on the defective goods fold by auction will return a great part of the expences at the end of each feafon: the expences might be 10,000 rupees more than the above estimate: this is only a rough estimate.

Originally the weigh, number of threads, length and breadth, and the price fixed for weaving, was the mode by which the whole investment and all the clothes were provided; it has latterly been much out of use, though in some places partly endeavoured to be kept up. The management of the Aurung of which I had charge was as follows: The whole was divided

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into feven parts, termed grand divisions; thefe divisions were again divided into others; at all these divitions, about thirtyone was a Gomaffab; those at the grand divisions were superintendants of the others in their division, and had the charge of bleaching and dreffing the cloths of their divisions, and of conveying them to the grand magazine, fituated on the banks of the river, in order to their being transported to the Company's warehouses when a fufficient quantity was collected; each grand division Gomastab had also under him a Mahirir and Naib, or clerk and affiftant, to enable him to keep his accounts exact. The Gomafiabs of his division had only to collect into their Cooties, or factories, the cloths from the weavers, rough as they carne from the loorn, to mark thereon with charcoal the weaver's names, and to forward them to the Gomastab of the grand or washing division, where they were valued, and the weaver's name and valuation recorded; the cloths were then delivered to the washermen to be bleached; there were Tugudgears, hafteners, who went from house to house to inspect the work,

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and see it was getting forward. I effected a complete register of the weavers under the whole Aurung, particularizing names, and the number of men and looms in each house; thus I could form an estimate what sums were necessary to be advanced to each family; these advances ought to be made twice in the year, the first in or about January, and the other in or about July, the investment would then be got up without difficulty, so as to come home in all February following.

After the advances had been made a reasonable time, a month for instance, and few or no cloths brought in, and they were wanted, every Gomastah was written to, to notify to the weavers, that if they did not supply as they ought, Mohussis \* would be placed on them; they generally took no notice of this, therefore Mohussis were sent out. In my register were about 6,000 families of weavers; about 50 or 60 Mohussis, twice in a year, being on each advance, was sufficient to answer the purpose of

<sup>\*</sup> Mohussil lignifies arrest.

getting in their cloths in general, because Mobulis being fent out, spread through the Aurung in a few days, and the weavers brought in their cloths to prevent Mobustils being placed over them, and those fent out were generally difmiffed by the Gomastab in a day or two. There are good and bad in all bodies of men, and among these weavers it was fornetimes necessary to fend out Mobuffils to act as he ought, that is, not permit the weaver to do other business till he had finished his quota of cloth, so that feverity was in some instances absolutely necessary. When I was first appointed to my flation, I disapproved of the Gomastabs, as was, and had been, the cuftom, placing Mobuffils at their pleafure, and ordered that no Gomastab should do it, on any pretence, in future; that they should address me for orders, and if I saw it to be proper, I would place them. For this purpose I had a feal cut large in the Persian characters, the impression of which was made in ink on the Mohufil Chitty\*, and to which was also my fignature and (628

<sup>\*</sup> Chit, or Chitty, is a letter in writing on paper.

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date in English: the particulars were in Bengalese; weavers names, village, Cootie, pieces advanced for, pieces received, and balance; and then recited, " you are a person advanced to; make haste, and deliver your goods according to your engagements." This was delivered to a Peon, who had his name fet down at the back of it as Mobushi, and then entered in a book; when he arrived at the Cootie, the Gomaftab could discharge the Mobustil on any fufficient reason, and was then to endorse at the back of the Chit the number of days that he had acted, for which the weaver paid him 7 Puns of Courses per day, (4 Puns are an Anna), and the Chit was then brought back to the head factory and put on a file in case of reference. Several weavers indebted in large fums would abfcond, and when found out by my fervants, and I had fent Peons to apprehend them, have applied to the Fougedarry, complaining against Gomastabs, Peons, &c. and I generally could not in such cases effect their being brought to me, although my people, acting by my orders, had authority for what they did; I for what I did; and thus Nh 629

the weaver complaining, fought the Fouge-darry against the factory. By this sort of business the Aurung was thrown into confusion, every man being willing to keep what he had in advance, and it was impossible for me to do otherwise than complain, for the Tannadars, the force of the country, were ordered to protect these my debtors against me, by which I lose some 8 or 9,000 rupees, as these disputes were never settled wholly."

From the above information, I was enabled to consider the pretensions of the different competitors for the labour of the manufacturer, and to estimate the importance of good administration. If the Company will not, at all events, provide advances for the manufacture, at proper times, and to certain amount, the country, as well as European traders, will suffer. It is clear that if the power of arresting a debtor is withheld, and the power to appoint Mosussil to secure advances is also forbidden, and an appeal to Adaulets and Fougedarries is made necessary in every case, the merchant would be ruined; to

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give the power to every merchant is impossible; to give the power to certain classes of merchants would institute petty monopolies, which would become great monopolies. The Company, to the extent of its advances, becomes entitled to the preference, because it can apply the revenue in aid to commerce, and to the well-being of the natives. It is not of importance to estimate the proportion of the manufacture which past advances have covered, the irregular advances and demands of the Company enable very different statements to be made in different years; it cannot be disputed that manufactures can be pushed to any extent to which advances shall be made, for cloth as well as for other manufactures and produce; but it is equally obvious, that the occafional market, opened by an American or Imperial thip, cannot be the foundation on which even fugars can enrich Bengal\*; nor ought the agriculture to depend on fortunate contingency + of droughts on the

<sup>\*</sup> Sketch of late Arrangements, p. 73.

