

association for open defiance of the President, even to the point of social boycott. We may be excused for quoting at length excerpts from the letter of the Select Committee to the Court on this matter, dated 31st January, 1766.

Para. 20. "We are sorry to find that our endeavours to serve the Company in a manner the least injurious to your servants, here, should be misconstrued. As soon as this measure became known, by reports from Madras, and previous to our laying any proceedings before the Board, the young gentlemen of the settlement had set themselves up for judges of the propriety of our conduct, and the degree of their own merit : each would think himself qualified to transact your weighty affairs in Council, at an age when the laws of his country adjudge him unfit to manage his own concerns to the extent of forty shillings. ¶ They have not only set their hands to the memorial of complaint but entered into associations unbecoming at their years, and destructive of that subordination without which no government can stand.—All visits to the President are forbidden—All invitations from him and members of the Select Committee are to be slighted—The gentlemen called down by our authority from Madras are to be treated with neglect and contempt—Every man who deviates from this confederacy is to be stigmatised and avoided—In a word, the members are totally to separate themselves from the head, decorum and union are to be set at defiance, and it becomes a fair struggle whether we or the young gentlemen shall in future guide the helm of Government. ¶ Look at their names, examine their standing, inquire into their

services, and reflect upon the age of four-fifths of the subscribers to this bill of grievances, who now support the association, and you will be equally surprised with us at the presumptuous intemperance of youth, and convinced that a stop of three or four years in the course of promotion is indispensably necessary, if you would have your Council composed of men of experience and discretion.

21. "From this sketch of the behaviour of your servants, you will perceive the dangerous pitch to which the independent and licentious spirit of this settlement hath risen; you will then determine the necessity and propriety of the step we have taken: in the meantime we are resolved to support it or we must submit to the anarchy and confusion consequent on subjecting the decrees of your Select Committee to the revisal and repeal of young gentlemen just broke loose from the hands of their school-masters....."

(Clive quelled this rebellious spirit with a firm hand by dismissing and suspending some and scattering others to various places. The importance of the matter lies in the way it illustrates the depths of indiscipline and insubordination to which the servants of the Company had sunk at this time. \/

The Problem of Remuneration of Servants and Clive's Plan of 'Society of Trade'

Although Clive dealt severely with the spirit of insubordination among the servants, the root cause of all troubles did not escape his notice. (With his keen insight and sagacity he easily perceived that he could not keep

the administration clean without providing adequate remuneration for its members. The problem engaged his attention from the very beginning of his second term of administration. The scales of salaries were admittedly ridiculously small. But so long the servants were making up for their poor salary by other means already noted. Now, however, to put it in the words of Sir John Malcolm, Clive's biographer,

"in the altered situation of the Company, when their servants concluded treaties, influenced the fate of provinces, and made and unmade princes, things were essentially changed. Presents were now liable to become, not the sign and consequence of good-will, but the motive, and sometimes the guilty motive, of public acts; and great sums might be thus extorted, to the injury both of the natives and of the Company and, indeed, this natural effect did ensue."¹

So this practice had been stopped, as already stated, by an order of the Directors directing all servants of the Company to enter into covenants which forbade the receipt of gifts and presents. Next, the orders issued regarding the inland trade almost closed another source of profit. These drove them back once more to export and import trade exclusively, placing them at a disadvantage by the side of the 'free merchants,' as they could not move from place to place like the latter.² Moreover, due to the increased investments of the Company after Dewanny this too was not very profitable. As Verelst observes :

The new covenants had excluded the receipt of presents; while the increased investments of the Company, (after the Dewanny was obtained) absorbed the trade of the individuals, and removed all prospect

¹ John Malcolm, *op. cit.*, (1936) Vol. III, p. 96.

² They practically monopolised the import and export trade which was given up by the Company's servants when they took to internal trade.

of advantage in a foreign commerce. No other fund remained for the reward of services; and without proposing a reasonable prospect of independent fortunes, it was ridiculous to hope that common virtue could withstand the allurements of daily temptations, or that men armed with power would abstain from the spoils of a prostrate nation." ¹

The Company's servants, therefore, made a representation to Clive of their grievance and Clive felt its legitimacy.

Clive gave to the problem his very serious thoughts. He was quite aware that the Directors would not agree to a direct increase in remuneration, as "the habits of thinking and constitution, of the Court of Directors, rendered them very adverse to granting adequate salaries to those employed in high stations."² At the same time, he perfectly realised that some way must be found to increase the emoluments and to purify the service. After thinking of various alternatives he found the most satisfactory solution in his plan of "Society of Trade" described below.) In justification of his plan as the best solution of the problem, compared with other alternatives that he thought of, he wrote in the course of a private letter to the Court as follows ³ :—

"The necessity of rewarding the superior servants, both civil and military, is obvious, since the large investment required by the Company makes it impossible for individuals who perform their duty

¹ H. Vorelst, *A View of the Rise, Progress, etc., in Bengal* (1772), Ch. IV, p. 113.

² Malcolm, *op. cit.*, Vol. III, Ch. XVI, p. 82.

³ Para 16 of the letter quoted in W. Bolta's *Considerations on India Affairs* (1772), Vol. I, p. 173. The date is not given.

to acquire anything considerable by private trade. The means of regulating this reward have frequently employed my attention, and after the most mature deliberation I have found none so convenient, proper, or equitable as the trade in salt. If you grant a commission upon the revenues the sum will not only be large but known to the world. The allowance being publicly ascertained, every man's proportion will at all times be the occasion of much discourse, envy and jealousy. The Great¹ will interfere in your appointments, and noblemen will perpetually solicit you to provide for the younger branches of their families. A commission upon your investment, whether upon the provision in Bengal, or the sales in Europe, is liable to the same objections."

He then states the advantages of his plan.² Clive was so much convinced of the efficacy and soundness of his scheme that he went forward with it without waiting for the approval of the Directors, of which he felt sanguine. But here he made a miscalculation. ~~We~~ He took his cue from the Letter of the Court, dated the 1st June, 1764 (already referred to), directing the President and Council to evolve a plan of inland trade in consultation with the Nawab which would satisfy the interests of all parties, viz., the Nawab, the Company and its servants. In pursuance of this direction, at a Consultation held on the 10th August, 1765, the Select Committee passed a number of Regulations embodying the plan and resolved to put it into execution. This was further elaborated at another meeting of the

¹ A reference to the ministry at home.

² A similar statement of objects and reasons will be found in a letter from the Select Committee to the Court, dated the 24th January, 1767, which conveyed the decision of the Committee to comply with the orders of the Court for winding up the Society.

Committee held on the 18th September next.¹ It was proposed to make the inland trade in salt, betel-nut and tobacco an exclusive monopoly to be conducted by a Company consisting of the superior civil and military servants of the Company arranged in three classes according to rank, entitled to a number of shares and consequently profits on the same principle.² All salt, betel-nut and tobacco produced in, or imported into, Bengal were to be purchased by this Company alone and then to be transported to certain centres where they would be sold by its agents to country traders, who would then be permitted to deal in the articles. The management of the concern was entrusted to a Committee of Trade consisting of two members of the Council and two of the Select Committee. The Company was to receive duties on the articles at the following rates :—

On salt—35 per cent.³

On betel-nut—10 per cent on the prime cost.

On tobacco—25 per cent on the prime cost.

It was calculated that it would yield to the Company a clear revenue of at least £100,000 a year. It was contended in favour of the plan that far from injuring any party it was calculated to benefit all. The Company would

¹ For details of the Scheme vide *Bengal Secret Consultations*, 1765-66. See also *Fourth Report from the Committee of Secrecy, East Indies* (1772-73), App. Nos 38 & 39, and W. Bolts, *Considerations on India Affairs*, Ch. XIII. A detailed and connected account of the 'Society of Trade' will also be found in an article *Studies in the Early Government System of the Company in Bengal* (1765-74), by Mr. D. N. Banerji in *Bengal: Past and Present*, Vol. LV.

² The proprietors were to be arranged into three classes. The first class, consisting of Governor and other superior civil and military servants, altogether fifteen, was allotted twenty-five shares. The second class, consisting of eighteen persons of the next superior grade, was allotted twelve shares, and the third class, consisting of twenty-seven persons, eight shares.

³ This was raised to 50 per cent when, after the first year's working, enormous profits were made.

be benefited by an increase in its revenues, which otherwise it would lose. Moreover, the Company's servants, now being freed from their trading pursuits, would be able to devote their whole time and energies to the work of the Company. The servants would not only have a regular source of income, but would be spared all the trouble and worry they were subjected to in carrying on private trade. The country traders, it was pointed out, would not be losers in any way, because they would carry on the trade as before, trade in salt having always been a monopoly. The question of the Nawab's revenues being affected did not now arise, because under the system of Dewanny the Nawab had nothing to do with revenue administration.)

It would not be within our purview to examine the merits or demerits of the plan on fiscal or political grounds. But we should note here two points, which are relevant to our theme. The first is, that it did not put an end to inland trade in the articles mentioned, as required by the Directors, but simply regulated and regularised it. In the second place, only the superior civil and military servants were admitted within the fold of the "Society," and they were a handful among the legion of the Company's servants. The rank and file whose salaries were pitifully small were left in the cold shade of neglect. It is difficult to imagine how Clive could look upon the plan as a solution of the problem of abuses arising from the unregulated practice of private trade and that of fair remuneration of the service.

The Court's Attitude

On the 30th September, 1765, in three separate letters, one from Lord Clive himself, one from Clive and Select Committee, and a third from the Governor and Council—the plan was communicated, with explanations, to the

Court of Directors and commended for their approval. The Court, however, in their General Letter, dated the 19th February, 1766, reiterated their previous order against inland trade. As this letter was taken to have been written before their letter of the 30th September, 1765, conveying the plan of the Society, had reached them,¹ Clive waited for further orders of the Company. But in a letter, dated the 17th May, 1766, to the Select Committee, the Court, while congratulating Clive on remedying prevailing evils in Bengal and giving him extraordinary powers, disapproved of his plan of the 'Society of Trade' in clear and unmistakable terms on the ground that their previous experience of inland trade did not justify them in approving of it even in that restricted form. \ In this letter² they approved of the motive underlying the plan, but expressed the opinion that it would not achieve the end in view. They observed :—

“ We agree in opinion with your Lordship on the propriety of holding out such advantages to our chief servants, civil and military, as may open to them the means of honourably acquiring a competency in our service,”

and then hinted at thinking out some other means to that end. The letter reached Bengal in December, 1766, shortly before Clive's departure. Clive complied with the orders of the Company rather reluctantly. In its Letter to the Court, dated the 24th January, 1767,³ the Select Committee, while communicating their compliance with the Court's orders, explained the reasons behind the plan, perhaps with a view to inducing them to revise their

¹ H. Verelst, *op cit.*, p. 109

² *Vide Fourth Report from the Committee of Secrecy, (1772-73), App. No 45, for extracts from the Letter*

³ *Paras. 20-24, Bengal Letters Received, Vol 7 (I O R.).*

decision.¹ In the meantime it was resolved to terminate the monopoly of the Society at the conclusion of the current year of its operation, that is, on the 1st September, 1767, which was later on extended for another year on representation being made by the Committee of Trade to give the society sufficient time 'to collect their debts and realise their capital.'² This letter, however, produced no effect on the Directors who in their letter, dated the 20th November, 1767,³ reiterated their orders of the previous letter. At the same time, however, as a compensation for the loss of profits from private trade and "as a reasonable encouragement to exert themselves with zeal and alacrity in their several departments" they directed that a sum amounting to two and a half per cent of the net revenue of Dewanny should be earmarked each year and distributed among the superior civil and military servants, the share of each depending upon rank. Thus out of a hundred shares into which the sum was to be divided, the Governor was to receive 31 shares, the Second in Council 4½ shares, each member of the Select Committee not having a chiefship 3½ shares,

¹ Clive remained unconvinced of the wisdom of the step taken by the Directors and he exercised his influence with the Directors even after his return to England, though in vain. In course of a speech delivered in the House of Commons on 30th March, 1772, he observed

"It was not expedient to draw the reins too tight. It was not expedient that the Company's servants should pass from affluence to beggary. It was necessary that some emoluments should accrue to the servants in general, and more specially to those in superior stations, who were to assist in carrying on the measures of government. The salary of a Councillor is, I think, scarcely 300*l* per annum, and it is well known that he cannot live in that country for less than 3,000*l*. The same proportion holds among other servants. It was requisite, therefore, that an establishment should take place, and the Select Committee after the most mature deliberation, judged that the trade in salt, betel-nut and tobacco under proper regulations, might effectually answer the purpose."

(Vide J. Malcolm, *op. cit.*, Vol. III, p. 100.)

² Vide extracts of *Bengal General Consultations* from 27th July, 1767 to 7th October, 1768, in 'Fourth Report,' App. Nos. 46-50.

³ Paras. 88-90, *Bengal Despatches*, Vol. III (I. O. R.).

other members of the Council $\frac{1}{2}$ share, the Resident at the Durbar $4\frac{1}{2}$ shares and so on (*vide* paras 105-118 of the Letter). It may be noted that here they followed in the footsteps of Clive in ignoring the claims of the inferior grades of servants except for a small increase in pay for some military servants of lower ranks such as Captains, Lieutenants and Ensigns and also in the matter of allocation of the shares in accordance with rank. With this we may close the episode of private inland trade of the Company's servants.

Some General Observations on the Position of the Company and its Servants

Before we conclude the chapter we may venture some general observations on the position of the Company and its servants on a review of the events of this period. We have dealt above with the subject of private trade of servants at what may appear to be an undue length. That is because, in our opinion, it symbolises the general confusion which was the result of a maladjustment between the real position of the Company and its servants in the polity of Bengal at that time and the role they actually went on playing. Clive diagnosed the malady correctly but could not choose the right remedy, or rather applied it haltingly. Both in respect of the acquisition of Dewanny and his plan of 'Society of Trade' he may be said to have stopped half way, instead of following up his course to its logical conclusion. Of course it may be said in his defence that he had to deal with a Court of Directors who, being far removed from the scene, were unaware of the real situation in Bengal and therefore dreaded any radical reform. The fact of the matter was that the whole system was now in a state of unstable equilibrium. The Company was not, as yet, quite sure of

its position, so unexpected it had been to them. That explains their halting approval of Dewanny, and the refusal to undertake its obligations and responsibilities even after its acquisition. They were overtaken, as it were, by a spirit of defeatism. They could not get rid of their "merchant-mindedness," if we may use such a term, and enter into a new complex of rulership by facing the realities of the situation. That is why they grudged paying decent remuneration to their servants thinking that it would eat into their dividend. Had they realised their true position, they would have recognised it as an elementary principle of public administration that public servants must be adequately paid to be induced to put forth their best, to keep them from temptation and to ensure a high level of conduct which may be said to be the first condition of stability of government. But instead of that, they looked upon their possessions in Bengal as a part of their capital assets and wanted to utilise it to swell their dividend. This was the root cause of all the evils in the Company's administration in this period. The servants of the Company looked upon themselves less as public servants, than as privileged private traders, so to say, who did some work for the Company also for a small consideration. It is no wonder, therefore, that they degenerated into a band of fortune-hunting adventurers, lost to all sense of public morality, particularly in the "masterless confusion" that prevailed in Bengal at the time. To sum up the situation in the words of Robert Grant¹ :—

"The regular emoluments of the service, at that period, bore no proportion to the great and the increasing importance of the functions exercised by the servants; and it is the too common vice of mankind to seek, in indirect and oblique gain,

¹ R. Grant, *op cit.*, Ch II, p. 245.

compensation for an unjust abridgment of their legitimate profits. At the same time, the temptations arising from this cause were strengthened by the extreme facility of malversations, under a system which was as yet unfurnished with the check of an effectual responsibility, and among a people with whom venality had wholly lost its reproach."

CHAPTER IV

THE COMPANY'S CIVIL SERVICE—FROM TRADERS TO ADMINISTRATORS

Failure of 'Double Government'

Clive left Bengal in the early part of 1767 and was succeeded by H. Verelst as Governor. It has been seen that the policy of Clive during his second term of administration, which had the fullest concurrence of the Court of Directors, was to render the Company "the spring which concealed under the shadow of the Nawab's name" would secretly give "motion to the vast machine of government" and the upshot was the "double government." Although Clive left Bengal in a mood of self-complacency, as would appear from the Select Committee's letter, dated the 24th January, 1767 (already referred to), very soon, however, the system was found to be hopelessly unworkable. Bengal once again relapsed into the state of anarchy and confusion which Clive had been sent to remedy. The servants of the Company went on with their private trade with renewed vigour. The revenue and judicial administration, being in the hands of the native collectors subject to the remote and perfunctory control of the Resident at the Durbar and the Supreme Council, continued as corrupt as before. The causes of the failure of the system have been ably analysed by Sir A. Lyall. He observes¹ :—

"The essence of executive government is to be one and indivisible, so that the machine will not run unless all the driving power centres ultimately under

¹ Sir A. Lyall, *op. cit.*, Ch. X, p. 176.

one prime mover, whether it be an autocratic prince or a democratic assembly. In Bengal the outcome of this divided responsibility after Clive's departure, was masterless confusion. The magistracy, the police, and the revenue officers, being diverse bodies working upon different systems with conflicting interests under no common head, vied with each other in mismanagement; there were no positive laws and there was very little justice in the country. Moreover, the three Presidencies made wars and alliances independent of each other: The Company's standing army in Bengal amounted to over 11,000 men, and the increased civil and military establishments involved expenditure that entrenched greatly upon the funds for commercial investment."

1/ The result of the system of 'double government' was absolute confusion and anarchy.) The country government had been demolished in substance though not in name, but was not yet replaced by a settled and regular government. As is to be expected under such circumstances, the people were subjected to systematic plunder and oppression by the strong, their economic resources were drained, the revenues of the Government fell, and the investment of the Company underwent a decline.