<sup>†</sup> Ibid. p. 66.

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Malabar coast; nor the falt districts or Sunderbunds of Bengal be deserted to extend the fale of bay falt from the coast. It is known that competitions in the Mofussil are not so much with foreigners as with English under foreign names; these cases may be all confidered independantly of each other: a very fimple addition to the register of the Company's commercial agent might complete a district register of all advances, and it would be to the advantage of foreigners and merchants often to fupply themselves from the Company's warehouses, at a fixed per centage on the Aurung cost and charges, in lieu of interest of money, loss, &c. The only requisite checks appear to be, an immediate control of the exports by the Supreme Board; an absolute prohibition to the Comptroller and his deputy engaging in any fort of inland trade; and a general prohibition to the indirect trade of the Company's revenue servants, and to the commercial agents' trade in those articles which compose his provision for the Company, under pain of immediate dismission of the fervice; to infift on balances being paid in

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no other way than by the articles contracted for; and to give weavers, not under advances, the option of their employer.

The delays of weavers are not always fraudulent, fometimes to enfure subfishence they will lend to the Reyuts: those who have not Tuccavee, or advances, must borrow of Shroffs or of manufacturers, and the manufacturers often receive 2½ per cent. per month if they can delay their contract. The composition of balances has proved in all periods and in all branches of management, the fource of oppression and peculation; before the Company's administration, the Rajab of up to his chin in ordure to make him pay his balance; he held out till his Vakeel returned from Delbi, where, by a bribe of 19 lacks he avoided paying 45 Jacks. Renters now employ agents to gain allowances, or to fuffer punishment for delays; and instances have been stated to me of an agent having submitted to several floggings before he produced the required payment from his girdle of which his employer had feed him to fue the remission; none of

these abuses and horrors need exist under a fimple fystem: to perpetuate unequal affeffment and ignorance of internal management, is in fact to perpetuate peculation; and partial reforms are both ineffectual and oppressive. I may include what is farther necessary to be considered in an attempt to simplify the system in some obfervations on

## MONOPOLY.

SALT, the first article so denominated, has always been the fource of opulence to individuals or to Government; it is stated to have been a monopoly, better controlled for the benefit of the people by the Mogul, than by the British Government\*; the Zemindars appear to have had the management of the Mahals in their districts, for on that title the Company began their claims, and refumed them on the principle of engrossing every stage of profit, even to affect the hereditary employment of falt

\* Bolt, Vol. I. p. 174. (634)

merchants in those districts \*. The Government duties on falt, as I before remarked, were referred by Meer faffier; but the will of the conqueror decided the amount. Mr. Vanjittart had agreed with Meer Coffin to pay 9 per cent.; going down the river, he inquired of the boatmen, who informed him that they paid 25 per cent., therefore he supposed all above 9 per cent. to be Zemindary imposition, and he applied to Meer Coffin to equalize the dury at 9 per cent.; Mr. Hastings alone concurred with him, and the majority fettled the duty to be 21 per cent. +. The importance and extent of the object cannot be well understood without a particular inquiry; and the falt monopoly being on all occasions inveighed against in a political and commercial view, it will be more conclusive to state what it really is, and infert an abftract which I made of Mr. Grant's analyfis of the revenues of Bengal, when I examined his communication on the falt re-

+ Vansittart, Vol. II. p. 399, 165, 193, 140.

<sup>\*</sup> Fourth Report Select Committee, 1772, p. 460.



venue, presented to the House of Commons in 1789 by Mr. Dundas.

"Mr. Grant observes, that Sunderbund by some persons is derived from Soondery, a wood which abounds there; by others from Soonder, beautiful woods and jungle; but he derives it from Chunder-bund, or offspring of the Moon. The best and richest Sunderbunds are in the Pergunanh, Chunder-deep, or lunar territory, salt marshes, for the most part overslowed by the sea.

The district of salt lands in which the Bengal manufacture is carried on, for the sake of distinction, he terms Noondeep; it borders on the sea coast, in a curve, stretching across the mouths of the Ganges, about 330 British miles from Tellasore West, on the frontiers of the Chucklah of Midnapore in Orissa, to Islamabad, the port and capital of Chittagong, near the south-east extremity of Bengal; it comprehends, inclusive of the Sunderbunds, an area of at least 7000 square miles, in continent or islands comprised in the general dimensions of the Soubah, and always of considerable

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political importance as a strong natural barrier against foreign invasion; as yielding the necessary article of falt for home consumption, it appears to have been the fource of oppression, whenever corrupt Fougedars and a few Mogul or other merchants possessed the whole trade; the country then supplied irregularly, and the larger body of natives employed in this, as in every other branch of commerce, merely as their brokers, Shroffs, or agent Banians, with indefinite commiffions; they fettled at their difcretion the Sovereign's rights to the waste, to the timber, and his allowances for maintenance of works and pay of Molungees and boilers, who are kept constantly in pay, and receive, besides an allowance of at least one rupee per mensem each while employed as ufual, in their fix dry months occupation, a farther constant annual full subfistence, in free produce land, fet apart for their maintenance, under the head of Kharje Jumma of Chakran, or fervants, to be cultivated by themselves; all these allowances became the benefit of individuals instead of the state, though it is certain

that land fo possessed, assisted by labour so purchased, is as much the civil right and falcable property of the Sovereign as the natural yearly growth of those lands termed Khass and Comar, occurring every where daily throughout the country, which, becoming for a time untenanted, are cultivated by hire or contract on the special account of the state. The virtue and political economy of British administration in India ought to be acknowledged at least in the instance of the resumption, with improvements of this hitherto misapplied source of public supply under the head of Feroofh Nemuck, or fales of manufactured or purified falt, at all periods charged with a duty on the country, but only realised in the Exchequer fince the year 1780. The annual confumption of Bengal, estimated at 20 Lacks of Maunds, each of 89 pounds weight, is produced by the labour of 45,000 Molungees, who, with superiour agents, including all expences paid in money, were entitled to an allowance of 20 rupees, usually advanced by contracting merchants, besides what was deemed equivalent to 40 supees more, furnished constantly in land, was returned to the state by the original standard price of delivery at Houghly, fixt latterly at 60 rupees per 100 Mounds.

The benefit of the manufacture was afterwards enjoyed by a few Mogul monopolists, whose chief was denominated Fakher ul Tejar, most exalted of merchants, and the price enhanced in the different markets of the Soubah, on a medium to, at least, 2 rupees the Maund; but fince the annexation of Bahar to Bengal, the home consumption has increased 8 lacks of Maunds; for, before that event, Bahar was, and the greater part of upper Hindostan is still, supplied with falt from the lake of Sambbur, in Ajmere: at present not only Bahar, but fome export of falt to Asham and Napaul, and other neighbouring inland states, has been opened, and may be extended.

The extra demand was at first imported from the coast of Coromandel, in what is called Madras or Bay salt, of baser quality and value, being produced by the simple operation of the sun on sea water, intro-

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duced into shallow pits, prepared near the shore, but on the establishment of the private Society in 1765; and fince again, on the institution of the present public plan, it was found expedient to prohibit this branch of Indian coasting trade; and now the whole quantity, in yearly demand being on a medium 28 lacks of Maunds, is manufactured in proportion of one third in the Ceded, and two thirds in the Dewanny lands of Bengal, for the use probably of ten Millions of fouls there, and one fourth of that number in Bahar, imposing only a moderate charge for one of the comforts of life, at the utmost calculation of fix and a half Annas, or 13 Pence each individual per annum, allowing the groß fales, inclusive of all expenses in seca rupees, fifry four lacks and one half.

Feroofh Nemuck, annual gross fales of 28 lacks of Maunds S. R. falt continued - - - 54,50,000

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## SERINJAMMY Charges of Manufacture and Sales.

- 1. Dadney Molungian, original complete advance of wages now paid in money to about 60,000 falt manufacturers of all denominations, engaged for the dry season from November to May following, at the rate of about 40 rupees per 100 Maunds, being near 3 rupees each person per menson fem for 6 months moderate labour - 11,20,000
- 2. Akherajat Aurung, expence of transportation to the place of sale, weighmen, erection of store houses, purchase of utensils requisite for carrying on the works, &c., with all contingent charges, on an average - 450,000
- 3. Russom, or commission of 10

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per cent. to European superintendants on the nett proceeds, supposed 38 lacks 380,000

--- 19,50,000

Total net annual fales of falt, requiring always an advance for 18 months of 15 lacks of rupees to answer charges, before complete returns can be made to Government, which, fince the year 1781, has refumed its right to the net profits from the manufacture. The limited part, previously brought to public credit, was under 3 heads, which have been continued, being adequate to the purpoles of account and of check of agency, to be deducted from the whole clear produce, amounting to - - 35,00,000

## MIRIHA.

TEHSIL SOUBAHDARRY. Collection of Revenue to the Year 1170, or 1763.

- of the Bundobust Teskhees of Meer Cossim, including the Tomarry or original ground rent of all the salt lands 2,25,000
- 2. Mhafool Sair, duty on all the falt, imported, manufactured, and confumed in Bengal and Bahar, &c., reckoned at 28 lacks of Maunds, at 2½ per hundred Maunds 70,000
- 3. Keffyet, or usual profit of the Circar on the delivery of 83 lacks of Maunds, made in the district of Hyclee, and credited in the Jumma at the standard valuation of Houghly, after deducting a lack of

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rupees as the proportion of ground rent received as above 2,50,000

Total revenue of falt, accounted with the state to 1170 or 1763 Rupees 5,45,000

TEHSII. DEWANNY. Additional Collections from 1x72 to 1178, or 1765 to 1772, inclusive.

lished at the end of Mahomet Reza Khan's administration in 1771-2, being farther Kahlarry and Rowanny duties as already stated, exclusive of the Mhasool, 2 and ½ per cent. 12,95,000

Total net rated collections, made on account of falt, to 1187 B; or A. D. 1780, though perhaps never fully realised before the excellent simplified institution of that year

1. 2. Haffil Nemuck, as estab-

18,40,000



profit arising on the moderate original selling price of salt, before appropriated to partial benefit of individuals, but now, with great propriety and justice, resumed and incorporated with the public revenue. Sicca rupees 16,60,000

By the distinct heads of native accounts, the monopoly of Cojaab Waseed, protected by a duty of between 40 and 50 per cent. on imported or foreign salt\*, under the Mogul Government, may be investigated; and British monopoly or revenue may be both investigated and controlled; but the British accounts having confounded ground rent, manufacture, and trade, the general balance of profit or loss has been ascertained by opposing gross receipts to gross disbursements; and the result will thereby appear as follows: for the first two or three years, after the acquisition of the De-

<sup>\*</sup> Extract from the Report of the Nazim, in 1776, on Salt.

wannee the profits of falt revenue were about 130,000l; in 1775-6 the charges exceeded the receipts 1500l; and subsequent to the resumption of the rights of the state in 1780 the profits have exceeded 600,000l.