1/ Both the Court of Directors and the Bengal Board felt that things could no longer be allowed to drift and that something must be done. But they did not know what should be done. (What was wanted was a thorough overhauling of the system of administration, which had practically broken down, and this was ultimately achieved by Hastings.) But the Directors, as is natural to a body of commercial magnates and placed at too great a distance from the scene of occurrence to realise fully the true situation, dreaded any such innovation of a revolutionary character. Ultimately, however, hard pressed by circumstances,

the most important of which were serious financial embarrassment and parliamentary pressure, they had to abandon much against their will the policy of aloofness and decide on the assumption of direct responsibility of administration from the country government. But before this momentous decision was taken some palliatives were tried within the framework of the existing system, which may be regarded as being an admission of its failure. As these have an important bearing upon the position of the civil service, or at least a section of it, we propose to attempt a brief review of these measures before we discuss the effect of the Company's decision to undertake administrative responsibility on its own shoulders. ~~It~~ may be noted here in passing that even after the decision, the Company's servants mainly remained commercial agents with the exception of those who were drafted to revenue or judicial work, and even some of these combined some commercial work with their administrative duty. It took some time to make a complete separation between the two branches of the Company's activity.

The Scheme of 'Supervisors' of 1769

A section of the superior servants of the Company became impatient with the policy of non-interference pursued by the Company and advocated some measure of intervention in the administration. For instance, Mr. Holwell observed :—

“ We have nibbled at these provinces for eight years and notwithstanding an immense acquisition of territory and revenue what benefit has resulted from our successes to the Company? Shall we go on nibbling and nibbling at the bait, until the trap falls and crashes us? Let us boldly dare to be *Soubahs* (Governor) ourselves.”

Two other servants in very high positions gave vent to similar feelings though in a more moderate way. One was H. Verelst, the Governor, and the other R. Becher, the Resident at the Durbar. Verelst, in a letter written to the Bengal Board on the eve of his resignation of Governorship,¹ criticised the policy of the Directors in enjoining strict non-interference with the native agency. The argument on which Verelst based his criticism of the prevailing system was that the native officers were uncontrolled, while the Company received an immense revenue without possessing the means of protecting the people who paid. Verelst did not see any point in the objection of the Court to the employment of European agency on the ground of their ignorance and inexperience, because the employment of covenanted servants in the ceded districts had been amply justified. His experience as Resident or Chief successively in the ceded districts of Chittagong, Burdwan, Midnapur, as also the Calcutta Purgannahs brought home to him the marked contrast in the conditions as between them and the districts under Dewanny administration. This he attributed to two causes :—1. European supervision. 2. System of long-term settlement with Zemindars or hereditary landholders having a natural interest in the soil, instead of farming land by public auction to the highest bidders who turned out to be mere adventurers. Verelst, therefore, pressed for the approximation of the system of collection of revenue in the Dewanny districts to that in the ceded districts, which had thrived for a long time under the supervision and

¹ Letter dated the 16th December, 1769. Vide H. Verelst, *A View of the Rise, Progress, etc., in Bengal*, App XXVII, pp. 120-24. (See Appendix E for extracts from the letter.) In this letter he draws attention to the revolutionary change in the position of the Company, disapproves of the Company's policy of non-interference, depicts its evil consequences, applauds the scheme of supervisors of which he was the author, assesses its prospects, and at the same time urges caution in going further in asserting sovereignty.

management of the covenanted servants of the Company. (In this view the Resident at the Durbar, R. Becher, also completely concurred.)

In course of a letter, dated May 24, 1769,¹ to the Select Committee he deplored the unsatisfactory mode of collecting revenue and the resulting confusion and advocated the introduction of the method followed in the ceded districts. But want of experience and knowledge of the intricacies of the existing system, as also of information regarding the true condition of lands, naturally made the Select Committee hesitant and nervous in experimenting in new measures, particularly in view of the known apathy

¹ *Vide Bengal Secret Consultations*, dated July 8, 1769, Vol 9 Range A (I O R.), pp 394-400

Excerpts from the letter —

"It must give pain to an Englishman to have reason to think that since the accession of the Company to the Dewannee the condition of the people of this Country has been worse than it was before, and yet I am afraid the Fact is undoubted.

The Endeavour of all concerned to gain Credit by an Increase of Revenue during the Time of their being in Station without sufficiently attending to what future Consequences might be expected from such a Measure, the Errors that subsist in the Manner of making the Collections, particularly by the Employment of Aumils these appear to me the principal Causes why this fine Country which flourished under the most despotic and arbitrary Government, is verging towards its Ruin while the English have really so great a Share in the Administration

Whenever the Court of Directors shall think proper to avow the Management of the Revenues I think it cannot admit of Doubt, that the Plan to be pursued throughout the whole Country should be the same as is now practised at Burdwan, viz letting the Lands out to farm for at least three years with an assurance that those who behave well, and give proper encouragement to their Ryotts, should always have the preference in remaining Farmers of those Lands, when their Leases expired. This Method and English Gentlemen appointed to superintend the Collections, and administration of Justice has occasioned the province of Burdwan to flourish, when the Countrys adjacent to it under the Government of the Ministers are in a very declining state

Other necessary steps to be taken are to have as great a Check on the Collectors as you possibly can, and to endeavour to fix the Rate of Collections in such a Manner, that the Ryott may know as early as possible in the Season what the Collector has a right to demand of him, and no further demand should be made on any Account whatever, etc."

of the Directors to any innovation. But in 1769 on receiving a letter from the Court, dated the 11th November, 1768, which seemed to indicate a softening in its attitude and almost to permit them to make an experiment, the Select Committee felt encouraged and decided on an innovation. In the meantime they received also a joint letter from the President and the Resident at the Durbar, dated the 30th June, 1769,¹ giving to the Council most probably their views as noted above. At its Consultation held on August 16, 1769, they took into consideration the joint letter from the President and the Resident at the Durbar, and in view of the serious situation of the Company in Bengal, formulated a scheme of Supervisors as the remedy in the spirit of the Directors' Letter, dated the 11th November, 1768.² ✓

Evils that led to the Appointment of Supervisors

In support of the scheme the Select Committee observed among other things as follows :—

“ The Committee are convinced that this degree of power without control, of knowledge without participation and of influence without any effectual counter-Action is too important and replete in the consequences to be vested in any three ministers or rather one single man (meaning Reza Khan) who, allowing him the clearest preference for integrity, ability and attachment among his countrymen,

¹ This letter itself cannot be traced in the manuscript Consultations, though there is a reference to it in the *Bengal Consultations* of 8th July, 1769 (India Office Records), p. 367, as follows :—

“ Read a letter from the President and Resident at the Durbar accompanied by an Extract of a letter from the Resident to the President and sundry accounts etc.”

“ Ordered that the letters be entered on the proceedings.”

² Vide *Bengal Secret Consultations*, Vol. 9, Range A (I. O. R.), pp. 469-505.

cannot be supposed superior to temptation ; and at least ought not, in good policy, to be trusted so extensively and independently as has been necessarily the consequence of the present system ; while the Company are in reality the principals in the revenues of this country, and the most interested in the good conduct of its government, every bar should be removed that tends to preclude them from a knowledge of its real state. In the above causes and others deducible from them, the Committee discerns with great regret, the original source and present inveteracy of many of those evils under which those provinces are at present oppressed.”¹

They then proceeded to make out a case for interference by drawing attention to the corruption and oppressions of the native collectors :—

“ On an alarm of inspection or at the annual *poonah* . they frame accounts to serve the occasion ; or by involving them in confusion and ambiguity, waste time till it becomes too late to continue the process against them without hazarding new losses in the revenue ; and thus the culpable not only escape punishment, but often obtain a prolongation of their appointments. Many flagrant grievances reach our ears, but in a country of such extent, there are doubtless many more concealed from us ; and, what is equally true under our present disadvantages, they are and must remain, inexorable, we can neither redress grievances, nor effect improvements. With regard to the former, our distance, and our too indirect information through ministerial channels, set the offender beyond our reach, and the

¹ It is interesting to find the Committee speaking the language of modern science of government and public administration in dilating on the evils of absence of constitutional checks on the exercise of power a public by authority.

impossibility of having time and competent knowledge puts the latter out of our power."

"Enough has been said," they continue, "and more might be produced, to prove that the system established and now pursuing in the country is deficient in every particular that is requisite to defend and support the poor from the injustice and oppression of the strong; and to increase its value to its possessors by promoting the industry of the ryot and the manufacturer....."

So they thought that it should be replaced by the system obtaining in the ceded districts under the supervision of covenanted servants of the Company and passed the following resolution :—

"That in every province or district, a gentleman in the service be appointed, with or without assistance, in proportion to the extent of the district, whose office or department is to be subordinate to the Resident of the Durbar and managed as is expressly set forth and defined in the following letter of Instructions."

The details of the scheme were laid down in the letter of Instructions from the Resident at the Durbar, which was drafted by the President (H. Verelst) and unanimously approved by the Committee.¹ It was accompanied by detailed notes on each head for the guidance of the covenanted servants to be appointed Supervisors² who would be quite new to their task.

Duties of Supervisors under the Scheme

The duties of the Supervisors were clearly set forth in the instructions, subject to modification in future by the

¹ The "instructions" to the Supervisors will be found in Appendix F.

² In the Company's records the term 'Supravisors' has been generally used

Resident at the Durbar. They fall under five heads. They were instructed "to ascertain in a minute, clear and comprehensive manner" :---

1. A summary history of each district, from the period of Sujah Cawn (1726-39), the "era of good order and good government."

2. The state, produce, and capacity of the lands, with a view to preparing a good *Hustabood* or Rent roll based on personal and local investigation.

3. The amount of the revenues, the cesses or arbitrary taxes, and all demands whatever made on the ryot, by the Government or the Zemindar, with the manner of collecting them, and the general rise of every new impost.

4. The regulation of commerce, the illicit gains of *Pycars* (wholesale dealers), *Dallols* (brokers), etc., in the shape of *Nazzaranas*, brokerage, discount on rupees, etc.

5. Whatever might tend to obtain a knowledge of the abuses of and reform the administration of justice.

The task set to the Supervisors was thus of a Comprehensive character, embracing both the commercial and administrative spheres of activity of the Company. It will be noticed at the same time that the Supervisors were set the task not of actually administering, but making the groundwork by means of laborious research on which the administrative system could be built up. The authors of the scheme were quite aware that immediate assumption of the actual work of administration of such a vast country by the Company's servants without preparation, in other words, without collecting all the necessary information as regards the existing system and its abuses, would be attempting the impossible. The scheme of Supervisors was designed to prepare the ground

for the eventual assumption of the responsibility of actual administration by the Company's servants.

The idea was no doubt excellent and laudable, and underlying the instructions there is a lofty note of idealism, as would appear from the following extract with which the letter of instructions concludes; but it was perhaps too idealistic to be realised in the then existing state of the country:—

“Your commission entrusts you with the superintendence, and charge of a province whose rise or fall must considerably affect the public welfare of the whole. The exploring and eradicating numberless oppressions, which are as grievous to the poor as they are injurious to Government, the displaying of those national principles of honor, faith, rectitude and humanity which should ever characterise the name of an Englishman; the impressing the lowest individual with those ideas and raising his heart from oppression and despondency to security and joy, are the valuable benefits which must result to our nation from a prudent and wise behaviour on your part. Versed as you are in language, depend on none where you yourself can possibly hear and determine. Let access to you be easy and be careful of the conduct of your dependents. Aim at no undue influence yourself, and check it in all others. Great share of integrity, disinterestedness, assiduity and watchfulness is necessary, not only for your own guidance, but as an example for all others; for your activity and advice will be in vain, unless confirmed by example. Carefully avoid all interested views by commerce, or otherwise, in the province, whilst on this service; for though ever so fair and honest it will awaken the attention of the designing, double the labour of developing stratagems, and of

removing burdens and discouragements with which the commerce of the country in general has been loaded. You have before you a large field to establish both a national and private character ; lose not the opportunity, which is to be temporary only, for your whole proceedings will be quickly revised ; a test which the board consider due to themselves, as a confirmation of the propriety of their choice ; to you, an act of justice to your conduct ; and to the public, for the security of its interests..... ”

The Scheme Approved and Enforced (December, 1769)

The scheme being approved by the President and Council was given immediate effect. In a letter, dated the 10th December, 1769, the Resident at the Durbar was informed of the appointment of the first Supervisors and their posting in the different districts. From the Consultations of the Select Committee held on the 15th December, 1769, it appears that they felt very optimistic about the results of their scheme. They issued some further instructions, viz.—that

“ the supervisors be enjoined to avoid all appearance of pomp and parade whatsoever. That it be recommended to them to pursue a system of economy in all their measures, and that each supervisor be directed to transmit monthly an account of all his expenses to the Resident at the Durbar in order that the Committee may hereafter be better able to judge what allowances should be made to them, in their respective stations.”

At the same time the Committee modified an important condition of their employment by conceding to them the

right of private trade¹ which was forbidden in the original letter of instructions, because they thought it would not be expedient "to restrict the Supervisors from the general benefit of Trade, so long as it does not rise to the one (i.e., monopoly) or counteract the other (commerce)."

As regards the status of the Supervisors it was decided that all the Supervisors except the one at Dacca should be under the immediate direction and control of the Resident at the Durbar² at Murshidabad for Bengal and the Chief at Patna for Bihar. The reason why the Supervisor at Dacca was excepted from the rule was that he happened to be a member of the Bengal Board.³ So far as their relations

¹ Subsequently they were again forbidden the right under orders of the Court as follows —

"During his continuance in such station, he be not directly or indirectly engaged or interested in carrying on any trade in the districts committed to his care "

(General Letter of the Court to Bengal, dated the 25th March, 1772, *Bengal Despatches*, Vol VI (I O R))

² The functions of the Resident at the Durbar were stated as follows by the Select Committee in a letter to the Court, dated January 24, 1767.

"As to the functions of the office of Dewanny they have since we came into possession, been exercised, as you direct, by the Resident at the Durbar, who acts as Collector of the King's revenue under the inspection and control of the Select Committee. In conjunction with Mahomed Reza Cawn, (Naib Dwan) he superintends the whole collections, receives the monthly payments from the Zamindars, disburses the stated revenues appropriated to the King and the Nabob, inquires into the causes of deficiencies; redresses injuries sustained or committed by the officers of the revenue and transmits the accounts of his office, the invoices of Treasure, and a monthly account of the Treasury, with every other occurrence of importance to the President and Select Committee."

In short he was the connecting link between the Country Government and the Company in revenue matters

(Para. 5 of the Letter, *Bengal Letters Received*, Vol. 7 (I. O. R.).

³ His relation to the Resident was clarified in a letter from the Select Committee to the Chief of Dacca in reply to a reference made by the latter on March 1st, 1770, on the point. The Committee observed :—

"The ultimate judgment of your conduct should rest with us, though your first instructions and future directions are to proceed from the Resident at the Durbar. To define our meaning in the most express terms, wherein

with Indian collectors and revenue officers were concerned they were given a negative voice both in revenue and judicial matters, the last word remaining with the Resident at the Durbar. On the positive side their function was to carry on research, as we have already noted, into the state of the country, conditions of the people, the mode of collection of revenue and so on, and in this task they met with opposition from, instead of receiving the co-operation and assistance of, the Indian officers who could alone deliver the goods.

Constitutional Significance of the Scheme of Supervisors

The constitutional significance of the scheme of Supervisors lies in the fact that it formed the nucleus for the first time of a British administration in the proper sense of the term. In these Supervisors we find the predecessors of the present-day district officers. In devising the plan Vereist was prompted by the motive of meeting the obligations of the Company both by the native rulers and the people. But the plan was perhaps too ambitious and not based on a proper appreciation of the realities of the situation. The remarks of Sir W. Hunter on this subject, made in a rather sarcastic vein, are worth perusal in this connection. He says ¹ :—

“ They were to proceed to the investigation of the land tenures and of the revenues, to distinguish rapidly and infallibly between customary cesses and illegal extortions, to submit a scheme for the

the Directions of the Resident coincide with your opinion you will comply therewith, when a difference of sentiment arises, the question must be referred to our decision ”

(*Vide Bengal Secret Consultations*, dated the 29th March, 1770, Vol. 10, Range A (I. O R), pp 112-113.)

¹ W. W. Hunter, *The Annals of Rural Bengal* (1868), Vol I, Ch V, pp. 263-64.

administration of justice, to draw up a list of the products of the province, to report on its commercial capabilities, not forgetting an exhaustive account of the means of developing its internal resources, with suggestions for removing those multitudinous obstructions between the producer and the consumer, which had so fatally damped the spirit of industry under Mussalman misrule. Their leisure hours, which the Council seems to have expected would hang heavily, the supervisors might beguile by acting as fathers to the people, protecting the weak against the strong, helping the cultivators to improve their land, the merchants to extend their trade, the manufacturers to increase their products, and all classes to be wiser and better than before.

“In short, the supervisors were expected to accomplish more than they could possibly do and the result was that they did less than they might have done.”

Difficulties in Actual Working

The scheme received the blessings of the Court of Directors, and like its authors they also built high hopes on it. In a letter, dated the 10th April, 1771, to Bengal (Para. 64) the Court observes :

“It is with pleasure we observe that the appointment of supervisors, to examine into the state of the Provinces (under the Instructions which our late President has with so much judgment and success laid down for their guidance) may be productive of so general a reformation of the abuses which are the immediate objects of our concern, that we have little to add to our preceding orders and regulations—we therefore wait, with impatience, for the

issue of the supervisors' researches, in full hope that our President and Council will have adopted such measures as shall unite with our views, not only for the Company's interests, but for the good of the Country from which we receive so great advantages."