The political and commercial objections to the present falt monopoly need not lead us to the controversies of Mr. Hastings and Mr. Francis previous to 1780. Mr. Haftings\* admitted, that the changes in departments had given great advantages to the artifices of individuals; that the intricacy of accounts, by fuccessive transfer of falt from Collectors to the Prefident and Council, from them to the Governor and Council, and from them to the Commercial Board, had occasioned much perplexity; that the defective fystem of fales had occafioned great loffes, and that the import of coast falt had thereby arisen to great extent; that the measure of the Commercial Board to check the import of falt, by glutting the market with the fale of 3 years produce

<sup>\*</sup> Ninth Report, Select Committee, 1783, Appendix 91. Mr. Hastings's Minute, 19 Sep. 1780.



at one time, equally affected the import and the manufacture; and when he proposed the reform in 1780, the Calcutta Committee could not let the salt Makals at any rate.

It is evident that the advances or outlay for the manufacture is beyond the scale of private adventure, and the fupply of fo necessary an article ought not to depend on chance; when the confumption of a country can be estimated, it is obvious that a provident Government will provide an excess, to be able at all times, to distribute the falt at easy prices to the inland diftricts. The checks feem obvious; - if Government, to fave advances and charges, manfactures less falt than the estimated demand of the country, and fells the reduced quantity at an advanced price, it realifes the revenue, but defrauds the country; the quantum of the extortion will appear on the face of the accounts: if the proper quantity is manufactured and averaged through the country, the temptation to distress the frontier districts, by exporting inland the falt intended for home confumption, can be checked by judicious diffribute

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tion, and the export should be under the control and on the account of Government, not rashly to be extended. In no political view can it be policy to abandon the internal confumption of Bengal to a precarious supply; and we must remember merchants have less interest in the supply of the country than the Company, and will not be content with lefs profit. If falt shall be raised to 4 or 5 rupees per Maund, it must be from ignorant or corrupt mismanagement, and is easily corrected; but the extortion of merchants is not eafily distinguished from natural scarcity by an improvident or ignorant Government, and cannot be controlled without much investigation and judgement, even when inquiry is instituted with integrity and humanity.

As to the other articles of monopoly, Saltpetre and Opium, they stand on very different grounds: their produce do not materially affect the country or the revenue, and notwithstanding it may be true that the district of Patna furnishes three fourths, and Purneah and Oude the remaining fourth part of the saltpetre collected for the Com-

pany, it is not to be thought that it might not be obtained in other parts of the country; and it must be considered a monopoly in the hands of the Company as a commercial body, and should be maintained at the charge of the Company, by which I mean, that the territorial revenue need not necessarily make advances for this species of produce from the foil, but mercly to pay tenants after fulfilling their engagements according to contract: thus the advances of Government should be limited to the manufacture of cloth, falt, and produce of grain; all other articles ought not, and are not taken in kind, but when cultivated, the affested rent in coin should be fubstituted to the legal and customary tender of the portion of produce.

Saltpetre necessarily will be always an article of importance to the Company, both for the supply of the Indian establishment, and for its import to Europe. The regular replenishing of Government stores, by the Company, may be made in itself profitable, and the superabundance may be

fold to profit: as a commercial concern, the above constant demand will be a sufficient encouragement, without the aid of rigorous exclusion of competition in the inland market. The comparison of German and English powder shews the difference of a fupply by contract, partly paid in damaged powder, or by manufacture in the laboratories of arfenals, where the purity of the ingredients cannot be evaded. The regular fupply does not require monopoly; the natives could supply any quantity on timely notice; but this article from its nature, should remain more than others under the control of the Government; and in this view the right to monopoly, founded on usage, ought to be exercised according to circumstances.

As to Opium, unless not only the whole produce of the article in Bengal, and also all the produce of Oude, is subjected to the Company's monopoly, the Vizier's Opium will open evasions; and therefore it appears better to give up a monopoly which sanctions improper interference in the cultivation of the country, than to extend its influence.



The Commissioners authorised by parliament, will not overlook this obvious confideration: they will also trace the degree of its importance as an article of export from Bengal, and of import in the markets to which it is fent. I only endeavour to demonstrate the necessity of accurate investigation, and am fatisfied that my inquiries authorife this conclusion; that every article of management may be reduced to very simple and practicable rule, but that the inequality of offices, and inequalities of affeffments unnecessarily maintained, are the fources of corruption and abuse. I have endeavoured to trace principles, and to thew their confequences when reduced to practice; it will be necessary therefore to remember, that I am fatisfied that the collector of revenues, whether Zemindar or covenanted fervant, in the British as well as Mogul System, ought to be paid by a per centage; that collections should be as regularly divided, in extent of income and in trouble, as possible; and that the arrangement of collections need not confuse the rights nor tenure of any Pottah-holder, or Reynt: that the agents superintending the

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manufacture of cloth or falt, might also be handsomely paid by a per centage, but that the quantum of the per centage, whether equal in all, or varied in the different branches of revenue as at present, must be the refult of deliberate confideration, as must also the distribution of inspection of superiour Boards. I conceive that a landed revenue Board might control all the collections of territorial revenue, and the commercial branches, in which advances are necessary; for where manufactures can be best promoted, an investment agent might be appointed: where falt is the manufacture, a falt agent might be appointed; and where there is no manufacture, advances to the Reyut must be made by the Zemindar, or the collector. The confignment of goods and the trade, both import and export, might become a simplified system, under the head of foreign import and export; for no inland trade, according to fuch plan, would be subjected to Government taxes, except falt and grain; the one operating as an excise by the sale of salt, and the other as a provident regulation to avert famine and encourage agriculture, by the

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management of public granaries, and the regulation of Bazars, on certain report of the circumstances of the country, and recorded evidence of the supply of grain in every district. It is no wonder Government has been puzzled, and that orators have not found limits to their imagery.-Merchants, who are oppressed with vexatious restrictions in the branches of trade which are left to them, are not unlikely to exaggerate; but commissioners under the present act and directors, must investigate and difcriminate real from artificial grievance, and draw the line of policy and justice: by some representations it might be supposed, that the prohibition of import of coast salt, was a prohibition of the rice trade. A zealous advocate for the encouragement of agriculture in Bengal, admits that under the discouragement of the export of grain freighted in veffels which return empty from the coast, the corn trade has produced, one year with another, 20 per cent profit \*. We have known the extent to which the Bengal provinces af-

\* Agricola's Letter 5, p. 27.

forded rice to the coast in 1782; and I have heard that the price of rice rose in 1783 on an embargo being laid on its exportation. The danger of letting in European speculation uncontrolled into inland trade, may be evidenced by the consequences of the partial inundation in 1787 in Bengal; rice was then advanced to per cent. higher in price than it had been during the real famine of 1771. If Government is either ignorant or corrupt, the people are equally exposed to sictitious and to real scarcity.

Having brought to view the necessary connection of sinancial and commercial interests of British India, I must not omit to state, that a subserviency of the interests of commerce to the political limits of the Company's settlement at Calcutta, self-erected into an independent kingdom, formed part of the phantom which vanished when the veil was drawn from Indian politics. The artificial denomination of import and export to and from Calcutta by shipping, and the import and export by boats to and from Calcutta inland, to engross, according to circumstances, all the

exactions of which European and Mogul practice could afford a precedent, proved unprofitable to the Company, and cannot be maintained in any degree under the present act. I have inserted the revenue regulations of Tippoo Sultaun to guide our view of a native government, from my conviction, that if a despot finds the necesfity of reducing his government to definite rule, a British Parliament will not be satisfied with emulating his justice, but will also avert his oppression. The coasting trade of British India might be extended to confiderable importance; it was but the other day that Tillicherry was to be abandoned; and our present more-extended prospects of benefit from the Malabar coast did not arise from the commercial views of Directors or Government, but from the honourable principle of Lord Cornwallis, who would not defert the Corgee Rajah. And notwithstanding Curwar and Mangalore remain to Tippoo, and we have not a port fouth of Bombay, a provident use of the coast south of Mount Delhi will amply repay the protection of the whole Malabar coast. Baliapatnam was

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the emporium for the rare produce of Corgee, and the fouthern branches of its river penetrate through the Cherickel country into Cotiete, therefore Baliapatnam, or the Great City, might again acquire more than nominal greatness, and the produce of the country, new carried over land to Tillicherry, might, with many other articles, be conveyed by water. On the same priuciple of local convenience, Beypour has the advantage of Calicut; and formerly the Zomorins' dominions supplied the dock yard at Bombay with the best timber for building and masts, Among the favourable prospects of commercial speculation opened to British India may be reckoned the decay of Tippoo's commerce, who possibly was advised to imitate the Company's late fluctuating policy and monopoly. It has been observed by a gentleman well informed, that Tippea, by his extortion, has loft half of the revenue from commerce which his father received; for Hyder Ally concurred in Tippoo's political opinion of the propriety of checking European trade, to throw the specie into the hands of the Muscat merchants; and he loaded the com-

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merce with heavy duties, which produced a confiderable income; but fince 1782 the commerce has been totally funk, and with it Tippoo has loft his duties. If the policy of Hyder Ally had operated on the coast fouth of Mount Delhi, he probably would have monopolized the Pepper and Cardamums, and left the other articles open to all traders paying heavy duties. Under Tippoo's policy, his father's monopoly would be maintained at the finallest expence, by lowering the falaries of the managers at the ports of export, and their necessities would oblige them to participate in the abuses which their duty directed them to check; and if they realised the limited monopoly on behalf of Tippoo, they would monopolize all the other articles on their own account in the name of native merchants, at first by arbitrary duties on the trade of others, balancing their official accounts, and exempting their own concerns from duty, till the whole trade would absolutely vest in their hands, and the trade becoming unprofitable to the importer, would be abandoned; and when no part of the open trade remained, the Govern-

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ment monopoly would be perverted to the benefit of the officers, and probably, by firnilar connivance with natives or foreigners, fearcely fufficient profit would he spared to the sovereign to enable him to defray the miferable stipends of the establishment. These consequences might be instanced in the Company's former system; but the present act, properly exercised, cuts up the fource of this evil; the participation of profits cannot be maintained without gross perjury, from the Directors downwards, and the penalty and conviction is simplified; there is, however, only one plain and honest way of managing this department, which will apply to all others: give a falary adequate to the trust to the officers necessarily established; subject all articles of import or export to equal privilege or to equal duty in all the Britifb ports of India; the duty on goods imported by the Company should be brought to account with vouchers, as well as private adventure; an Inspector General of imports and exports should annually make up the general account of all the fettlements to be fent home by the Governor General.