Within a very short time, however, practical difficulties were experienced in its working. The interposition of the Supervisors was found to interfere with the collection of revenues. R. Becher, the Resident, who was himself associated with the scheme at its inception, now represented to the Select Committee that its enforcement should be delayed for one year and the powers of the Supervisors should also be modified for the present.¹ He had reports of difficulties from the officers of the Government and forwarded in translation a copy of a letter from Muhammad Reza Khan to the Select Committee. He pointed out that the Zemindars, Aumils and Farmers were unwilling to enter into any engagements for the next season unless they could be assured of being able to make their collections without hindrance from the Supervisors. He, therefore, urged on the Council the necessity of withdrawing the controlling authority over the collectors which had been vested in the Supervisors by their orders of the 15th December, 1769.² He did not propose to do away with the Supervisors who might be employed for the present, "in the encouragement of trade ; assisting the government officers in the administration of justice ;

¹ Vide R. Becher's letter to the Select Committee, dated the 2nd June, 1770, *Bengal Secret Consultations*, dated the 9th June, 1770, Vol. 10, Range A (I O. R.), pp. 348-356

² "In anticipation of the Committee's sanction he had issued revised instructions to one of the Supervisors, Mr. Rider, on his first proceeding to Kishnagore and requested the Committee to issue similar ones to all the others as well. These were as follows :—

"It is necessary to acquaint you that it is not the intention of the President and Council to alter the present form of Government, but, that the gentlemen employed by them as Supervisors are to support the authority of the

recommending the cultivation of waste lands and clearing jungles, in taking accounts of the last year's collections, as far as can be done without interfering with the present,—and in obtaining a knowledge of the country and its capacity for improvement—all of which will be of great service when we come to step forward in the administration of Government in Bengal which I presume will be the case ere long."

In other words, in his view, for the present the Supervisors were to play second fiddle to the officers of the Country Government, being their coadjutors instead of being inspectors, as was the original idea. But the Select Committee remained unconvinced by these representations of the Resident and described the opposition of Indian revenue officers as "the last stake of desperate men who have long feasted on the spoils of the poor native." The Resident, however, reiterated his representation more forcefully in another letter to the Committee on the 21st June, 1770, on which the Committee revoked their previous resolution and acquiesced in the desire of the Resident to withdraw from the Supervisors their controlling authority. This practically meant the collapse of the scheme of Supervisors, because even the limited powers of supervision and control vested in them which constituted the only justification for their existence were now withdrawn. Within a short time, however, they began to exercise despotic powers, as will appear from Hastings' remarks about them in his letters.

Government officers, in whose names or that of the Rajah all orders are to be issued and proper respect to be paid to them—at the same time the Supervisors are to recommend such Regulations as appear necessary for the welfare of the Country and the benefits of your employers advising me whenever the officers of the Government refuse to acquiesce in what you propose, that I may if I find it expedient apply to the ministers to issue their orders for enforcing the measure, etc.. etc."

Causes of Failure of the Scheme of Supervisors

The first and foremost among the causes of failure of the scheme of Supervisors to fulfil the desired objective was their lack of training for the heavy and miscellaneous duties laid upon them and the absence of requisite knowledge and information necessary to check the native officers. They were all on a sudden called up from their purely mercantile duties to tackle the problems of an intricate and complicated administrative system, which, by the way, was in a tottering condition and required delicate handling. Secondly, far from securing the co-operation of the native officers in obtaining all necessary information they met with every form of obstruction from them. Naturally it became almost impossible for them to carry on that elaborate research which they were called upon by their Instructions to do.

It is on these two grounds that Mr. Beecher in his letter, dated the 2nd June, 1770, to the Select Committee, referred to above, expressed his misgivings about the efficacy of the experiment and enjoined caution in giving effect to it. He wrote :—

“ The point with me, is to judge whether young Gentlemen, with little Experience themselves, attended by Black Dependents, and Banians chiefly from Calcutta, and of course unacquainted in the Affairs of the Collection are capable to manage the Revenues and counteract the various obstructions that will undoubtedly be thrown in their way? To me it appears not. ”

Thirdly, the negative character of their function and the division of duties between themselves and the collectors weakened their sense of responsibility. Moreover, they were too few in number to keep a general oversight over any single department, not to speak of exercising

full control over the whole internal administration as was expected of them. As Wheeler observes :—

“An Englishman placed alone in a large district surrounded by native influences of the worst character, was helpless to contend against the general corruption, and was often tempted to share in the spoil. Such appears to have been the fate of Verelst's supervisors.”¹

Fourthly, another important factor that contributed to its failure was the practice of private trade by the Supervisors.¹ They became much too engrossed in the pursuit of profit by private trade to devote much time or energy to their duties as Supervisors. Moreover, baffled by the obstruction of the native officers in their difficult and arduous task, they lost all interest in it and employed themselves more profitably in their private trade. Lastly, within a few months of their appointment the country was visited by one of the worst famines recorded in the annals of Hindusthan. Although no causal connection can be established between the two events, yet in the mind of their employers the two came to be associated with each other and the Company found fault with the system, particularly because a report reached them that some of the Supervisors were guilty of making enormous profits by a corner in grains during the famine. The Supervisors, however, continued to function, and from the latter part of 1772 under the new title of Collectors, with new functions as well, till the Court of Directors directed their withdrawal from the districts and replacement by native aumils.

Institution of Councils of Revenue at Murshidabad and Patna

Before advices of the institution of Supervisors reached them, the Directors, haunted by the fear of Parliamentary

¹ J. T. Wheeler, *op cit.*, p 384.

intervention, racked their brains for devising means for setting their affairs in Bengal straight. One of the devices contemplated by them very well coincided with the scheme of Supervisors already introduced. In their General Letter, dated the 30th June, 1769, to the President and Council at Fort William,¹ the Directors drew attention to the increase of revenue from the Company's Zemindary and ceded districts as compared with those under Dewanny management. Attributing this to the more immediate supervision of collection by the Company's servants they resolved to establish a committee of some of their ablest servants for the management of the Dewanny revenues at Murshidabad for the Bengal province, and another at Patna for Bihar, with a contingent of junior covenanted servants for assistance, with a view to correcting abuses and collecting necessary information.

The members of the Councils were to be "Comptrollers for the management of the Dewanny revenue," under the direction of the Supreme Council and were to collect all information relating to the state of collection and also for exploring all avenues of economy in collection. The Select Committee resolved to give effect to these directions of the Court at its meeting held on the 27th January, 1770.

In September, 1770, the two Councils, one at Murshidabad consisting of four senior servants including two members

¹ Vide paras 13-22 of the letter. It reached Bengal in January, 1770. The Court there gives minute directions for the constitution of the Councils as also the objects of setting them up, which are summed up in para 22 as follows:—

"To sum up the whole of this subject in few words our meaning is to save what we can of the large salaries now paid to idle dependents appointed to nominal but useless offices by the Country Government and to lead you to such a knowledge of the real state of the Rents and cultivation of the several districts as may enable you to keep the tenants free from imposition and extortion and to give every possible encouragement to the Husbandman and the manufacturers."

(*Bengal Despatches*, Vol. 4, I. O. R.)

of the Supreme Council, and the other at Patna, consisting of three members including a member of the Supreme Council, assumed office.¹ These continued to function till a complete reorganisation of the system of revenue and judicial administration was attempted by Hastings in 1772. The Supervisors were now placed under the immediate control of the Councils instead of the Resident at the Durbar and the Chief at Patna.

*The Plan of Enquiry by a Board of Commissioners
for the Affairs of India*

But the Directors did not rest satisfied by sending directions for more careful supervision of revenue administration through the Revenue Councils. They wanted to take the wind out of the sail of the growing public opinion in England for Parliamentary interference into their affairs, by instituting a board of enquiry called Commissioners² for the Affairs of India consisting of three experienced servants of the Company—H. Vansittart, L. Scrafton and F. Forde—with plenary powers “to superintend, direct, and controul, conduct, manage and transact” “all the business, and affairs of the said United Company in and through all parts of India during the good will and pleasure of the said United Company.” In short, they were to carry out a thorough and detailed investigation in all the branches of the Company's affairs in India and during such enquiry were to pose as the Company itself. They were given detailed Instructions³ under forty-seven heads and

“were to use and exercise all such powers and authorities incident or necessary for carrying these

¹ *Vide Bengal Secret Consultations*, dated 27th September, 1770.

² Papers connected with this Commission will be found in *Home Miscellaneous Series* (No 204), I. O. R.

³ Hastings' summary of Instructions to Commissioners will be found in M. E. Monckton Jones' *Hastings in Bengal, 1772-74* (1918), pp. 127-30.

powers into execution and for correcting all abuses, and obtaining the necessary reformation in the state of the Company's affairs, as well civil as military, throughout India,"

just as if they were the Company itself. The plan, however, petered out owing to an unfortunate accident, because the Commissioners were not heard of after passing the Cape of Good Hope, presumably having been ship-wrecked.

Ultimately when they were given up for lost, parts of the original instructions were sent to the President and Council in Bengal, to be executed by them in their respective departments as effectively as if they were the Commissioners.¹ The Bengal Board, in the meantime, constituted themselves into a Committee of Revenue for the better management of revenue affairs and met in that capacity for the first time in April, 1771.² But none of these devices was attended with the results wished for. The mismanagement and confusion continued as before.

The Company Decides to Stand forth as Dewan

At last the Company came to the conclusion that nothing short of a total transfer of responsibility from

¹ *Vide* Court's General Letter to Bengal, dated 10th April, 1771 (Para. 82), *Bengal Despatches*, Vol V

² The Comptrolling Committee of Revenue, as it was officially known, was appointed by the President and Council on April 1, 1771, in pursuance of the directions of Directors to the Commissioners spoken of above, to deal with all revenue matters both in Dewanny and ceded districts instead of the Board. Their constitution and powers were defined in a letter from the President and Council to the President and members of the Comptrolling Committee of Revenue with extracts from the letter from the Court (Court's letter to the Commissioners, dated the 23rd March, 1770, para 96) as enclosure

(*Vide Proceedings of the Calcutta Committee of Revenue*, dated April 1, 1771, Range 67, Vol. 53 (I. O. R.), pp 154-60.)

the Country Government to their own servants would improve the situation. At the same time they were also very keen on punishing the principal offenders in the old regime, and the two Naib Dewans were specially singled out for immediate arrest and imprisonment. For carrying out their wishes they deputed Warren Hastings, the man in whose ability they had the greatest confidence and who was appointed to the Governorship of Bengal in succession to Cartier early in 1772. In course of an important despatch to Bengal, dated 28th August, 1771, they wrote :—

“ It is therefore our determination to stand forth as Duan and by the agency of the Company's servants, to take upon ourselves the entire care and management of the revenues.....

We trust that in the office of Duan you will adopt such regulations and pursue such measures as shall at once ensure to us every possible advantage and free the Ryots from the oppression of Zemindars and petty tyrants under whom they may have been suffered to remain from the interested view of those whose influence and authority should have been exerted for their relief and protection.”

The letter reached Bengal on the 14th of April, 1772, almost simultaneously with the assumption of charge of Governorship by Hastings. It will be noticed that the Directors did not give any definite instructions as to how their intentions were to be carried out. The difficult task of building up an entirely new structure on the ruins of the old one, and that too without the necessary equipment, of bringing order out of chaos devolved upon Hastings who, however, set about the task immediately with singular courage and resourcefulness.

His private letters of this period show that he was only too conscious of the formidable difficulties confronting

him, but he faced them boldly and squarely.¹ He effected reforms both in the administrative and commercial branches of the Company's affairs, because, in his view, it would be meaningless to attempt reforms in one field alone, the two spheres being now so much interlinked and manned by the same service. The administrative branch again had two distinct facades not separable from each other, *viz.*, revenue and judicial. Although, in theory, the Company had become only the collector of revenue, inasmuch as civil justice formed a part of the revenue administration under the system prevailing in the country, Hastings had to take up the problem of judicial reform as well, along with reorganisation of revenue administration.

We shall now briefly discuss the reform measures of Hastings in these difficult fields and assess their effect on the constitution of the Company's civil service. As a pioneer, Hastings had to proceed rather haltingly and cautiously. He has himself admitted in a private letter to a friend that he was engaged in making only 'chops and changes' and not a drastic overhauling of the whole system at once. We find him adopting different systems at different periods. This process of experimenting went on even after his regime and was completed by Lord Cornwallis.² Before dealing with his measures of revenue

¹ *Vide* particularly in this connection his letters, dated the 22nd and 26th March, 1772, to the Chairman of the Court of Directors. (M. E. Monckton Jones, *op. cit.*, pp. 146-52.)

² The following excerpts from a letter written by Hastings to his trusted Councillor, Barwell, on July 22, 1772, will be of interest in this connection —

"In many cases we must work as an arithmetician does with his *Rule of False*. We must adopt a plan upon conjecture, try, execute, add, and deduct from it, till it is brought into a perfect shape. Yet this mode is liable to many inconveniences."

Why he adopted this method, fully conscious as he was of its imperfection, he explains as follows —

"The new Government of the Company consists of a confused heap of undigested materials, as wild as the chaos itself. The powers of

and judicial reform we shall discuss what he did in the matter of putting an end to trade abuses.

Hastings's Reform measures,—Commercial reform.

Although very soon trade was to become a secondary occupation to the Company and administration the primary, as yet the Company attached very great importance to their investment¹ on the profits of which they mainly depended for their dividend. Thus the Court in their letter, dated the 23rd March, 1770 (para 22) observes :—

“As the matter of Investment is of the greatest importance to our interest, because on that alone depends our prosperity and existence, we have bestowed very great attention to the goods which answer best at this market etc.”

It was quite natural therefore that on the eve of embarking on a momentous experiment in the fields of revenue and judicial administration Hastings should apply his reforming hand to the trading branch also, which suffered materially, as we have already seen, from the prevailing confusion during the period since 1757. It was now time to re-organise the system on the basis of the Company's new responsibility as the protector of the people. So long the interests of the Company as well as of its servants

government are undefined; the collection of the revenue, the provision of the investment, the administration of justice (if it exists at all), the care of the police are all huddled together, being exercised by the same hands, though most frequently the two latter offices are totally neglected for the want of knowing where to have recourse for them. Added to the difficulties attendant on the arrangement of each, we have them all to separate, and bring into order at once, etc.”

(G. R. Gleig, *Memoirs of the Life of the Rt. Hon. Warren Hastings* (1841), Vol. I pp. 316-17.)

¹ This is evidenced by the fact that in every Despatch of the Court an important section was devoted to the heading “Investment”

and those of the Government ran counter to each other. The aim of the servants of the Company was to secure goods cheaply whether on their own account or for the Company. This led to some amount of exploitation of the ryots who were in consequence unable to meet the revenue demands of the officers of the Government, which were, of course, not always legitimate and equitable. The result was constant friction and the ryots fell victims to two-fold oppression. Of course the Company, backed up by the strength of military supremacy, got the best out of the bargain. The revenues of the Government suffered grievously, as we have already noted, from the abuse of *Dustuck* by the Company's servants. The Company was not quite indifferent to these prevailing abuses and as early as April, 1771, sent detailed instructions to the President and Council in Bengal for reform of the abuses.¹

“ From a conviction that the most effectual means to restore and invigorate the trade of Bengal will be the opening every proper channel for its extension and giving it that General freedom which is so necessary to encourage the industry and attract the attention of the Natives we can no longer permit our Servants of any rank or station whatever to enjoy the exclusive privilege of *Dustucks*. And here when we speak of *Dustucks* you are to understand not only *Dustucks* but *Rowanahs*, *Perwannahs*, orders, letters or any other powers or favours which may be conferred and which can in any way yield an influence or superiority in favour of one more than another, and this without the least distinction to nation or complexion.

It is therefore our pleasure that all *Dustucks* be immediately withdrawn and that native merchants

as well as Europeans under our protection may have every excitement (sic) to extend their views to the increase of that commerce which we have reason to fear has been long languishing under those discouragements which the privileged of our Servants have enabled them to lay on the general circulation of trade.

“Persuaded as we are that the internal and external traffick of Bengal has received further checks from the duties which are levied and the exactions which are imposed at petty chokeys, we positively direct that no such chokeys be suffered to continue (on any pretence whatever) to impede the course of commerce from one part of the Province to another.

“It is however necessary that the nine General Chokeys which have been established for collecting the duties payable to the Circar should remain and those only and that a person on the part of the Nawab should reside at each Chokey to receive the usual and established tolls and that one or more of our civil servants, on behalf of the Company, as Duans, should be stationed at each Chokey, to superintend the receipts, keep proper registers of all collections, and take care that no impositions or irregularities be committed.....

“It is our positive injunction, that no extraordinary tolls be levied, and no obstructions or unnecessary delays be given to their passage, so that they may not have any just cause to complain of arbitrary proceedings or any undue exercise of our power as Duans.

“With respect to the natives or all others under our jurisdiction we further direct that no oppressions or impediments be laid on their traffick up and down

the river, but that upon their conforming to ancient customs and paying the established duties the passage of their goods be facilitated by all possible dispatch."

They were not unmindful of the loss accruing to their servants from the withdrawal of the privilege of 'Dustucks' and provided for a reasonable compensation. They wrote :

"We direct that for all duties which may be paid by our servants of the several ranks to which we before allowed the use of Dustucks, certificates be granted them by the Collectors at the established Chokeys and upon their making affidavit that the goods on which such imposts were levied, were on their own account and not directly or indirectly the property of any other person whatever, you are to transmit to us an account, for one year, of all such certificates distinguished under the different ranks and denominations of our respective servants, the better to enable us to judge what gratification it may be proper for us to bestow, as an incitement to their diligence and to the faithful discharge of their several duties."

Hastings's measures of commercial reform were mainly based upon these directions. Now that the Company gave out their intention of taking upon themselves the responsibility of the administration, the problem assumed altogether a new aspect. The conflict of interests between the Company as a trader and the Government now ceased. The two interests merged together in a common stream. The welfare and prosperity of the people became now the supreme concern of the Company on which depended their trade profits as much as revenue. It was from this new angle that Hastings approached the question as also the other question of administrative reform. As a matter

of fact it was but a part of his comprehensive plan of reform and reconstruction and is not to be viewed in isolation.