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The Company's commerce would not be more burthened than it is at present, but the accounts would check fraud, and regifter the actual state of the commerce. But to suppose that a country can prosper under monopoly of all its produce, or that officers will give up the prime of life without the hopes of earning a reasonable income for their latter days, cannot enter into the contemplation of Commissioners, or of Parliament, confequently the whole of the commercial establishments must be carefully, but liberally confidered, and connected with the general fystem: it will be difficult for theorifts to fubflitute powers more adequate to this purpose than those which have obtained parliamentary fanction, if exercised with intelligence and probity.

## CHAP. XIV.

On the Benefit of Parliamentary Control.

AFTER Lord Clive had stated the necessity of control to preserve the principles of Government in India, endangered by licentiousness, extortion, venality, and by whatever eludes, though it may not totally fubvert, the laws \*, the Company thought it necessary to adopt very arbitrary rules, which they promulgated in general orders to narrow the appeal of covenanted fervants to justice, denouncing immediate difmillion from their fervice to every fervant who should go to Europe to institute a fuit, or feek redrefs for grievances: and had the covenanted fervants, according to these orders, remitted their complaints, perhaps through the very person complained of, no rule or period was limited for their expectation of the determination of the Directors. In 1785 the Directors

\* Vide page 310.

t In 1771 and 1778.

not only informed the governments in India that if "copies of any papers, correspondence or records, shall be discovered with any persons not warranted to have them, at home or abroad, we shall take measures to discover by what means the communications have been made, and dismits from our service those who shall have made such communication," but also denounced "the severest tokens of displeasive to those who disobeyed their order to discontinue unreserved correspondence with private persons on public affairs."

Parliamentary investigation demonstrated that the act of 1784 could not be inveloped and executed in mystery; the records of the Company were opened to committees, and their contents made the subject of parliamentary debate. Mr. Mac-pherson's recorded opinion was quoted by Mr. Francis. "I should be particularly happy to see the Committee in a capacity to execute these important duties, independent of that general agency and improper

<sup>\*</sup> Parliamentary Debates, vol. 39, p. 108.

authority of a native Dewan, or, in plain English, native Chancellor of the Exchequer." The opinion on which this expectation was founded was referred to in the House, soon after its arrival in Europe, by a Member of the Board of Control\*, and those who got access to Mr. Grant's analyfis of the revenues of Bengal were encouraged to proceed, by being informed in the first page, that evidence of the mismanagement of natives had been kept back, and the stale excuse of the troubles of Cossim Alli had till then been accepted as an apology for withholding vouchers; and that "the act of 1784 may be confidered truely as the great charter of rights, if not to the whole body of national representatives in Afra, at least to all East-India subjects of Great Britain, who enjoy the inestimable advantage of living under a delegated sway, thus tempered for the first time in Hindostan, with the mildest influence of practical enlarged distributive juflice."

<sup>\*</sup> Lord Frederick Campbell. Parliamentary Debates.

as to the necessary responsible agents between the Prince and the peasant for managing Zemindary or landed interests of the state, restoring right and jurisdiction in all their plenitude according to the constitution of India; every hint to afcertain the nature and mode of management, former and actual amount of the established revenue of the Saubab of Bengul, will be connected with the honour of the British nation."

Dr. Robertson, in 1791, had observed, in his note \* concerning the tenure by which the Reputs of Hindostan hold their possessions, "although it be a point extremely interesting, as the future system of British sinance in India appears to hinge in an essential degree upon it, persons well acquainted with the state of India have not been able thoroughly to make up their minds upon this subject †." "Though

<sup>\*</sup> Historical Disquisition concerning India, p. 346.
† Kirkpatrick's Introduction to the Instit. of Ghazan
Khan.

the opinion of the Committee of Revenue, composed of persons eminent for their abilities, leans to a conclusion against the hereditary right of the Zemindars in the foil, yet the Supreme Council, in 1786, declined, for good reasons, to give any decifive judgement on a subject of such magnitude. This note was fent to the press before I had it in my power to peruse Mr. Roufe's ingenious and instructive differtation concerning the landed property of Bengal; in it he adopts an opinion contrary to that of Mr. Grant, and maintains, with that candor and liberality of fentiment which are always conspicuous where there is no other object than the discovery of truth, that the Zemindars possess their landed property by hereditary right." In the former part of this note \*, i'nat learned and much-lamented historiographer to His Majesty had stated, "that the Monarchs of India were the fole proprietors of land, is afferted in most explicit terms by the ancients: the people (fay they) pay a land tax to their Kings because the kingdom is

<sup>\*</sup> Historical Disquisition, p. 344.

India; in all the great monarchies of the East the fole property of land seems to be vested in the Sovereign as lord paramount." After being apprized of the publication by the Secretary of the Board of Control, he waves giving an opinion: "Did I possess such knowledge, either of the state of India or of the system of administration established there, as would be requisite for comparing these different theories, and determining which of them merits the preservence, (the subject of my researches does not render it necessary to enter into such a disquisition."

The supplemental information on which Dr. Robertson's opinion, waved in opposition to his own researches, have been demonstrated in the preceding pages to be unfounded; and it does not appear that he was correctly informed of the judgement formed in 1786. He might even have had access to the Directors' letter of the 12th

<sup>\*</sup> Strabo, lib. xv, p. 1030. Diodorus Siculus, lib.