In the first place, the system of providing investment through *gomostahs* or native agents who practically bound down producers to deal exclusively with themselves was replaced by what was known as the *Dadni* system, that is, ready cash purchase by contract with *Dadni* merchants (Wholesalers) on the basis of a sort of competitive tenders. This was calculated at once to free the weavers from the bondage and oppression of *gomostahs* and at the same time to stimulate production by free competition. Hastings adopted this method rather reluctantly in pursuance of the Directors' orders, because his experience in Madras about the *Gomostah* system was quite favourable and he was rather sceptical about the efficacy of the other method.¹ The success of the system, of course, much depended upon the servants of the Company in charge of investment, viz. the commercial residents or chiefs of factories. At the head of the commercial branch of the Company's affairs he created in December, 1773, a new office called 'the Comptroller of the Investment' and selected a superior servant of the Company who had special experience in this field, having served as the President of the Committee of Commerce.

This was the first step in the process of separation between the two branches of work and service of the Company. Hastings believed in specialisation. As Monckton Jones observes²:—

"Hastings was a believer.....in the policy of the strong man in the right place. 'Choose your man carefully for his task,' he might have said, 'seeing

¹ Vide Letter, dated the 10th January, 1772, Postscript, dated March 27, 1772. Paras 2-5, "Bengal Letters Received" Vol. X (I. O. R.)

² M. E. Monckton Jones, op. cit. p. 223.

to it that he has the special knowledge required, and then give him a powerful incentive and a free hand ; ' such at any rate was his practice in the cases of the salt management, the bank, and in negotiations with his neighbours.".....

He justifies the creation of the new office in the following words:¹—

" The business of your Investment, which we have always regarded as the most interesting in its consequences, being nevertheless in its detail little subject to the immediate inspection of the Board, and the multiplicity and variety of the other objects which necessarily engross our attention rendering it still more difficult to attend properly to that branch, especially since the absence of several of our members at the chiefships, we thought it expedient to consign to the care of one of our number particularly..... "

From the letter of the Court, dated the 10th April, 1771, (extracts quoted above) it appears that the Directors insisted on the policy of freeing trade from all sorts of restrictions as the only way to prosperity of the people and consequently of the Company. Of such restrictions there were only too many. First of all, there was the privilege of the *Dustuck* for European servants of the Company establishing virtual monopoly in certain trades. Secondly, there was the network of petty chokeys, (*i.e.* custom houses) sprinkled throughout the length and breadth of the land. Last but not the least, there were numerous vexatious imposts levied not only by the *Nizamut*, but by the *Zemindars* and other farmers and even their agents.

¹ *Vide* Letter to Court, dated December 30, 1773, (para 8) "*Bengal Letters Received*," Vol. XII, p. 175.

The Directors advised in the above letter to make a clean sweep of all these restrictions on trade. The orders were now carried into execution.¹ An advertisement was issued notifying the abolition of Dustucks with effect from the 12th of April, 1773. In pursuance of the Court's direction, privilege certificates were to be issued to such servants as had hitherto been entitled to the privilege, upon their paying along with other merchants the duty of $2\frac{1}{2}$ per cent, and upon their declaring that the goods were their own property. A register of such certificates was to be sent to the Directors to determine the mode of compensation for the loss sustained by such servants through the loss of the privilege, which placed them, in the opinion of the Council, at a disadvantage by the side of Free Merchants. The Council pleaded for suitable compensation for such servants with a view to stimulating their loyalty and zeal. All the Customs houses, except the five central ones, were abolished and new customs regulations were issued by the Board of Revenue on March 23, 1773.²

It passed a number of "resolutions for the future Establishment and Regulation of the duties of the country government." A uniform duty of $2\frac{1}{2}$ per cent, distinct from the Company's duty paid in Calcutta, was to be payable on all goods except the monopolies of salt, betelnut and tobacco by all alike, even the Company and its servants not excepted. A Board of Customs consisting of a member of Council and four senior servants at the Presidency, was formed to inspect, regulate and control the business of the customs. The main features of the

¹ *Vide* Letter to Court, dated February 27, 1773, (Paras 16-17) quoted in M. E. Monckton Jones, op. cit., p. 239.

² *Vide Bengal Revenue Consultations*, dated March 23, 1773, Range XLIX Vol. 38, pp. 1038 1048, (I O. R.)

new regulations may be summed up in Hastings's own words as follows¹:—

“ The plan of Customs which I sent you with my last despatches has been since completed, and a Board of Customs formed to superintend it. It is simple : the expense reduced, all the inferior chokeys withdrawn, and the goods, after one payment, free to go wherever the owners please without molestation. The dustuck will be abolished the 12th of this month, which will put an end to that distinction, which seems to have been the chief cause of oppression to the unprotected traders. I venture to pronounce it a good regulation, and the first effectual step to that free trade which I know you have much at heart.”

*Separation between Revenue and Commercial branches,—
constitution of a Board of Trade.*

We have referred above to the institution by Hastings of a new post of the Comptroller of the Investment and seen that it was actuated by his belief in specialisation as contributing to efficiency. The Directors also endorsed the idea, and in their letter to Bengal, dated the 29th of March, 1774,² advised the formation of a Board of Trade consisting of eleven senior covenanted servants of the Company vested with plenary powers for the management of trade affairs only. The Board was to be vested with powers of appointing subordinate servants in the commercial branch with full disciplinary control over them. There was to be a clear-cut division between the two branches

¹ Letter to Sir George Colebrooke, April 3, 1773, in G. R. Gleig, *op. cit.*, Vol. I, pp. 307-308.

² Vide paras 4-5 of the Letter (I. O. R.). “*Bengal Despatches*,” Vol. 7, pp. 52-57.

of the service engaged in commercial and revenue work, each being recruited on the basis of special aptitude shown in the respective fields. In justification of this step the Directors wrote :—

“ As the welfare of the Company must in a great measure depend on the proper management of their commercial affairs in Bengal and particularly on receiving well-chosen investments, in order that those valuable purposes may be answered we have judged it expedient to establish a Board of Trade; and thinking it incumbent on us to avail ourselves of the abilities and experience of our late Council, we therefore direct that Samuel Middleton, etc..... being our eleven senior civil servants, be our Board of Trade, for managing, conducting and transacting our trade and commerce in Bengal, Bihar and Orissa; and we hereby empower our said Board of Trade to appoint subordinate officers and agents under them from amongst our covenanted servants only; and to suspend or remove any such officers or agents when they shall find it necessary for our interest so to do; but in every appointment made by our Board of Trade, we direct, that *they do not require any person who shall be employed by the Governor General and Council in the collection or management of the revenues, to execute any office under the said Board, it being our intention, that none of our servants shall hold employments in those different departments at the same time.*”

They directed seven members of the Board to be posted at the Presidency and four to be chiefs of subordinate factories or Residents at the *Aurangs*, but no such chief or resident was to be at the same station for more than three years successively, the idea being perhaps to

prevent the growth of undue influence and vested interests. The Board was to assemble twice a week, and the proceedings were to be recorded. On the allocation of civil servants to the one or the other branch of work they observe¹:—

“ We direct that in the collection and management of the revenues you continue such of our servants, as are or have been employed with reputation in that Department; and that you leave under the direction of our Board of Trade those of our servants whom they may report to you as skilled in the provision of the Company’s investment.”

Having provided for the selection of servants with due care, they took care to fix decent emoluments for the members of the Board. The President was to receive £2,000 sterling per annum, and each member £1,500 by quarterly instalments, which sums “ were to be in lieu of commission upon the revenues and in full for salary, diet money and every emolument except such advantages as may arise from carrying on a legal trade,” and the President was to enjoy, besides, a commission on coral and diamonds. The Board of Trade thus constituted in 1774, continued to function² and was later reorganised by Lord Cornwallis, as we shall see. Hastings’s appointment of a special officer in charge of investment was thus carried a step forward. From now the organisation of the Company’s service underwent a definite bifurcation, although it took some time to make it effective.

Revenue Reforms

The administrative machinery set up in pursuance of the directions of the Court in their letter of the 28th of August,

¹ Para. 5 of the Letter.

² It came to an end in 1835, on the trading functions of the Company being abolished by the Charter Act of 1833.

1771, referred to above, was completed by stages through a series of experimental measures. The process of its growth may be conveniently traced through the following well-defined stages :—

(1) 1772—1773-74, (2) 1773-74—1780-81, (3) 1780-81—1786-87, (4) 1786-87—1793, (5) 1793 and after. In other words, the process was started by Hastings and completed by Cornwallis. Hastings applied himself to the work with singular earnestness and steadfastness of purpose. During the few months that he stayed in Bengal before taking charge of Governorship from Cartier in April, 1772, he studied carefully and minutely the general situation in Bengal and specific problems of administration as a preparation for the responsible work that awaited him. As a result of his laborious researches he evolved certain general principles suggested by his experience of the existing evils of administration which he applied in working out his reforms. These may best be put in his own words :¹

The maxims which I laid down for my conduct, and by which it was invariably guided, were these:—

First, to implant the authority of the Company, and the Sovereignty of Great Britain in the constitution of this country, (this coincided with the direction of the Court of Directors 'to stand forth as Duan'). Secondly, to abolish all secret influence, and make the government itself responsible for all measures, by making them all pass by its avowed authority. (Hastings did not approve of the policy of masking the Company's

Letter to L. Sullivan, dated March 21, 1776, in Gleig *op. cit.* Vol. II, p. 30.
The passages within brackets are our own.

authority under that of the Nizamut. Further he was strongly in favour of concentration of all authority in the Presidency Government, the Governor being given a predominant position therein.). Thirdly, to remove all impediments which prevented the complaints of the people from reaching the ears of the supreme administration, or established an independent despotism in its agents. (This is why, as will be seen presently, he was so keen on bringing down collections to the Presidency by abolishing all intermediate agency between the Supreme Government and the People.). Fourthly, to relieve the reiat (tenants) from oppressive taxes. Fifthly, to introduce a regular system of justice and protection into the country. (He took the view that revenue and judicial branches were so much interconnected that administrative reform unaccompanied by judicial reform would be nugatory. So he effected both at once, though in doing so he went beyond the immediate scope of the Court's instructions.). Sixthly, to relieve the distresses of the Company at home and pay off their heavy debts here, by a uniform and regular mode of collecting their rents, by savings in expenses, and by foreign acquisitions of wealth."

This is one of the reasons why he wanted to introduce simplicity and stability in the system of land settlement by means of long-term tenures with hereditary farmers. This was, in his opinion, the best way of achieving security and certainty in the collection of revenues as well as of adding to them. What struck him at the very outset was the total absence of system in land settlement and the bewildering variety of land tenures with the resulting

confusion and leakage of revenues. Thus he wrote to the Directors.¹

“ Though seven years had elapsed since the Company became possessed of the Dewannee, yet no regular process had ever been formed for conducting the business of the revenue. Every *Zemindari* and every *Talook* was left to its own particular customs. These indeed were not inviolably adhered to. The novelty of the business to those who were appointed to superintend it, the chicanery of the people whom they were obliged to employ as their agents, the accidental exigencies of each district, and not infrequently, the just discernment of the Collector, occasioned many changes,—every change added to the confusion which involved the whole and few were either authorised or known by the presiding members of the Government.

“ The articles which compose the revenue ; the form of keeping accounts ; the computation of time and even the technical terms which ever form the greatest part of the obscurity of every science differed as much as the soil and production of the province. . . ”

This situation called for reform. What claimed his principal attention in his task of revenue reform was to render the accounts of the revenue simple, and intelligible, to establish fixed rates for the collections, to make the mode of them uniform in all parts of the Province, and to provide for an equal administration of justice. Hastings took the earliest opportunity after assuming the reins of government to push on with his plan of revenue administration

¹ Letter, dated 3 November, 1772, (Revenue Dept.), “ *Bengal Letters Received* ” Vol. X, pp. 86-91, (I. O. R.).

which was approved by the Comptrolling Committee of Revenue on May 14, 1772.¹

Plan of Revenue administration of 1772

The principal measures recommended for the settlement of collections may be summarised under the following heads :—

1. Lands were to be let in farm for five years.
2. A Committee of Circuit consisting of the Governor and four members of the Council was to be appointed to visit the districts east of the Hoogly and to make five years' settlements with farmers at the headquarters of the districts, the remaining members of the council being charged to make settlement of the districts near Calcutta.
3. "Supervisors" were henceforth to be styled collectors.²

¹ Calcutta Committee of Revenue Proceedings, dated 14 May, 1772, Range 67, Vol. 54, pp 247-262, (I O R.). For details of the plan see Appendix G.

² The significance of this article is much deeper than what is indicated by a mere change in title. It symbolises, so to say, the transformation of the Company into a regular administrative organisation. In the regulation in question, the reason of the change is stated to be the Court's decision to "stand forth as Duan" and manage the Dewanny by the agency of these servants. But the reason is set forth by Hastings in course of a private letter to Mr Josias Dupre, dated the 8th of January, 1773 :—

"Do not laugh at the formality with which we have made a law to change their name from *Supervisors* to *Collectors*. You know full well how much the world's opinion is governed by names. They were originally what the word supervisor imports, simple *lookers-on*, without trust or authority. They became *collectors*, and ceased to be *lookers-on*; but though this change had taken place two years before I arrived, yet I found to my astonishment that they were known to the Court of Directors only in their original character. It was necessary to undeceive the Company; and to that end we have called these officers by a title which will convey the true idea of the nature of their office."

(Gleig—*op. cit.* Vol. I, p. 268.).

4. In every district a native officer under the title of Dewan was appointed to assist the collector in the superintendency of the revenues and at the same time to serve as a check on him.
5. Collectors were forbidden on pain of dismissal to be engaged directly or indirectly in trade in grain.
6. The collectors and their servants were also forbidden to lend money to Zemindars or ryots.
7. No servant of the collector was to be permitted to farm lands or even to have directly or indirectly any concern in any farm or to stand security for any farmer.
8. Collectors were instructed to collect all necessary information to enable the Committee to fix the establishment for each district for its protection and for preserving order.
9. Collectors were ordered to prepare an exact rent-roll of each farm in the district.

There were some other regulations in the plan directed against possible abuse of authority by collectors and oppression or extortion of the ryots.¹ For instance, the dues of the Company from farmers, as also those of the farmers from the tenants, were to be fixed at the sums stipulated in legal documents, any demand in excess being illegal. All presents and gifts to collectors or other officers at the time of settlement, or at any other time, were totally stopped. These resolutions, supplemented by a few others passed on the 28th of May,¹ laid down the general principles for the guidance of the Committee of Circuit in their work of revenue settlement and also for working out detailed regulations for giving effect to them in the light of their experience

¹ *Vide Proceedings of the Calcutta Committee of Revenue, dated 28 May, 1772, Range 67, Vol. 54, pp. 290-91 (I. O. R.).*

gained in course of local investigation. The Committee of Circuit began its itinerary on the 3rd of June, 1772, coming back to the Presidency in March next. Besides making land settlements in the districts, which, by the way, it did by means of public auction to the highest bidder, it elaborated two important plans,¹—one for the management of the Khalsa (or Treasury) at the Presidency and the other for the administration of justice. We have already seen that Hastings wanted a strengthening of the Presidency government by vesting all important authority in it; because from his experience he found that the vesting of power in inferior servants in the interior was the root of all trouble in the Company's administration. They became autocratic, corrupt and oppressive. The Committee, therefore, at the instance of its President of course, resolved on 28th of July, 1772, to abolish the Council of Revenue at Murshidabad and to transfer to the Presidency the Court of the Khalsa (Treasury) with all its establishment and to place it under the immediate charge of the President and Council.²

The motive behind this move was two-fold—practical and political. Hastings argued³ that by this step the members of the Government at the Presidency would have greater opportunity of acquiring "that thorough and comprehensive knowledge of the revenue, which can

¹ It may be noted that besides its revenue work the Committee was also concerned with commercial affairs. At Cossimbazar, for instance, they took into consideration the subject of the decline in silk investment. As W. K. Firminger observes —

"This commixture of commercial with governing occupations serves to show that the Committee of Circuit forms an intermediate landmark between two stages in the Company's history"

(W. K. Firminger, 'The Fifth Report,' Introduction, (1917), Vol. I, p. cxxx.)

² Committee of Circuit Proceedings, dated 28th July, 1772, Range LXXI, Vol. 13, (I. O. R.), pp. 175-82.

³ Vide paras 33-41 of the Revenue Letter from Bengal to the Court, dated 3 November, 1773, referred to above.

only result from practical experience " and which it was so very necessary for them at that time to acquire. Further, it was calculated to give the people a readier access to justice, as they would now be able to appeal from the decisions of the inferior Courts direct to the Presidency. But the most important reason was perhaps the political one, viz. the shifting of the centre of political gravity from Murshidabad, the capital of the Nawab, to Calcutta, the capital of the Company's government, thus publishing as a fact what had already happened in theory.

Pursuant to the above resolution, the Committee at its meeting held on the 20th of August, 1772, prepared a detailed plan for conducting the business of the Khalsa.¹ Under this plan the control and superintendence over the collectorships, already instituted, was to vest in the President and Council, who were to form themselves into a Board of Revenue² for the purpose, to be styled " Auditors of the Dewanny " authorised to issue necessary orders to collectors and to inspect, audit and pass their accounts. Each member of the Board, in weekly rotation, was to audit the accounts from the collectors and submit a report thereof to the Board which would pass the accounts every month. Thus a rigorous check was imposed on the operations of the collectors. The office of Roy Royan, or a native Dewan to the Board, was created to act as a similar check on the operations of Indian dewans in the districts associated with the collectors. The Roy Royan himself was of course under the control of the President and the Board. Under the plan, a number of other offices were also created with their respective duties defined, for conducting

¹ *Vide Committee of Circuit Proceedings, Cosimbazar*, dated 20 August, 1772, Range LXXI, Vol 13, (I O. R.) pp. 277-92.

² This must not be confused with the Controlling Committee of Revenue at Calcutta which now came to an end as also the Councils of Revenue at Murshidabad and Patna.

the business of collection and superintendence, some of them being held by the covenanted servants of the Company, such as the Superintendent to the Khalsa, Accountant General of the Dewanny, the Persian Translator to the Khalsa, and others by natives such as officers of the 'Khazana,' Canoongo, Moonshee, Karkoon, etc. (The plan met with the unanimous approval of the Supreme Council on the 29th of August, 1772. \

(The Board of Revenue accordingly being formed on the 13th of October, 1772, the new plan of revenue administration came into full force. But the system proved rather short-lived as we shall see presently. Simultaneously, a plan of justice, which we shall discuss later, was also completed and enforced, organised on parallel lines

Critical estimate of the plan

These two plans gave large powers in the hands of the new collectors who were all covenanted servants of the Company. Hastings was not at all in favour of leaving large powers in the hands of the junior servants of the Company. (Had it been practicable, he would have gladly done away with the agency of collectors and brought down the whole business of administration into the Presidency. But he could not do it at the time, because he was conscious that in the absence of detailed knowledge and information about land and the people it would not be possible for the Presidency Government to manage without some local agency. So he was obliged to continue them, took every possible precaution against the abuse of power and excesses which characterised their predecessors, and tried to inspire them with a sense of responsibility.¹

¹ The following extracts from a letter of Hastings to one of the collectors, dated 21 July, 1772, will give an idea of the spirit which he wanted to infuse in the junior servants (Gleig, *op. cit.*, Vol I, pp. 313 14).

In the first place, in the districts with which the collectors were associated, the collectors and Dewans were to serve as mutual checks on each other, both again being controlled by the Revenue Board at the Presidency. A machinery of independent audit through members of the Board was set up. All practices which were liable to lead to corruption of the collectors or of their servants or the oppression of ryots were specifically prohibited. Further, in pursuance of a Despatch from the Court,¹ it was decided not to keep any collector in charge of the same station for more than two successive years as a safeguard against evils arising from the growth of an undue influence.² At the outset the scheme seems to have worked well, and we find Hastings referring to it rather complacently in January, 1773:³

"I have hitherto every reason to be pleased with the change. Calcutta is now the capital of Bengal

"I earnestly recommend to you to set apart a fixed portion of your time daily, or as often as your other duties will permit, to hear and decide all complaints that shall be brought before you. It will facilitate your business much if you keep a brief register of all causes that shall be brought before you, entering the names of the complainant and the respondent, with the general charge, and your decision, those of each pergunnah being registered apart. A few instances of strict justice afforded to the persons injured, and a few severe examples made of great offenders, will save you much future trouble by lessening the number of complainants, as there will be fewer causes of complaint. Your own servants, unless attended to with a most watchful eye, will be the greatest oppressors of the country, each in proportion to the confidence that you repose in him. You cannot avoid committing much to their charge, but one of the most likely means of restraining their licentiousness will be to pay a particular attention to the complaints against them, and to make it known that you will protect the complainants from their resentment.

I earnestly recommend these points to your constant attention, as no less necessary to your own ease and reputation than to the credit of our government and the interest of the Company, etc "

¹ *Vide General Letter from the Court to Bengal, dated March 25, 1772, (paras 44-45) 'Bengal Despatches,' Vol. VI.*

² Letter to Court, dated 25 March, 1773 (para. 11) '*Bengal Letters Received,' Vol. XI, p. 446.*

³ M. E. Monckton Jones, *op. cit.*, ch. IX, p. 290

and every office and trust of the Province issues from it. The business (is) in as good a train as could possibly be expected so soon after so great a revolution, this department (revenue) as regular and as much on train as if it had existed since the days of Job Charnock."

But Hastings was very soon disillusioned by the poor revenue returns of the first year of settlement and towards the end of the year he had to admit :

" it will require a long and intricate train of reasoning to prove that the future increase of national wealth, of Revenue and Trade, were really produced by them."

The main reason of the failure of the scheme is to be sought in the mistake committed by Hastings in putting up farms for sale by auction to the highest bidder from a temptation of securing the highest immediate revenues. This, however, proved to be a short-sighted policy. The highest bidders turned out to be adventurers with no permanent interest in the soil and no knowledge of local conditions. They settled for sums which the land could not bear, with the result that many of them turned defaulters or absconders. To this cause was to be added the inexperience of the collectors.

Hastings was hesitating as to what to do in this situation when positive orders from the Court of Directors arrived for the withdrawal of the collectors. They wrote¹ :—

" As the sending our Junior Servants into the Provinces has not been attended with the wished for success, but has enabled them to monopolise the whole trade of the Country, we direct therefore that they may be withdrawn as soon as possible, and we

¹ General Letter of 7 April, 1773, to Bengal, (para 45), '*Bengal Despatches*' Vol VI, (I. O R.)

leave it to you to substitute some other plan for making yourselves acquainted with the exact value of every district, and for giving relief to the inhabitants, till we shall be able to send you complete regulations for conducting this branch of our affairs which we have now under consideration." ✓

As will appear from the date of the Despatch (April 7, 1773, and letters between England and India took more than six months in transit in those days) it had been written before the new plan of administration or the above report of Hastings reached the Directors, and it would appear from the context that the contents of the letter had reference to Cartier's administration and to the supervisors rather than to the new collectors. This is further proved by the fact that only a week later, in their letter, dated April 16, 1773, the Directors express their whole-hearted approval of the measures adopted by Hastings and reported to them up to September, 1772, and enjoin on the Council to extend their ungrudging support to the President in all his measures. In spite of this, however, as the direction of the Court was positive and more so because he was himself contemplating some change and the direction of the Directors for the withdrawal of the collectors coincided with his own inclinations, Hastings set about elaborating a new plan of administration.

The Plan of 1773—system of Provincial Councils.

The Board of Revenue met on the 23rd of November, 1773, to devise a new plan. Although willing to comply with the desire of the Directors for the recall of the collectors, Hastings and the Board felt that "the immediate removal of the collectors or the establishment of any consistent and permanent system without such preparatory measures as might prevent the bad consequences of too sudden a

change and gradually introduce a more perfect form of superintendency would be hazardous to the collections and bring at once a greater weight of business on the members of the Superior Administration than they could possibly support."

So they struck a compromise between the two courses and formulated a plan in two parts, one permanent and the other temporary or transitional leading on gradually to the former.¹ The main features of the permanent plan are as follows;—

1. The existing districts forming collectorships to remain with suitable variations.
2. Each district was to be superintended by a native Dewan instead of European Collectors except such as were let entire to Zemindars who in such case shall be vested with the same authority.
3. That a Committee of Revenue was to be formed at the Presidency as the supreme revenue authority consisting of two Members of the Council and three senior servants below the Council.
4. Occasional Commissioners or Inspectors elected by the unanimous vote of the Council from among the Company's covenanted servants mainly for their knowledge of Persian and moderation of temper were to be deputed to visit districts requiring local investigation.

For the transitional stage the following temporary plan was given effect to in January, 1774, and remained in force till 1781, when the permanent plan was substituted with minor modifications. The three provinces were distributed

¹ For details of the plan vide *Bengal Revenue Consultations*, 23 November, 1773, Range XLIX, No. 42, (I. O. R.), pp 3651-3677.

into six divisions, each under the superintendence of a Provincial Council of Revenue composed of a chief and four senior servants of the Company, (with a Secretary, Persian Translator, Accountant, and assistants) except the Calcutta division which was given special importance and was to be superintended by a Committee of Revenue consisting of two members of Council and three senior servants, with a Secretary, Translator, Accountant and assistants. The Roy Royan, assisted by one of his Naibs, was to act as Dewan to the Committee at Calcutta and a Dewan nominated by the Government to be appointed with each of the Provincial Councils in the other divisions.

The Calcutta Committee and the Provincial Councils were to correspond with the Council of Revenue, *viz.* the Governor and Council in the Revenue Department, and the Dewans with the Roy Royan, and to act under their orders respectively. The collectors of the districts were to be recalled, as soon as they had delivered over charge to the Provincial Councils and the Committee and had adjusted their accounts.

The collections of the interior districts in each division, excepting those containing the seats of the Provincial Councils or Committee, were placed under the management of Naibs, that is, Indian officers, receiving their orders from the Provincial Councils. Members of the Superior Council were interdicted from any kind of trade except in diamonds for remittance to Europe and goods purchased in Calcutta, and all the members of the Provincial Councils, their assistants and all other covenanted servants of the Company residing in the interior of the Country were restricted from making advances for grain or other necessaries of life. The different Provincial Councils were

forthwith nominated. Provision was made for payment of liberal salaries to the chiefs of Councils¹ at the rate of three thousand rupees per mensem, the proceeds of the opium trade, made into a Government monopoly by Hastings, being earmarked for the purpose. The absolutely temporary and tentative nature of the plan was clearly stated in proceedings of the Board as follows :—

“ It being the professed intention of the Board to make the plan now adopted subservient to that which they propose for a future and perpetual system, it is their further design that whenever the amounts or arrangements of any one Division shall be so regulated and compleated, as to enable them to bring the controul down to the Presidency, the Provincial Council shall be accordingly withdrawn, and either continue to conduct the Business of the Division at the Presidency or transfer it at once to the Committee. By such progressive method an easy change may be effected, without the smallest hazard of any loss or embarrassment. ”

Hastings was not at all happy about the Provincial Councils as would be evident from the following extracts from a

¹ We may quote the following extract from the proceedings of the Board of Revenue of the same date (p 3676) regarding salaries of members of the Councils.

That the allowances and salaries of chiefs and members of the Provincial Councils be fixed as follows :—

	Rs.	3,000	per mensem	Exclusive of the
*To the Chiefs as per article 24				allowances accord-
The Second in Council	..	600	ing to their rank as
The Third	..	500	they would receive
The Fourth	..	400	in Calcutta, viz. a
The Fifth	..	400	Senior Merchant, Jr
The Secretary	..	100	Merchant, Factor
The Persian Translator	..	100	and Writer
The Accountant	..	100	
The Export Warehouse Keeper	..	500	

*The allowances to the chiefs are not to be drawn in Zillahs but be paid at the Presidency from the Fund to be appropriated for the purpose.

letter written by him to a personal friend, L. Sullivan, on March 10, 1774¹ :—

“ I own it was with regret that I found myself compelled to leave this plan (meaning the permanent plan) in speculation, and to join with the Board in forming a temporary arrangement, which approaches too near in its principles to the authority exercised by the Collectors to render it eligible as a permanent institution. But it was unavoidable. We were precluded from making any other than a temporary plan, nor indeed would it have been advisable to have attempted the immediate execution of that which has been proposed. The Company's interests have suffered already by the many innovations which have been introduced into the administration of the revenue.....

“ It is my earnest wish to bring the superintendency of the collections in their detail immediately to Calcutta ; but this must be the work of time..... ”

Hastings refused to take the view that the institution of provincial councils for the administration of the affairs of the revenue was a useful expedient.) He accepted it at most as only a temporary expedient and as such both useful and necessary, but as a fixed and established regulation he feared that it would be attended with consequences oppressive to the inhabitants, prejudicial to the revenue, and ruinous to the trade of the country. In his opinion :

“ each division would be liable to become a separate tyranny of the most absolute kind, because from its decrees there could be no appeal but to the Council of Calcutta, who (the President excepted) would be parties in every cause against the appellants, and because the people would lie too much

¹ Gleig, *op. cit.*, Vol. I, pp. 383-84.

at the mercy of their rulers to dare to lift up their voices against them. The trade of the country would be monopolised or laid under contribution, for who would hazard their property against the combined influence of private interest and uncontrolled power? The revenues would suffer by the taxes levied for private profit on the Zemindars and farmers, which the raiats would be compelled to pay, and thereby become less able to pay the due rents of government, etc."

Had he his own way in the matter, the period of transition would have been cut short long before 1781, and the permanent plan enforced. But in the meantime the constitutional changes effected by the Regulating Act of 1773 rendered him powerless in his own Council, being confronted with a hostile majority without whose concurrence he could not do anything. This resulted practically in a stalemate till 1776, when one member among the hostile majority died, thus leaving Hastings free to carry out his policy and measures. The system of Provincial Councils, as apprehended by Hastings, worked badly and revealed almost all the defects prophesied by him in the above letter. They were imperfectly controlled by the Board.

"The proceedings of the Board of Revenue from 1773 to 1776," says Mr. Ramsbotham, "record a monotonous list of large deficits, defaulting Zamindars, absconding farmers, and deserting ryots. The provincial councils, like the collectors before them, protested that the country was over-assessed; the diwans proved incapable and unbusinesslike."¹

¹ R. B. Ramsbotham, "The Revenue Administration of Bengal, 1765-86" in *Cambridge History of India* (1929), Vol. V, Ch. XXV, p. 419.

The scheme was of a definitely retrograde character. It deprived the servants of the Company of the opportunity of acquiring intimate knowledge of the conditions of the country in general and the revenue system in particular, which was so very necessary if the administration of the country was to be carried on by them as decided by the Directors. Further, it checked the spirit of public service, which was slowly growing among them, as also a sense of responsibility. The quinquennial system of settlement which stood condemned by experience was discontinued when it came to an end in 1777. The machinery of collection also needed an overhauling. The thing is, that the Company's servants were still groping in the dark to find out the most suitable system of administration.

The Scheme of 1781—Centralisation

This brings us to the next stage of revenue reform. No apology or explanation was needed to give effect to the system of 1781, because it was no innovation. It was contemplated in 1773, to be given effect to as soon as conditions permitted. It was given effect to by resolutions of the Governor General in Council in the Revenue Department, dated the 20th February,¹ under the title of the Permanent plan for the administration of the revenue of Bengal and Behar. A Committee of revenue was constituted consisting of four senior covenanted servants of the Company, invested with the fullest authority to deal with the public revenues, subject to the control of the Governor General. The Provincial Councils were dissolved, but the chiefs of the Councils, as also the Collectors of the

¹ Vide *Supplement to the Digest of the Regulations and Laws of the Presidency of Bengal*, by J. E. Colebrooke (1807), Vol. III, pp. 213-16.

separate districts, were directed temporarily to remain in their respective stations until such time as they should be recalled by the orders of the Governor General and Council. It may be pointed out here in passing that although European Collectors generally speaking were withdrawn after 1773, some of them remained in the more remote and frontier districts, others being absorbed in the new courts established.

The office of the Superintendent of the Khalsa was abolished, and the office of the Khalsa with all its functions and powers was transferred to the Committee of Revenue. The Canongoes were reinvested with all their previous powers, *viz.* those in connection with settlement. This meant a considerable reduction in the powers of the collectors. The Committee was given power to make detailed rules of procedure for conducting its work. The members of the Committee were to be remunerated by a fixed percentage of commission upon the net collections of revenue, the President getting a larger share than the ordinary members, and in lieu of this they were to take an oath not to take any present or gratuity from anybody nor to acquire or receive any lucrative advantage by their office. The inauguration of this permanent plan of revenue effected a centralisation of the revenue administration, by bringing down collections to the Presidency under the immediate supervision and guidance of the Board on which Hastings had set his heart from the very beginning of his administration. By the abolition of the intermediate agency, *viz.* the Provincial Councils, he expected a large saving in expenditure, and through better and more effective supervision and control he was confident of an increase in revenue receipts.¹

¹ See in this connection his letter to Major Scott, dated April 28, 1781, Gleig, *op. cit.*, Vol. II, p 375.

In communicating the constitution of the Committee of Revenue to the Court of Directors,¹ the Governor General in Council wrote as follows :—

“ We must declare, that in no act of our administration have we observed a greater consistency, or a closer attention to fixed principles, than in this. The system, which we have thus attempted to establish, was first devised by the president and council of this presidency in the year 1773, and made a part of the same resolution, which distributed the charge of the collections among the late provincial councils. These establishments were declaredly formed for the purpose of introducing the former ; and were intended to be gradually withdrawn, as experience might render them no longer necessary. The Committee itself was immediately formed ; and to give it the greater dignity, two members of the superior council were appointed to superintend it ; although it then differed only in the name from the other provincial councils, and its destined functions were reserved for a future arrangement. Why this design failed in its effects, and the provincial councils were permitted to remain during so long a course as seven years, in contradiction of their professed institution, it is unnecessary to mention. We have now resolved to carry it into execution ; and shall be content to leave the proofs of its utility to a short trial ; but it will rest with your wisdom to give it permanency, by correcting its defects ; and by obtaining the sanction of Parliament for its duration, under the form which shall be ultimately given to it.”

¹ Letter to the Court, dated 5 May, 1781. *Vide* J. H. Harington, *An Elementary Analysis of the Laws and Regulations enacted by the Governor General in Council*, Vol. II, pp. 40-41.

Practical Difficulties of Centralisation

But contrary to Hastings's expectations, a 'short trial' exposed the impracticability of the plan in achieving its objects of managing the revenue administration, in detail, at the Presidency, without the help of local agency. Such an eminent authority as Sir John Shore, himself a member of the Committee of Revenue, wrote as follows in criticism of the system :-

"In the actual collection of the revenues nothing is more necessary than to give immediate attention to all complaints, which are preferred daily without number, and dispatch them in a summary manner. This cannot be done where the control is remote. In every purgunnah throughout Bengal there are some distinct usages, which cannot be clearly known at a distance. Yet in all complaints of oppression, or extortion, these must be known before a decision can be pronounced. But to learn at Calcutta the particular customs of a district of Rajeshahy, or Dacca, is almost impossible; and considering the channels through which an explanation must pass, and through which the complaint is made, any colouring may be given to it, and oppression and extortion, to the ruin of a district, may be practised with impunity.) This is a continual source of embarrassment to the committee of revenue in Calcutta."

He then draws attention to the possible leakage of revenues through evasion on the part of Zemindars taking advantage of the absence of local investigation, and unchecked exploitation by them of the ryots for want of proper control on the spot.

"The committee, with the best intentions," he concludes, "best abilities, and steadiest application, must, after all, be a tool in the hands of their dewan."