April, 1786, to the Governor General and Council, without being relieved from his perplexity, for it might be read by Sir John Macpherson, the Governor, to whom it was addreffed, as a complete explicit approbation of the retrenchments stated in the Bengal inspection letters, 25th March and 31st July, 1785, and of the system in the revenue letter, 1st August, 1785, as an acknowledgement of his zeal and activity, and an affurance of a co-operative support to Sir John Macpherson, both from the Directors and from the fuperior administration, in the most liberal and useful extent, which he had folicited in his letter of the 25th March: it also expressly states that the Committee of Revenue had done properly in stating queries before they proceeded to settlement of B. year 1192, or 1785, entered in the revenue confultations, 6th June; and that the Directors had entire fatisfaction in Sir John Macpherfon's construction of the statute of 1784.

Those who know the different systems or opinions, and read in the same letter that the ultimate determination of the Di-

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rectors were confirmed by Mr. Shore, "whose judicious reflections had been perused with much attention," and that Mr. Francis's opinion, in January 1776, is referred to in confirmation of it, will not be furprised that the same letter should follow up the approbation, with doubts of the propriety of Sir John Macpherson's instruction to the Committee of Revenue to encourage Zemindars to pay their revenue immediately to the Khalsha, and to reject, as nugatory, both Sir John Macpherson's plans to avoid balances; the one in October, 1783, to appoint a department to collect balances only; the other in 1787, not to remit balances without the express order of the Directors, but to accept the fecurity of the Zemindary, and legal interest on the amount of the arrears; the latter judicious measure, to cut off the traffic of remission or fraudulent balances, in the letter of 12th April, is called, " charging Zemindars in arrear with an additional affestment of 12 or 13 per cent.:" and when the letter is found finally to conclude with laying down the Directors' principles and rules of construction of the act of 1784, and the

steps necessary to precede the execution of the system resulting from their researches, though entrusted oftensibly to Sir John Macpherson's integrity and zeal, seem in fact intended, as they proved to be, the inflruction to his fucceffor, and to anticipate a sanction to the system which Sir John Shore executed immediately after the arrival of the Marquis Cornwallis in India. These observations I mean to apply to the necessity of correct investigation as the basis of comprehensive control, for the purpose of substantial justice to the individual, or to the public; the interest of an individual in a high station was here involved; but it is unnecessary for me to complicate the present investigation with the interests of individuals. Sir John Macpherson had succeeded to the government under the provision of an existing act of Parliament; and about the date of the above-mentioned letter, a friend of Sir John Macpherson's, then in Parliament, who had no claim to ministerial confidence, stated his construction of the act, and inquired whether Sir John Macpherson was to be superseded from motives of expediency [ 585 ]

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or of disapprobation. Mr. Dundas, in my hearing, told the member, that though he had a good opinion of Sir John Macpherson, and he had recommended him to a mark of his Majesty's favour, he thought it his duty to endeavour to fend to India a person whom it would be no disgrace to Sir John Macpherson to make way for. An opinion fo given was no state secret: whence it follows that there was less management or concealment in the President of the Board of Control, than in the correspondence of the Directors. Sir John Macpherson was created a Baronet, June 10, 1786. Lord Cornwallis was appointed Governor General, and the defects in his appointment were legalized by a special act of Parliament: the defects in Sir John Macpherson's removal from his Government were not legalized, possibly from the confideration, that the facrifice of the fituation of an individual, to the public, might fafely be left to the generofity of the Company and of the Board of Control, who had not, on fuch occasions, been deficient in justice or in liberality. Confining myself, therefore, to the public confideration, as

connected with parliamentary control, I look to the Directors' Letter of April 1786, for their construction of the act of 1784.

They "apprehend the defigu of the Legislature was merely to declare general principles for the regulation of their conduct towards natives, not to introduce a novel system;" and that the 39th section of the act required an inquiry "into the causes and foundations of the complaints, and to send orders to redress the same, consistent with justice and the customs of the country." I am enabled to trace with what comment this construction was adopted in Bengal by Sir John Shore.

Mr. Law observes "how lately the Zeminders were publicly adjudged devoid of property in the soil\*." "In limiting the land tax, the British nation voluntarily has granted a novel tenure to a class of subjects who had only a fallacious title to Usufrust, while the quantum depended upon the des-

<sup>\*</sup> Sketch of late Arrangements, p. 115.

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pot's conscience \*, (for laws between emperor and fubject are ideal)." " Laws and constitutions of India is a general expression. It cannot be supposed that the British administration had then any determinate rule in view; permanancy was the object, and a definite fystem +." " My opinion is, that the Zemindar is indisputable proprietor of the foil, and the Reyut but a Vassal or peasant, who becomes a part of his necessary property ‡." The Pottabs of my plan are for one year, confirmable in perpetuity if approved from Great Britain. The political ends and pecuniary advantages I have already enumerated; the question appears to me rather what system should be adopted, than what has existed §." " In granting Mocurrerees, Government confers a novel possession | ." And Sir John Shore observed, "that the plan propofes nothing specific for the fecurity of the Reyuts; but, confidering the impositions to which they have been subject, will not

<sup>\*</sup> Sketch of late Arrangements, p. 155.

<sup>†</sup> Ibid. p. 131. ‡ Ibid. p. 51. § Ibid. p. 133. | Ibid. p. 116.

fome be necessary in the commencement? The operation of the principle in time will, I doubt not, be a sufficient security, and perhaps the plan relies upon this "\*. Mr. Law, to offer some analogy to the native Pottabs, quotes the origin of copyholds—"the common law, of which custom is the life "+. And Sir John Shore appears satisfied, that the New Dewanne "courts, by a limitation to ten or more years, will gradually decide all inferior rights, and their decrees fix ultimately every tenure" ‡.