The same objections, that are made against the present committee of revenue, may be applied to the system of provincial councils. It is sufficient to say of them that the universal opinion, strengthened by experience, has pronounced the system fundamentally wrong; and unapplicable to any good purposes."¹

Under the instructions of the Governor General and Council the Committee of Revenue prepared a plan for the settlement of the revenue of Bengal and Bihar for the ensuing year and submitted it for the approval of the Government on the 29th of March, 1781.² In this plan they recommend the system of annual settlement with hereditary Zemindars as the best, and as regards the authority who would make the settlements, they stated that they would themselves make them in as many cases as practicable, but in some cases they would leave the details of settlement to the collectors or officers of the Government.

So much was Hastings against entrusting the collectors with important powers that his Government approved of all other parts of the plan except that which entrusted the details of settlement to the collector or officer of Government, because they thought it "inconsistent with the office of the person who is to have the collections of the settlement, upon settlement formed, that he should have any concern in the formation of it."³ Some collectors, however, had to be retained, as we have seen, but they were not given any discretionary authority. As one writer says,⁴

"the re-appointment of collectors appears to suggest an idea of decentralisation. This however was

¹ Extracted from Shore's remarks on the administration of justice and collection of the revenue in Bengal, written in 1782 J. H. Harington, *op. cit.*, pp. 41-43.

² For details of the Plan, *vide* Colebrooke, *op. cit.*, pp. 220-223

³ *Vide* extract from the letter of the Governor General and Council to the Committee of Revenue, dated 30 March, 1781. Colebrooke, *op. cit.*, p. 224

⁴ *Vide* Ramsbotham's article referred to above in *Cambridge History*, Vol. V, p. 428. Two concrete instances have been cited by Mr. Ramsbotham from

not the case. The collector was denied any interference with the new settlement of the revenue.... The new collectors were merely figureheads, and the distrust which the Council showed in their appointment could lead to nothing but discouragement.'

In his enthusiasm for centralisation Hastings ignored altogether the practical difficulties arising from the absence of a responsible local agency as set forth above by Shore). Moreover, he developed a distrust of collectors posted in the interior districts, from his experience of the early supervisors and also the failure in the realisation of revenues under the plans of 1772 and 1773. But in fairness to the collectors it must be said that for this the collectors were not to blame so much as Hastings's mistaken policy of letting out lands by public auction to farmers) who in a spirit of competition and speculation settled for sums beyond the capacity of the lands and inevitably turned defaulters. ¶ On the contrary it has been said of these officers :

'A careful perusal of the voluminous manuscript proceedings of the Committees of Revenue during those years (1765-1786) reveals a fact too little known, namely, that this progress was largely the result of unrecognised work by the district officers of the Company in their own districts where, generally speaking, they laboured to establish a just and humane collection of the land revenue." ¹

the proceedings of the Committee of Revenue in which two collectors, powerless in the face of confusion in the districts arising from the negligence of the *Canongo* and worst oppression by the farmers, referred to the Committee for instructions as to the action to be taken, one of them asking to be "informed of the degree of interference which is expected of me by you (i.e., Committee of Revenue)."

¹ Ramsbotham, *op. cit.*, p. 432.

Without entering into an argument as to how far the above statement can be accepted without reservation, it may be said that Hastings's zeal for centralisation as also his distrust of the collectors was a little excessive.) This is amply proved by the necessity of having to maintain some collectors in the districts by Hastings in spite of his scheme of centralisation and the restoration of the collectors with full powers in 1786, which we shall discuss later. We may leave the account of his revenue reform here and pass on to his measures of judicial reform.

Judicial Reforms of Hastings—the Reasons Behind

Before we discuss the actual measures of judicial reform it would be pertinent to enquire why Hastings addressed himself to the task of judicial reorganisation at all, without any direct instruction to that effect from the Directors.¹ The main reason is perhaps to be sought in the fact that Hastings took a broad view of his task. He wanted to carry out the orders of the Directors not only in the letter, but in spirit also. He set before himself the objective of building up an administration of the Company in the full sense of the term, subserving the welfare of the ryots. Naturally the judicial system could not be left out of the picture. Without reform of the judicial system revenue reforms would be meaningless and ineffective. The indigenous system, never an ideal one, had now been practically shattered. The defects of the indigenous system of judiciary, as it stood in 1772,

¹ It will be noted that in their letter of August 28, 1771, the Court directed him to undertake Dewannee management through the agency of the Company's servants. The Court, however, directed him in that letter "to adopt such Regulations and pursue such Measures as shall at once ensure to us every possible advantage and free the Royotts from the oppressions of the Zemindars and petty tyrants under which they may have been suffered to remain, etc."

This might be stretched to justify his measures of judicial reform but he had other reasons as well which are discussed above.

have been detailed in the letter from the Committee of Circuit to the President and Council, forwarding the plan of justice of 1772. They were for instance :—

1. Multiplicity of Courts with overlapping jurisdiction.
2. Inaccessibility to the people in the interior districts.
3. Usurping of judicial authority by everyone having power.
4. Venality of judges.¹

Besides, bad as they were, they became atrophied, having lost all their authority by the rise of the Company to the seat of power. So practically the machinery of justice was completely out of gear, and rights and liberties of the people were at the mercy of the strong. Then again, as we have seen, under the system pursuing in the country, civil justice formed a part of the Dewannee administration, revenue and judicial administration being inextricably linked up. √

Further, rights of property could not be adequately secured without control over criminal justice also. So the logic of circumstance compelled Hastings to tackle the judicial system along with revenue administration. But the case for this interference cannot perhaps be better put than in the words of Hastings himself.²

√ The administration of justice has so intimate a connection with the revenue, that we cannot omit the mention of it while we are treating of this subject in a general view.... The security of private property is the greatest encouragement to

¹ On this point the Committee wrote :—

“ It will, however, be obvious that the judicial authority, lodged in the hands of men, who gain their livelihood by the profits on the collections of the revenue, must unavoidably be converted to sources of private emoluments; and, in effect, the greatest oppressions of the inhabitants owe their origin to this necessary evil ... ”

² Letter to the Court, dated November 3, 1772 (para 12).

industry, in which the wealth of every state depends. The limitation of the powers annexed to the magistracy, the suppression of every usurpation of them by private authority, and the facilitating of the access to justice were the only means by which such a security could be obtained. But this was impossible under the circumstances which had hitherto prevailed. (While the Nizamut and the Dewannee were in different hands and all the rights of former were admitted, the courts of justice which were the sole province of the Nazim, though constituted for the general relief of the subjects, could receive no reformation. The court and the officer of the Nizamut were continued but their efficacy was destroyed by the ruling influence of the Dewannee. The regular course of justice was everywhere suspended; but every man exercised it who had the power of compelling others to submit to his decisions. The people were oppressed; they were discouraged and disabled from improving the culture of their lands and in proportion as they had the demands of individuals to gratify, they were prevented from discharging what was legally due to the Government."

Such a state of things certainly called for immediate reform, if orderly government was to be maintained in the community.

The Principle of Reform

In these circumstances Hastings decided to reorganise the judicial system. While he wanted reform he did not aim at demolishing the existing structure altogether, but to adapt it as far as practicable to the needs of the situation,

by rooting out abuses and eliminating such parts as had become outworn. (Like Burke, he was a believer in the organic conception of society and state; as such he preferred conserving the traditional laws and institutions of a people which had their roots in their history rather than imposing exotic ones on them from outside. As Monckton Jones observes ¹:—

“There was no principle which he held more tenaciously than this : that a nation is the only safe judge of its own liberties, and that for any foreign authority, however enlightened, to impose law on a people according to its own alien standards is to commit injustice. As was said of the American ‘rebels’ at the time, ‘Liberty is what they hold to be such,’ and to enforce on the Hindus a code borrowed from a nation in a totally different stage of civilization was a greater hardship than to allow the anomalies and imperfections of their own laws to continue.”

Not only did he maintain the structure and the native agency intact as far as possible but he had a code of laws prepared according to the customary laws of Hindus and Mahomedans for the guidance of the courts.² When

¹ Monckton Jones, *op. cit.*, Ch. X, p. 311

² Vide ‘*Bengal Letters Received*’ Vol. XI (I O R)

Extracts from a Letter to the Court, dated March 25, 1773 (para. 12) —

“In order to render more compleat the judicial regulations to preclude arbitrary and partial judgments, and to guide the decisions of the several Courts, a well-digested code of laws compiled agreeably to the laws and tenets of the Mahomedans and Gentoos, and according to the established customs and usages in cases of the revenue, would prove of the greatest public utility, the Court (*Sudder Dewannu*) resolved that such a code would be prepared and properly digested and they accordingly appointed fit persons to execute this work, by three distinct commissions, two consisting of the present officers of the two *Sudder Adawlut*s and a third of ten of the most learned *Pundits*.”

It may be noted that the whole cost of compiling the code was borne by Hastings personally.

the proposal of instituting an English Court administering English law in this country by an Act of Parliament (subsequently enacted as the Regulating Act of 1773) was in the air, he wrote home remonstrating against the unwisdom of such a step and urging that at least his government should have a hearing before the final decision was taken. He appealed to the great contemporary English jurist Lord Mansfield on the point.¹ But his remonstrance went unheeded; the Supreme Court was established under the Act of 1773 with consequent conflicts with the administration and also the Company's courts. The underlying principles behind the plan of justice of 1772 can be best stated in the words of the Committee of Circuit in their letter, dated the 15th August, 1772, to the Council forwarding the plan:—

“ In forming the enclosed plan (for the administration of justice) we have confined ourselves, with a scrupulous exactness, to the constitutional forms of judicature, already established in this province, which are not only such as we think in themselves best calculated for expediting the course of justice but such as are best adapted to the understanding of the people: } where we shall appear to have deviated in any respect, from the known forms, our intention has been to recur to the original principles, and to give them that efficacy, of which they were deprived by venal and arbitrary innovations, by partial immunities granted as a relief against the general and allowed abuse of authority, or by some radical defect in the constitution of the Courts in being; and these changes we have adopted with the less hesitation, as they are all of such a nature, as we are morally certain will

Letter to Lord Mansfield, dated March 21, 1774. *Gleig, op. cit.*, Vol. 1, p. 309.

prove both of general satisfaction, and general ease, to the people.”

The Plan of Justice of 1772

Against this background we may discuss the plan of justice¹ formulated by the Committee of Circuit at the instance of Hastings, its President, and subsequent changes. Judicial reform also was effected at different stages, as a counterpart of, and complementary to the process of revenue reform.

The general framework of the judicial organisation established in 1772 continued in existence throughout the regime of the Company, in spite of modifications in details. In the first place, the multiplicity of courts with overlapping jurisdiction was abolished. In each district two courts, one civil and another criminal, with well-defined jurisdictions were established with a view to bringing justice to the doors of the people. The civil or Diwani Court was to deal with cases involving property, inheritance, debt, disputed accounts, contracts, etc., while the criminal or Foujdari court with criminal offences like murder, robbery, forgery, assaults, quarrels, etc. Over the provincial Diwani Court the collector of the district presided, representing the Company as the King's Dewan, attended by the provincial Dewan and other officers of the *Cutcherry* (Collectorate). In the Foujdari Court the *Cazee* and *Mufti* of the district and two *Moulvies*, all native officials of the Nizamut, used to dispense justice, but their proceedings were subjected to the supervision and control of the collector. Correspondingly, at the

¹ For details of the plan vide *Proceedings of the Committee of Circuit, Coosimbazar*, dated the 15 August, 1772.

Range LXXI, Vol. 13, pp. 241-52 (I. O. R.).

Presidency two superior courts of justice were established—Diwani Sudder Adawalut (chief civil court), presided over by the Governor with two members of the Council and attended by the officers of the Khalsa, and the Nizamut Sudder Adawlut (chief criminal court) presided over by a chief judge appointed by the Nazim, assisted by the chief *Cazee* and *Mufti* and three Moulvies, with a general oversight of the proceedings vested in the Governor and Council. Sentences of capital punishment were subject to confirmation by warrant of the Nawab.

Detailed regulations for the procedure to be followed by the officers of the courts were laid down. The collector was authorised to make such subsidiary regulations as were felt necessary for promoting the due course of justice and the welfare and prosperity of the ryots, suited to the local conditions and to submit them for confirmation to the Board. The custom of levying fees or commission on account of money recovered, as also of making revenue from fines and forfeitures, was abolished.

The Zemindar was deprived of his despotic authority, but he was left some authority for trying petty cases, up to the value of ten rupees with a view to giving relief to the ryots, to save them the trouble and expense of going to the headquarters. With the same intent, the duty of encouraging arbitration as a mode of resolving disputes was laid on the officers of the courts and they were further enjoined, as far as practicable, not to summon cultivators to district courts during the four months of the harvesting season. (A glance at the regulations at once convinces one that they were inspired by the best of intentions, to render the machinery simple, and justice cheap and easily accessible to the people, to guard against the growth of despotic authority, and above all by a solicitude for the welfare of the people. This is very clearly

demonstrated by Regulation No. (9) which may be quoted *in extenso* :

“ That as nothing is more conducive to the prosperity of any country, than a free and easy access to justice and redress, the collectors shall at all times be ready to receive the petitions of the injured ; and further, to prevent their being debarred this access, from motives of interest, partiality or resentment, in the officers or servants of the Cutcherry, that a box shall be placed at the door of the Cutcherry, in which the complainants may lodge their petitions at any time or hour they please. That the Collector shall himself keep the key of this box ; and, each court day, have such *Arzees* (petitions) as he may find in it, read immediately in his presence, by the *Arzibeggy* of the Cutcherry.”

Withdrawal of Collectors, 1773

The collectors, thus being invested both with revenue jurisdiction and judicial powers, became, so to say, the pivot of the administrative machinery. Although their proceedings in both the spheres were subject to the scrutiny and supervision by the Board at the Presidency, great apprehension was felt lest they should grow into petty tyrants in their districts due to the impracticability of exercise of minute control by the Board both on the score of distance and its own pressure of business. The plan was, however, short-lived. Very soon under the orders of the Court, the collectors were withdrawn from the districts with a few exceptions and were replaced, as we have seen, by the six provincial councils consisting of European Covenanted servants, and native aumils in the interior districts. The civil jurisdiction only of the collectors was vested in the native district officers. Under the

plan of 1773 safeguards were introduced against possible abuse of power by the Aumils. They were superintended by the members of the Provincial Councils, and the Committee of Revenue (excepting the members of the Government) in rotation.

Appeal from their decisions lay in the first instance to the Provincial Councils and in causes exceeding a thousand rupees to the Sudder Dewanny Adawlut at Calcutta. Further, to protect the ryots, complaints against the Aumils and other officers of Government, as well as against Zemindars and farmers, were made cognizable by the Provincial Councils and the Committee of Revenue, with an appeal from their decision to the Superior Council of Revenue at the Presidency.

(The reconstructed judicial system of 1772-73 had been set going smoothly and Hastings meant to bring it to perfection gradually by further changes in the light of experience,¹ but the time was not given. Soon came the Regulating Act of 1773, inspired by a distrust in the Company's servants in India, and embodying the principle of checks and counterchecks unsuited, according to Hastings, to the contemporary conditions in Bengal.

(The Regulating Act has a great constitutional significance, inasmuch as it represents the first parliamentary intervention in the internal administration of the Company and is based upon the recognition of the principle that a trading corporation chartered by the Crown had no inherent rights to territorial possessions and revenues

He wrote to his friend Josias Dupre on 6 January, 1773 :—

"Necessity compelled us to form some establishment of justice; we chose the best we could; and if this shall not be found so perfect as more time and knowledge might have made it, it is yet capable of receiving improvement, and is a good foundation for a more complete system of judicature." (*Gleig, op. cit.* Vol. I, p. 273.)

except on the sufferance of King and Parliament. As Lyall puts it :

“ The Act of 1773 gave a Parliamentary title to their (the Company’s) administration in India.”

For some time past, as we have already noted, public opinion at home, stirred particularly by accounts of mismanagement of the Company’s affairs and of corruption and graft among the Company’s servants, was pressing for parliamentary interference. Already in 1767 by parliamentary legislation the rate of dividend was restricted and a toll was levied by the British Exchequer on the territorial revenues of the Company of £4,00,000 annually. But it did not purport to interfere with the internal administration of the Company. The immediate occasion for this step in 1773, was the virtual bankruptcy of the Company which not only frankly declared its inability to meet the demand of the Exchequer but also applied to the British Government for financial assistance. Parliament, after due enquiry by two Committees, enacted the legislation by which the system of the Company’s internal organisation in India was altered with a view to introducing an element of centralisation as well as the principle of superior control over every authority from the Presidency Governors to the Court of Directors. The Court was placed under a limited control of the Home Government in political and financial matters. Similarly the two Presidency Governments at Bombay and Madras were placed under the superintendence of the Governor General and Council of Bengal in matters of war and peace.

(1) Within the supreme Government of Bengal the Governor-General was bound by the vote of the majority, and the executive government subjected to the veto of the Supreme Court, constituted under the provisions of the Act, in some matters. Some of the provisions of

the Act were directed at the malpractices common among the Company's servants, such as taking of presents and gifts and private trade.

Faced now by a hostile majority Hastings could not push on with his reform measures any further until in 1776, the death of one of this hostile group gave him a free hand. (The institution of the Supreme Court, which was, by the way, a Crown's Court incorporated by a royal charter as distinguished from the newly established courts which were Company's Courts deriving their jurisdiction from indigenous authority, the former administering English law with all the paraphernalia of English jurisprudence and the latter administering the indigenous system of law with suitable modifications, naturally led to conflicts between them. This happened particularly because the jurisdiction of the Supreme Court was left vague and ill-defined under the provisions of the Act of 1773 and it had to be clarified by another Act of Parliament passed in 1781. It was a definite set-back to the development of the newly established courts. The Sudder Dewanny Adawlut, due to some differences of opinion with the Supreme Court, remained suspended for some years till 1780, when it was re-established under the authority of the Governor General and Council.

Changes in Criminal Judicature in 1774-75

The Foujdary or criminal courts established under the regulations of 1772, did not meet with the degree of success expected of them. Dacoity, murder and other heinous crimes continued unchecked. In course of a minute, dated the 19th of April. 1774, Hastings reviewed the reasons of this failure and recommended the institution of several Foudjars or native police officers in the districts with

power to arrest Dacoits and other criminals and bring them to justice.

These officers were accordingly instituted and the President or Governor-General assisted by a covenanted servant continued to superintend this branch till the 14th of April, 1775, when owing to very heavy pressure of work he wanted to be relieved of this charge. Accordingly on the 18th of October, 1775, the Board decided to vest it in Muhammad Reza Khan, the newly appointed Deputy Nawab, with instructions to carry on careful investigation into the system of criminal justice with a view to placing it on a satisfactory basis. Thus the control of criminal justice was once again restored to the Nawab, the seat of the Sadar Nizamut Adawlut being also removed from Calcutta to Murshidabad.

This system also did not work satisfactorily. There were reasons to suspect that the Foujdars themselves and their followers in many instances screened the Dacoits or even joined with them and freely abused their power in plundering and oppressing the people. As will be seen, under the Regulations of 1781, the establishment of *Foujdars* and *Tannadars* was abolished, their powers being transferred to the newly created English judges.¹

Judicial Regulations of 1780

The next stage of Hastings's judicial reorganisation was initiated by the Regulations of 1780.² As we have

¹ *Vide* Bengal Secret Consultations, October-November, 1775, Range A, Vol. 31 (I. O. R.), Bengal Rev. Cons., dated 21 December, 1785, and also Cornwallis's minute on the state of criminal justice in Bengal Revenue Consultations of 3 December, 1790.

² *Vide* Revenue Proceedings of the Governor General and Council, dated 28 March, 1780 (passed by the Governor General and Council on 11 April, 1780), Bengal Revenue Consultations, dated 28 March, 1780, Range 50, Vol. 24, pp. 88-124 (I. O. R.).

Vide also Colebrooke, *op. cit.*, pp. 14-22.

seen, Hastings was very much against concentration of powers in the hands of inferior servants, whether collectors or members of Provincial Councils. He, therefore, separated judicial and revenue functions; vested the former in the judges of the newly created provincial civil courts, leaving the Provincial Councils with the latter only. Six of such courts were established in six divisions into which Bengal was divided for the purpose, each presided over by a covenanted servant of the Company, styled the Superintendent of Dewanny Adawlut appointed by the Governor-General and Council. The jurisdiction of the Provincial Councils was limited to revenue cases only, while that of the provincial courts to inheritance, succession, debts, disputes about property and all other cases arising under civil law. Their respective jurisdictions being clearly defined, conflict between them was avoided.

Detailed rules of procedure for the guidance of the courts very much on the same lines as under the plan of justice of 1772 were laid down with a view to securing strict and impartial justice, preventing abuses among the judges and the court's officers and discouraging litigiousness and encouraging arbitration. Appeals from the decisions of these courts to the Governor-General and Council in the Court of Sudder Dewanny Adawlut were allowed only in cases involving more than a specified sum. The Sudder Dewanny Court was also authorised to make rules of practice and standing orders for itself and the provincial courts as well, subject to confirmation by the Governor General and Council. In points not covered by the regulations the Superintendent was given discretionary powers. The judges were required to subscribe to oaths against the receipt of presents or gifts as the collectors in 1772. The regulations were declared to be binding only until a new arrangement was made by the authority of Parliament.

These rules were given legal effect, being passed by the Governor-General and Council on the 11th of April, 1780. In October of the same year it was decided by the Government that a separate judge should be appointed to take charge of the Sudder Dewanny Adawlut in place of the Governor-General and members of the Council, because the multifarious duties of the latter left them little time to attend to the business of the court. But Hastings had deeper reasons than this as is revealed in his minute, dated September 29, 1780¹ in which he formulated the proposal. The chief justice of the Supreme Court, Sir Elijah Impey, was appointed to the post. By this step he wanted to bridge over the gulf between the Supreme Court and the Sudder Dewanny Adawlut which so far had been in constant conflict. The officers of the latter acting under Impey would be protected from attacks on the score of doubtful jurisdiction. Moreover they would have sound legal training under his guidance. Hastings observes :—

“ They will be enabled to act with confidence, nor will any man dare to contest their right of acting when their proceedings are held under the sanction and immediate patronage of the first member of the Supreme Court, and with his participation in the instances of such as are brought in appeal before him and regulated by his instructions. They very much require an instructor, and no one will doubt the superior qualifications of the Chief Justice for such a duty.”

Further he held that it would be :

“ a means of lessening the distance between the Board and the Supreme Court, which has perhaps been, more than the undefined powers assumed to each, the cause of the want of that accommodating temper

¹ Vide R. Muir, *The Making of British India, 1756-1858* (1915), pp. 160-61

which ought to have influenced their intercourse with each other."

This arrangement, however, proved short-lived, because it did not meet with the approval of the Directors and in pursuance of their orders the Governor-General and Council resumed the superintendence of the court in November, 1782. But before that Sir Elijah Impey as the judge of the Sudder Dewanny Court had the opportunity of putting the whole judicial system of the Company in order by framing necessary regulations and rules of procedure for the guidance of the courts. On November 3, 1780, seventeen such regulations¹ prepared by him and approved by the Government were passed and were later embodied, with subsequent modifications in a revised code of regulations for the administration of justice in the Mofussil as well as the Sudder Dewanny courts, passed by the Governor General and Council on the 5th of July, 1781.² The object was to systematise and simplify the numerous regulations in force and to make them a consistent whole by proper selection and elimination and to render the system intelligible to the ordinary man.

Changes of 1781

In the meantime on the 6th of April, 1781, a set of general regulations for the administration of justice in the civil courts were passed which effected important changes. To remove the inconveniences arising from the too extensive jurisdiction of the Provincial Dewanny Courts established under the regulations of March 28, 1780, and thereby to promote more speedy and effectual administration of justice the number of such courts was increased from six to eighteen. They were allowed to continue on the old

¹ Colebrooke, *op. cit.*, p. 22.

² *Ibid.*, p. 27.

footing under the charge of covenanted servants of the Company, henceforth to be styled 'judges' instead of 'Superintendents', with a jurisdiction distinct from that of the persons who after the recent abolition of the Provincial Councils remained in temporary charge of collections.

In some of the thinly populated frontier districts it was proposed to leave Dewanny jurisdiction to the collector in temporary charge of them, instead of creating a separate office of judge till a more complete jurisdiction could be established. They were, however, to keep these two functions quite distinct, being in one capacity controlled by the Committee of Revenue and in the other by the Sudder Dewanny Court.

Judges invested with Magisterial Powers

The judges, moreover, were invested with magisterial powers for apprehending persons charged with dacoity or other crimes of violence within their jurisdiction, with a view 'more effectually to promote the introduction of good order in the several districts.' As the establishment of *Foujdars* and *Tannadars*, introduced in 1774, was not attended with the wished for results, the Nawab was asked to withdraw them, their power being now transferred to the judges. Their authority was, however, limited to apprehending only, and not to trial or punishment, for which such criminals were to be sent immediately to the Daroga (criminal judge) of the nearest *Foujdary* with a charge sheet. In some cases *Zemindars* were also invested with the magisterial authority.

To enable the Government to observe the effects of this transfer and also to watch over the general administration of criminal justice throughout the province a separate department was established at the Presidency under the immediate direction and control of the Governor-General

to receive the reports and returns of proceedings from the Foujdary courts as also the reports from the judges in their magisterial capacity. To have charge of these records and as a check on all persons entrusted with the administration of criminal justice, a covenanted servant was appointed under the direction of the Governor-General, with the title of *Remembrancer of the Criminal Courts* with a few assistants. This practically brings to a close our review of Hastings's measures of commercial, revenue and judicial reform.

Concluding Remarks on Hastings's Reforms in relation to the Company's Civil Service

We may close the chapter with a few remarks on the effects of Hastings's measures upon the civil service of the Company. When he took up the reins of administration in 1772 he found the servants thoroughly depraved. As will appear from his correspondence of this period, he formed a very poor estimate of the service, and particularly of the supervisors. He described the supervisors as 'petty tyrants' and 'heavy rulers of the people.' As we have seen above he was from the very beginning in favour of withdrawing them from the districts and concentrating authority in the Presidency government, but he was forced by circumstances to retain them. In course of a letter to his friend J. Dupre, dated the 6th of January, 1773,¹ he observes :—

"Whatever motives we had for recalling these officers it appeared that there were amongst them so many sons, cousins, or *élèves* of directors, and intimates of the members of the Council, that it was better to let them remain than provoke an army of opponents

against every act of administration, by depriving them of their emoluments. They continue, but their power is retrenched; and the way is paved for their gradual removal; and the Court of Directors have sufficient arguments furnished them to order their recall immediately."

The Commercial branch of the service was also in no better state and we have seen above the measures he took to purify it of its abuses, to protect the weavers from oppression and to promote the prosperity of the country by freeing trade from all restrictions. But while he condemned these servants in strong terms he was not unsympathetic to them. We have seen how he tried to inspire them with the spirit of public service by personal appeal and by providing liberal remuneration whenever possible. He realised that it was not so much the men as the system that was to-blame for their lapses. We may quote in this connection extracts from his letter to the Court of Directors, dated the 11th of November, 1773. He writes ¹:—

" May I be permitted, in all deference and submission to your commands, to offer it as my opinion, that whatever may have been the conduct of individuals, or even of the collective members of your administrations, the blame is not so much imputable to them as to the want of a principle of government adequate to its substance, and a coercive power to enforce it. The extent of Bengal, and its possible resources, are equal to those of most states in Europe. Its difficulties are greater than those of any, because it wants both an established form and powers of government, deriving its actual support from the unremitted labour and personal

¹ *Ibid.*, p. 368.

exertion of individuals in power instead of the vital influence which flows through the channels of a regular constitution.....

Among your servants, who for a course of years have been left at large in possession of so tempting a deposit, it is not to be wondered at that many have applied it to the advancement of their own fortunes, or that those who were possessed of abilities to introduce a system of better order, should have been drawn along by the general current, since few men are inspired with so large a share of public virtue as to sacrifice their interests, peace, and social feelings to it, and to begin the work of reformation on themselves."

Referring to the detailed plan of administration which the Directors proposed to send soon, he continued :—

"Whenever this work shall be accomplished on a foundation of consistency and permanency, I will venture to foretell, from the knowledge which I have of the general habits and manners of your servants, that you will hear of as few instances of licentiousness amongst them as among the members of any community in the British Empire."

Some time later also he reaffirms the same conviction in a letter to his friend L. Sullivan, dated the 21st of March, 1776 ¹:—

"Many of my letters to the Company, and many of a private nature, but addressed to persons of high rank, or great influence, have treated of the disorders and irregularities of the service, but these I have always attributed (as in my heart I still do) to a defective constitution, not to a depravity of principle in the servants of the Company."

¹ Gleig, *op. cit.*, Vol. II, p. 40.

With consummate statesmanship he realised that mere temporizing with tinkering measures of reform of specific abuses among servants would not be of any use. So he tackled the larger problem of stabilizing the administrative system as a whole in all its branches. He strengthened the Presidency government by bringing down all the members and confining them to the Presidency, he overhauled the revenue and judicial system, maintaining as far as possible established institutions by careful adaptation and selection, guarded against despotism of inferior servants by introducing a system of judicious control all through the service, laid down detailed regulations for the guidance of the servants in their public acts, and took all means to render justice cheap and easily accessible to the people. In this way he lifted the service out of the morass into which it had fallen.¹ During the thirteen years of his administration the service of the Company changed, so to say, from being a band of commercial adventures and fortune-hunters to a public service in the modern sense of the term. On the improved morale of the service we may quote from a letter written to his mother by Sir John Shore (later Lord Teignmouth) then a junior servant of the Company on the 1st of April, 1772, as follows² :—

“ The road to opulence grows daily narrower, and is more crowded with competitors, all eagerly pressing towards the goal, though few arrive there.....

The Court of Directors are actuated with such a spirit of reformation and retrenchment, and so well

¹ According to Monckton Jones, Hastings “ found the English in Bengal a source of disease and misery to the country, apparently incapable of cure : he turned them into a spring of new life which brought integrity and vigour into its government, humanity into its law courts, freedom into its markets.” (Monckton Jones, *op. cit.*, p. 319.)

² *Memoirs of the Life and Correspondence of John, Lord Teignmouth*, by Lord Teignmouth (1843), Vol. I, p. 39.

seconded by Mr. Hastings, that it seems the rescission of all our remaining emoluments will alone suffice it. The Company's service is in fact rendered an employ not very desirable."

But Hastings tried his best to render the service attractive by adding to its legitimate emoluments. Hastings himself wrote in 1781 :—

"What a world of enemies have I submitted to the hazard of creating by disregard of personal consequences. In this establishment I have deprived the bulk of both civil and military servants of their settled means of acquiring rapid fortunes.....the most important acts of this Government are constituted on principles diametrically opposite to popularity and established opinions."¹

It has been held in some quarters ² that in spite of Hastings's attempts at purification he was not able to accomplish it completely. But nobody perhaps would contest the fact that Hastings did his very best for its

¹ Monckton Jones, *op cit*, pp 262-63

² P. E. Roberts observes :—

"We can only accept the theory that Hastings purified the administration with considerable qualifications. In contrast to such a contention we must set the fact that the nearer we get back to Hastings's own time, the less belief do we find in this theory of the entire reformation of the Company's service. Sir John Malcolm is probably much nearer the truth when he writes that Hastings's "most strenuous advocates.... while they defend his personal integrity, are forced to acknowledge that the whole system of the government over which he presided was corrupt and full of abuses."

³ Had there been a complete purification of the service, there would surely have been nothing for Lord Cornwallis to do, when he came to India in 1786, but we know that there was abundant material for his reforming hand."

[*The Early Reforms of Warren Hastings in Bengal*, in *Cambridge History India*, (1929) Vol V, Ch. XI, pp 211-12.]

purification and left the service much better than what he had found it. The writer quoted above remarks :--

“ All this, however, is consistent with the assumption that *Hastings* made a strenuous and loyal endeavour, as far as in him lay, to amend and purify the service. Probably, short of staking his retention of office upon the question, he did as much at first as was humanly speaking possible.”

It is too much to expect that an administrative service for the first time created out of a mercantile establishment, without proper equipment and training, without familiarity with the manners and customs and ways of life of the people it was set up to govern, would become a perfect organisation in course of a few years and perhaps J. W. Kaye is quite correct in his estimate when he says :—

“ The Company’s servants had everything to learn as administrators, and those great lessons were not to be learnt in a day. But considering the strangeness of the duties which then devolved upon them—the magnitude of the labour imposed and the extreme difficulty of acquiring a competent knowledge of the language, the institutions, the usages, and the character of the people, in all their multiform social aspects, a people whom before they had only known in the one relation of trader, the wonder is not that they advanced so little towards good government, but they advanced so much.”¹

In conclusion, it may be said that the foundation of a civil service in the modern sense, based upon English principles of government, was for the first time laid during the regime of *Hastings*, on which the superstructure was

¹ J. W. Kaye, *op. cit.*, pp. 87-88.

raised and perfected by Lord Cornwallis and his successors, and the constitution and fundamental principles of organisation of the civil service of India of the present day may be traced back to this period.

CHAPTER V

THE COMPANY'S CIVIL SERVICE—CONSOLIDATION AS AN ADMINISTRATIVE SERVICE

Hastings resigned office in February, 1785. He had not yet been able to complete the process of constructing the administrative machinery which he had so well begun and developed through several stages. But he prepared the ground for putting the Company's service on a stable basis. His work in this respect was taken up by Cornwallis and completed by him in his own way under much more favourable circumstances¹ than those with which Hastings had to contend. Between Hastings and Cornwallis intervened the short interim government of Macpherson which is not of much importance for our purpose.

In this chapter we propose mainly to deal with the work of Cornwallis in perfecting the administrative machinery of the Company in different spheres. In a way he may be said to have left the Company as a

¹ The success of Cornwallis as an administrator was due to certain advantages he enjoyed over Hastings apart from his personal ability and integrity of character. These are as follows :—

1. He sprang from the nobility which was then the ruling class in England and being nominated by the Ministry enjoyed its confidence.
2. He was an intimate friend of H. Dundas, the Chairman of the Board of Control, the minister responsible to Parliament for Indian affairs.
3. He made it a condition of acceptance of office that he would be given an overriding authority in the Council in emergencies, which was conceded by the Act of 1786.
4. He had the complete confidence of his Council and had the benefit of experienced advice from tried men like Shore, Stuart and Grant.

As a consequence Cornwallis had a much freer hand in directing Indian affairs than Hastings.

full-fledged ruling organisation in place of a mere commercial corporation.

Home Politics and Indian Administration

Before actually recounting the achievements of Cornwallis it is perhaps necessary to make a brief reference to the influence of home politics on Indian affairs at this time, because Cornwallis was to a great extent inspired in his work not only by politics at home but by ideas prevailing there. He has been happily described by Lyall as "the first of the new dynasty of Parliamentary Governors-General." Lyall further observes :—

"In the year 1786, we find the English sovereignty openly established in India under a Governor General entrusted with plenary authority by the representatives of the English nation. The transformation of the chief governorship of a chartered commercial company into a senatorial proconsulship was now virtually accomplished."¹

We have already seen how since the acquisition of Dewanny by the Company the public at home, even outside the circle of shareholders of the Company, were taking an increasing interest in the Company's affairs, which led to a demand for parliamentary interference therein. This eventually took shape in the ill-conceived legislation of 1773, which did not, however, introduce any regular machinery of parliamentary control.