It forms no part of my review to investigate how far deviation of individuals from their duty, has eluded control, since the year 1784. It can be no reflexion on Government, if particular instances of private peculation or breach of duty, shall be traced in individuals; for to suppose, that none have existed, is to suppose all mankind honest; but the integrity of the Governor General is above sufficion, and where the source is pure, the different branches to

<sup>\*</sup> Sketch of late Arrangements, p. 101. 673

<sup>+</sup> Blackstone.

<sup>1</sup> Sketch of late Arrangements, p. 100.



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which it extends progressively, must partake of its purity; and for the credit of the Company's fervice, the most rigid investigation of the worst periods proves, that the abuses in India have not arisen from a general depravity or dishonour of the Company's British covenanted Servants, but from the abuse of power and peculation in some of the higher departments: and this fecurity will always remain to the natives of British India, that young men of good birth and education, will carry out good principles, and until, encouraged in extravagance, they give themselves up to a native Banyan, avowedly to participate of an abuse of power without confidering the objects of rapacity, from common British sentiment they will abitain from the miserable gleanings and shabby plunder of an oppressed tenantry: but when bad system shall have pampered up a Nabob or a Zemindar beyond his most extravagant pretenfions, the magnitude of the prize will baffle every check to difunite Afiatic rapine from British system.

The comparison which I have made,

probably did not escape Mr. Dundas's obfervation, and, if I may guess, not having the opportunity to know his private fentiments, it tended to induce him to discover the basis of his opinion and system more fully than his duty to the public and official documents, connected with his annual report to Parliament, required. The volume, published this year by his permission, is evidence of the ministerial investigations of the Board, and of the difficulty of digesting voluminous official documents, or of connecting parliamentary reports and private information. If I have been encouraged by its perufal to overrate my own opinion, I certainly should not have brought it forward to the public eye, if Mr. Dundas had not overrated the prosperity of the natives of British India, and, by the preceding extracts from his speech \*, he had not stated to Parliament his belief, that no extraordinary necessity now existed of protecting the mass of native subjects in British India from oppression. What farther shall be stated in illustration of the benefit of parliamen-

\* Introduction, page xxi.



tary control, will be limited to the inveftigation and correction of the error which I remarked\* to have been adopted by Mr. Dundas; but fortunately nothing in the present act appears to establish or confirm it. The curfory observations which I made in the introductory pages, were fuch as occurred after perusing Mr. Dundas's speech, and the third chapter of a Short History of the East-India Company +; they were printed before I faw the supplemental or 15th chapter, in the fecond edition 1, to which the initials of Mr. Ruffell's name are inferted. " The question as between the Crown and the East-India Company, in respect to the property of the town, port, and district of Majulepatam; and also in respect to the Northern Circars, on the coast of Coromandel, stated and discussed," by a gentleman fo respectable, and his argument and calculation adopted by Mr. Dundas in

<sup>\*</sup> Introduction, page xxxix.

<sup>+</sup> Short Hiftory of the East-India Company, by a East-Indian Proprietor, Feb. 1793.

<sup>‡</sup> Short History, &c. 2d edit. F. R. 1793. France Ruffell, Esq. Solicitor to the Board of Control.

Parliament, ceased to be of little magnitude; and having exceeded the limits I had originally given to my investigation, I am induced to make some reference to the history of those treaties which are now so pathetically recommended to the faith of Great Britain, and so nearly connected with the prosperity of the natives of British India\*.

It is not for the purpose of invalidating the principle or practice of humanity and honour, that I bring forward these subjects. In the plans for British India, we have a certain evidence, that Mr. Lind, distinguished by his Letters on Poland, with the circumstances of which country he was conversant, having educated the King of Poland's nephew, when he was engaged by Lord North to unravel the principle by which India could be connected with Great Britain, was obliged to confess, that the op-site statements and disputes, which divied the various parties in England and India, are irreconcilable. Mr. Bruce, selected

Introduction, page XXXII and Plans for India.

for his ability and character to the most confidential trufts by Mr. Dundas, having been engaged to profecute the fame refearch, has shewn much ability in selecting, out of the chaos of records, an appearance of fystem; but the circumstances of the natives, and of the English, at the periods under confideration, do not justify the conclusions, and the ethical arrangements in which he appears to be authorifed by official records. To substitute a perfect system would require more ability than I am poffeffed of; and the information relative to British India, as yet, is not sufficiently disting to assume the form of a perfect system. This object can only be attained by ascertaining the real circumstances of Great Britain and of British India; deductions arifing from past experience, at any rate, will prove fafer guides than speculative statements and speculative opinions, particularly when a neglect of known principles is required, previous to the admission of the new theories.

In the first place, therefore, I shall ex-

be applied to British India from precedent, which will connect what is necessary to adduce in opposition to Mr. Bruce and to Mr. Russell on this point. I shall be led to a more diffuse and general review, by the obfervations which arise from contemplating the extent of Mr. Russell's affertions. I should have looked on this subject with great delicacy, if this gentleman's opinion, from his public fituation and communications, had not, in many respects, deservedly great weight in the public estimation; and if there did not appear a confiderable degree. of systematic pertinacity in keeping afloat a question pregnant with mischief to the natives, derogatory to the rights of the state, and, in my opinion, not founded on a review of the proceedings of Parliament, or of treaties and grants, by which, de jure & facto, the rights of the Crown stand paramount to the privileges of the Company.





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