With the increasing powers and functions of the Company, as it settled down more and more into the administration of the country, there was a growing conviction at home that it was wielding powers too large for a chartered commercial corporation. This was particularly stimulated

¹ A Lyall, *op. cit.*, Chapter XIII, p. 219.

by its very large powers of patronage and also the abuses in the ranks of the Company's servants. For some years past the Company's affairs were now and again subjected to a searching scrutiny at the hands of Select Committees of the House of Commons, the results of whose investigations showed that all was not well with the Company's affairs in India, and pointed to the need of reform and the expediency of imposing some control over the Company. But the immediate urge for the tightening of parliamentary control over the Company's affairs in India came from the eagerness of the British party leaders to capture the large patronage at the disposal of the Company to consolidate their own position in home politics. As Vincent Smith observes :

" In those days Indian affairs were the battle-ground of the party leaders to a degree never known before or since."¹

Fox's India Bill purporting to revolutionise the whole constitution of the Company and taking away its patronage was more or less conceived in this spirit. But it went too far, and brought about the downfall of its authors, in which the supporters of the Company also played no small part. The Opposition under Pitt introduced a new bill relating to India in 1784 which was passed into law. It kept the patronage of the Company intact, but set up a permanent machinery of parliamentary control in the " Board of Commissioners for the Affairs of India," which was in a way an adjunct of the Home Government, and vested in it complete powers of superintendence and control in relation to all acts, operations, etc., pertaining to the civil or military government or revenues of the Company. Thus the Company was placed in direct subordination to a body representing the Home Government. It further tightened the control of the

¹ V. A. Smith, *Oxford History of India* (1923), p. 547,

Governor-General in Council over the other two Presidency Governments and removed the ill-conceived checks and counter-checks introduced by the Act of 1773, which were responsible for much mischief and trouble during Hastings's regime. Apart from these provisions relating to the constitution of the Company, the Act contained two other important provisions.¹ One of them directed the Company to take into consideration the complaints of landlords, etc., and redress them after due investigation into the existing settlement between them and the Company, and another directed them to take into immediate consideration the civil and military establishments of the several Presidencies and after due investigation to order every practicable retrenchment and reduction in them with a view to their improvement. The former led to the famous Permanent Settlement of land in 1793, and the latter to administrative re-organisation which will be dealt with presently.

Provision was also made regarding appointment and promotion of civil servants (Sections 42 and 43), which were further dealt with in legislations of 1786 and 1793. Thus Parliament in a way set the direction to future lines of reform of the Company's administration.

Administrative Reorganisation on the Eve of Cornwallis's Regime

To give effect to the provisions of the Act of 1784 regarding reorganisation of establishments the Directors issued necessary orders to the Governor-General in Council and issued instructions as to the lines on which it was to

¹ Sections 39 and 40.

take place.¹ In a letter to the Court written in 1781, the Governor-General in Council expressed the following sentiments on the question of retrenchment in establishments² :—

“ In effect, the civil offices of this Government might be reduced to a very scanty number, were their exigency alone to determine the list of covenanted servants; which at this time consist of no less a number than two hundred and fifty two; many of them the sons of the first families in the Kingdom of Great Britain, and everyone aspiring to the rapid acquisition of lacks, and to return to pass the prime of their lives at home, as multitudes have done before them; neither will the revenues of this country suffice for such boundless pretensions, nor are they compatible with yours and the national interests which may eventually suffer as certain a ruin from the effect of private competition and the claims of patronage, as from the more dreaded calamities of war, or other ordinary causes which lead to the decline of Dominion.”

Referring to these sentiments the Court instructed them not to be led by any other consideration than the exigency of administration in determining their establishments and “ not to continue upon the establishment of any one Department, any one office, or any one salary not warranted by the real exigency of the service.”

In effecting reorganisation of departments they were directed to allot competent service to each branch, which was to specialise as far as possible in its work and rise in

¹ Vide Letter from the Court, dated 21 September, 1786 in ‘ *Bengal Despatches*,’ Vol. 14 (I. O. R.).

² General letter to Court, dated 5 May, 1781.

regular gradation. In accordance with these instructions the Board of Trade, set up in 1774, was reorganised, being constituted of four members selected from among the senior servants of the Company and a junior member of the Supreme Council as President. Similarly the Committee of Revenue was replaced by a Board of Revenue consisting of a junior member of the Council as President and four senior servants of the Company as members, which was to conduct, subject to the control of the superior council, the entire administration, settlement and collection, etc., of every branch of revenue together with the control of all officers in the Revenue Department. They were particularly entrusted with the work of devising a settled plan for revenue administration in accordance with the directions of Parliament. Apart from these two Boards, the business of the Government was to be distributed among two other bodies, *viz.* the Board of Council and the Military Board, their names indicating their functions.

The framework of the Company's administration in 1787, just on the eve of assumption of office by Cornwallis, may be briefly narrated here. The business of the Company fell into two main Departments—General and Commercial. At the apex of the entire system was the Governor-General and Supreme Council presiding over all activities of the Government. The Commercial branch was conducted by the Board of Trade at Calcutta with a number of 'Residents' in the interior districts in charge of the Company's Investment. In the General Department two distinct sets of duties were performed—revenue and judicial. Revenue work was regarded as of primary importance. As *Dewan* the Company had charge both of collection of revenues and civil justice, but as we have seen, by force of circumstances the Company came to exercise a large amount of control over criminal justice as well. The main source of revenue was, of course, land revenue, though

there were other sources as well in sayer duties from customs and excise, opium and salt monopolies. The chief organ in the Revenue Department was the Committee of Revenue, lately reorganised as the Board of Revenue. Under the centralisation scheme of 1781 this body managed the collection directly with the assistance of some native Dewans, the collectorships being abolished. But as has been already noted, very soon the scheme was found to be impracticable and collectors were being gradually reinstated to their previous positions. Collectors were again placed in charge of collection and settlement with the Zemindars, the duty of the Board of Revenue being confined to supervision and control. So far as civil justice was concerned, it was administered in the local Dewanny Adawluts (civil courts) presided over by separate officers called Judges appointed from among the Company's servants. Above the Judges was the Sudder Dewanny Adawlut consisting of the Governor-General in Council in judicial capacity. Criminal justice still remained nominally vested in the Nawab Nazim and a number of local Darogahs or native officers administering indigenous criminal law to some extent modified by Hastings. The judges had acquired magisterial powers of apprehending criminals and committing them for trial to the native courts. Appeal lay from these to the Sudder Nizamut Adawlut, under the supervision of the Governor-General in Council. It will be noted that the functions of the Company as an administrative body were as yet confined to the most elementary functions of Government only, *viz.* maintenance of law and order and collection of revenue, and here also in respect of the former, the agency was partly native over whom it exercised only imperfect powers of control. The machinery was rather complicated and not quite coherent, because it had been brought to its present stage by Hastings by piecemeal changes working on his maxim of "the rule of the false

*Policy of Administrative Centralisation abandoned
after much Discussion*

The Directors now became averse to frequent changes and wanted a stability and permanence in all arrangements and chose Cornwallis for the task and issued detailed instructions as to the lines on which reform was to be undertaken. But before dealing with these instructions which form, so to say, the basis of Cornwallis's reforms in different directions, we shall see how a reversal of Hastings's policy of centralisation of revenue administration came about. (We have seen how the Committee of Revenue in making their first plan of settlement (submitted to the Governor-General in Council on the 29th of March, 1781), admitted the impracticability of conducting the entire work of settlement and collection by themselves and therefore advocated the making of settlements with Zemindars, leaving to the latter the business of collection. The work of settlement itself also appeared to them too much to be done by themselves and suggested taking the assistance of collectors or other officers of Government. This was practically an admission of the impracticability of Hastings's centralisation scheme of 1781. Hastings, and after him Macpherson also, attempted to persist in the policy of withdrawing the collectors from the districts.¹ But ultimately it so happened that more had to be added to those collectorships and chiefships of Councils left on a temporary basis in 1781.) (A discussion ensued as to whether district officers were to be restored, in which two of the most senior servants of the Company, Sir John Shore, the President of the Committee of Revenue and Mr. Stuart,

¹ *Vide* extracts from Minutes of Council in the Secret Department of Inspection, dated 20 December, 1784 and 27 January, 1785, in 'Bengal Revenue Consultations,' dated 16 February, 1785 (L. O. R.), where the retrenchment of several collectorships, civil courts and some other offices as an economy measure is recorded,

a member of the Council, took part.¹ As the Court's subsequent decision in favour of the restoration of collectors and the combination of revenue and judicial functions in them were determined by the views expressed by these servants we may make a brief reference to them.

Stuart in his Minute laid before the Committee pointed out that benefits expected of the scheme of centralisation had not materialised and made a strong case for reinstatement of European collectors in all districts immediately. He submitted a detailed plan for revenue collection accordingly and proposed the union of the offices of collector and judge in the same person, with an increase in their salary which could be effected without adding to the net charge of establishment.

Sir John Shore recorded his opinions on the subject as far back as 1782 in course of a long Minute, dated the 13th of January, 1782. In his plan for the collection of revenues and administration of justice, he lays emphasis on two things. First, in the two Departments of the administration of justice and the management and control of revenues the Company's servants alone should be employed, as natives were thoroughly untrustworthy. Secondly, the above two functions should be combined in the Company's servants to be posted in the districts, who would be subject to the superintendence and control of a Committee at the Presidency like the existing Committee of Revenue in revenue matters and to the Sudder Dewanny Adawlut in judicial matters, the Supreme Council continuing as the supreme authority in all matters. Like Stuart he also proposed that settlement should be made with the Zemindars. His argument for the combination of functions in the same officer was that a people accustomed to despotic authority should look to one master and that it was

¹ Vide Minute of Stuart in '*Bengal Rev. Cons.*' dated 10 May, 1785 and those of Shore and Macpherson in *Idem*, 18 May, 1785, Range 50, Vol. 58 (I O, R.).

impossible to draw a line between the two in such a manner as to prevent their clashing, in which case either the revenues would suffer or the administration of justice would be suspended. As regards criminal jurisdiction he thought that some control by the Company's servants was highly necessary, as also an alteration in the inhuman punishments prevalent in the country like mutilation or impaling.

Sir John Macpherson in his Minute, dated the 10th of May, 1785, agreed in principle both with Sutart and Shore in the proposal for the union of functions in the district officers, but he doubted whether the time was yet opportune "to risk the consequences of vesting so unchecked a power generally in the hands of our servants."

He was not in favour of any innovation unless there was an overwhelming case for it. He favoured a system of small collectorships of moderate sizes (say, with assessments of 8 or 10 lacks of rupees) presided over by a Company's servant conversant in the language, customs, and manners of the people, capable of collecting without the intervention of a native agent, with the Committee of Revenue as a superintending authority. These were to be effected, however, only by progressive stages on a concerted plan agreed upon by the Government and the authorities at home. Both the plans of Stuart and Shore were laid before the Committee of Revenue with instructions that the Government had it in contemplation to adopt the general recommendations as soon as conditions permitted without the dangers of a sudden change. He also made it clear that if the majority in the Council took a different view and adopted either of these plans immediately he would not oppose, though not approving the course.

The upshot of all this discussion was a reversal of the policy of centralisation and the adoption of one of employment of local agency, with the combination of revenue and judicial functions. The first step in that direction

was taken in 1786 when the Committee of Revenue was instructed by the Governor-General in Council on the 7th of April, as follows :—

“ It is our intention to appoint Company’s covenanted servants to the stations of Collectors throughout huzzorry mehals (districts paying land revenue direct to the treasury at the presidency), as from experience we think it past doubt, that, situated as you are at the presidency, you cannot, without a local agency in the several divisions, secure the regular realization of the revenues ; while you must be still less able to preserve the ryots, and other inferior tenants, from the oppression and exactions to which they are, in this country, so peculiarly liable, from the superior landholders and renters) You will, therefore, on proceeding upon the ensuing year’s settlement, divide out the huzzorry mehals into collectorships, in such manner, that no one collectorship shall exceed in jumma the sum of eight lacks of rupees ; unless in cases where the division of a zemindary would thereby be occasioned ; and taking care, that the charge to be incurred, by the number of these new offices, do not exceed the funds rising from the saving in the article of Moshaira.”

It was ordered at the same time that the native Dewans should be removed from every station where a collector is or shall be appointed, full responsibility for the collection of revenue being vested in him. This was decided upon, because the Board did not think “ that the real utility of the system of provincial Dewans can, under the present circumstances of the Government (when every possible retrenchment is called for, and enjoined by the Company’s orders) compensate its expenses.”

Some regulations were issued at the same time for the guidance of the collectors and the prevention of abuses among them. (In pursuance of these orders huzzorry mehals were placed in charge of collectors, and the provinces of Bengal and Orissa were split up into more than twenty collectorships, exclusive of those already established in Bihar.¹ The process of creating collectorships continued and by September, 1786, their number increased to thirty-six.²) The functions of the newly constituted Board of Revenue were confined merely to deliberation and exercise of control over the proceedings of the collectors instead of actual assessment and collection as before.

Court's Instructions of April, 1786

(It was at this stage that Cornwallis appeared specially commissioned by the Directors and also the ministry to purify and stabilise the administrative machinery of the Company in all its branches.) (The general lines of reform were laid down by the Directors in their Instructions embodied in three letters, dated the 12th of April, 1786,³ to the Governor-General in Council.) Two of these dealt with the commercial branch and the third with the administrative. As these letters of Instructions form a sort of a charter for Cornwallis's reforms we may briefly refer to their contents here so far as they have a bearing on our subject.)

The Court approved of the reduction in the Revenue Establishment already effected and assured the Government of their co-operative support in all future measures of

¹ Vide Proceedings of the Committee of Revenue approved by the Governor General in Council on April 25, 1786, in J. E. Colebrooke's *Digest of Regulations and Laws enacted by Governor-General in Council for Civil Government of Territories under the Presidency of Bengal*, Vol. III, p. 246.

² Vide Extract from the Proceedings of the Board of Revenue, dated 13 March, 1787, quoted in Colebrooke, *Idem*, p. 251.

³ *Bengal Despatches*, Vol. 15 (I. O. R.).

economy. They expressed their disapproval of frequent innovations undertaken in the Revenue Department and ordered the Government not to introduce any in future without their previous sanction. They expressed the desire of establishing a permanent system of revenue compatible with the nature of Government, the actual situation of the Company and the ease of inhabitants, and instructed the Governor-General in Council to devise measures for such a settlement and send them for their approval. They ordered enquiries into the grievances and complaints of Zemindars and Rajahs as also into their true status, rights, and privileges, their title, etc., in terms of Section 39 of the Act of 1784. They agreed with Shore, Stuart, Macpherson and Francis on the expediency of stationing Company's servants in the districts. They observed :—

“ these collectorships are to be considered as part of a permanent system, and we now empower you to form the arrangement (subject to our final approbation) under the general directions contained in this letter, in such a manner as you shall think best adapted to the currency of the collections, or the mutual convenience of Government and the inhabitants.”

The size of the collectorships was to be moderate with a revenue assessment of about five lacks of sicca rupees and they were not to be more than twenty or twenty-five in number. The payment of the collectors was to be partly by salary and partly by a commission, as suggested by Stuart. This, therefore, set the Court's seal of approval on the step already taken by the Governor-General in Council, though tentatively, of introducing collectors in some districts. It was now to be made general on a systematic plan. It was pointed out that the Governor-General in Council being now relieved of the details of

collection, would be expected to devote more attention to the supervision and control of the servants engaged in revenue work and to exercise vigilance against the abuse of powers delegated to the servants.

(On the question of the desirability or otherwise of the combination of the executive and judicial branches of power in the same officers, after great deliberation they concluded in favour of such combination, as tending in the first place to accord with "the subsisting manners and usages of the people," and in the second place, as tending more to "simplicity, energy, justice and economy.") As the collectors would be greatly relieved as a result of the permanent settlement of revenues and of minute details of revenue business, they would be in a position to give greater attention to the duties of the Dewanny Adawlut. The power of apprehending criminals would also be transferred from the judges to the collectors, the power of trial and punishment remaining vested in the indigenous courts as before.

(Very soon after taking charge, Cornwallis addressed himself to the task of implementing these instructions. On the 5th of February, 1787, the Governor-General in Council directed the Board of Revenue to prepare a plan for a division of the country into collectorships in such a manner as best comported with the convenience of Government and the people, indicating the broad outlines on which it was to be made.¹)

(The task of settlement of revenues on a permanent basis was for the present to be deferred pending the collection of sufficient materials and information, which task was entrusted to the Board. (In pursuance of these instructions the Board prepared the plan for the distribution of the country into collectorships

¹ Vide J. H. Harington, *op. cit.*, Vol. II, pp. 48-52.

which was approved by the Governor-General in Council on the 21st of March, 1787.¹

The New Plan of Collectorships of 1787

① The number of collectors was reduced from thirty-six to twenty-three. ② Out of the saving in expense effected by this reduction, an increase was proposed to the salaries of the collectors by granting them a commission upon the net collection, not only on the score of inadequacy of their existing pay, but also of the increase in their volume of work as collector, judge and magistrate. Their monthly salary at the same time was increased from Rs. 1,200 to Rs. 1,500. ③ For their guidance in the different capacities, distinct and detailed regulations were framed. ④ The collectors were given superintendency of the Dewanny Adawlut everywhere except at Patna, Dacca and Murshidabad, where an independent civil court continued to exist. ⑤ Similarly, the collectors were given magisterial jurisdiction except in those three places where it remained vested in the Dewanny judge, and with the exception of Calcutta where it remained with the Supreme Court. ⑥ In the capacity of magistrates they were invested with the power of apprehending criminals and sending them to the nearest Foujdarry Court except in cases involving petty offences, where they were given the power to try themselves. ⑦ They were further required to inspect the jails at least once in every month. The Regulations of the 8th of June, 1787, laid

¹ For the plan together with the Minute of the President of the Board, see Extract from the Proceedings of the Board of Revenue, dated 13 March, 1787, in Colebrooke, *op. cit.*, Vol. III, pp. 351-54.

² Regulations for the administration of civil and criminal justice were passed on 27 June, 1787, and those for the collection of revenues on the 8th of June, 1787. *Vide* Colebrooke, *op. cit.*, Vol. III, pp. 93, 131 and 253 respectively.