

chapter two

British Empire in India

2.1. THE IMPERIAL IDEOLOGY

Since the conquest of Ireland in the sixteenth century, the English gradually emerged as the "new Romans, charged with civilizing backward peoples" across the world, from Ireland to America and from India to Africa.¹ This imperial history of Britain is periodised into two phases, the "first empire" stretching across the Atlantic towards America and the West Indies, and the "second empire", starting from around 1783 (Peace of Paris) and swinging towards the East, i.e., Asia and Africa. The details of structural or ideological disjunctures and interfaces between the two empires are not relevant here, but it suffices to say, that from the late eighteenth century there was a greater acceptance of a territorial empire based on the conservative values of military autocracy, hierarchy and racial insolence.² As British patriotism gradually developed in the eighteenth century, it was closely associated with the grandeur and glories of having overseas territorial possessions. In a post-Enlightenment intellectual environment, the British also started defining themselves as modern or civilised vis-a-vis the Orientals and this rationalised their imperial vision in the nineteenth century, which witnessed the so-called 'age of reform'. In other words, British imperial ideology for India was the result of such intellectual and political crosscurrents at home. Sometimes, "sub-imperialism"! of the men on the spot, regarded by some as the "real founders of empire",⁴ and pressures from the ruled—in short, the crises in the periphery—led to adjustments and mutations in the functioning of that ideology. The nature of the imperial connection also changed over time; but not its fundamentals.

For several years, it is argued, the government of the East India Company functioned like an "Indian ruler", in the sense that it recognised the authority of the Mughal emperor, struck coins in his name, used Persian as the official language and administered Hindu and Muslim laws in the courts. Lord Clive himself had recommended a system of "double government" as a matter of expediency,

under which the criminal justice system would be left in the hands of nawabi officials, while civil and fiscal matters would be controlled by the Company. This policy of least intervention, which had emanated from pure pragmatism to avoid civil disturbances, did not, however, wane rapidly when such situations ceased to exist, although the Company officials were then required to get involved much more deeply in the administration. The Anglicisation of the structure of this administration began, but it progressed, as it seems, gradually. It was not, in other words, a revolutionary change, as the officials looked at themselves "as inheritors rather than innovators, as the revivers of a decayed system".⁵

The idea of this "decayed system" however originated from a teleological construction of India's past. The early image of India in the West was that of past glory accompanied by an idea of degeneration. There was an urge to know Indian culture and tradition, as reflected in the endeavours of scholars like Sir William Jones, who studied the Indian languages to restore to the Indians their own forgotten culture and legal system—monopolised hitherto only by the learned pundits and maulvis (Hindu and Islamic learned men). By establishing a linguistic connection between Sanskrit, Greek and Latin—all supposedly belonging to the same Indo-European family of languages—Jones privileged India with an antiquity equal to that of classical West. This was the beginning of the Orientalist tradition that led to the founding of institutions like the Calcutta Madrasa (1781), the Asiatic Society of Bengal (1784) and the Sanskrit College in Banaras (1794), all of which were meant to promote the study of Indian languages and scriptures. One should remember, however, that while discovering India, primarily through analysis of ancient texts, these Orientalist scholars were also defining Indian "tradition" in a particular way that came to be privileged as the most authentic version or true knowledge, for it was legitimated by the power of the colonial state. Some scholars like Eugene Irschick have argued that contrary to the supposition of Edward Said (1978) that Orientalism was a knowledge thrust from above through the power of the Europeans, it was produced through a process of dialogue in which the colonial officials, Indian commentators and native informants participated in a collaborative intellectual exercise. One could point out though that even when Indians participated in this exercise, they seldom had control over its final outcome. However, while emphasising the importance of the Indian agency, Irschick does not deny the most important aspect of this cognitive enterprise, that Orientalism produced a knowledge of the past to meet the requirements of the present, i.e., to service the needs of the colonial state.⁶

Orientalism in practice in its early phase could be seen in the policies of the Company's government under Warren Hastings. The fundamental principle of this tradition was that the conquered people were to be ruled by their own laws-British rule had to "legitimize itself in an Indian idiom".⁷ It therefore needed to produce knowledge about Indian society, a process which Gauri Viswanathan would call "reverse acculturation". It informed the European rulers of the customs and laws of the land for the purposes of assimilating them into the subject society for more efficient administration.¹ It was with this political vision that Fort William College at Calcutta was established in 1800 to train civil servants in Indian languages and tradition. The Orientalist discourse, however, had another political project, as Thomas Trautmann (1997) has argued. By giving currency to the idea of kinship between the British and the Indians dating back to the classical past, it was also morally binding the latter to colonial rule through a rhetoric of "love". "Every accumulation of knowledge", Warren Hastings wrote in 1785, "is useful to the state: ... it attracts and conciliates distant affections; it lessens the weight of the chain by which the natives are held in subjection; and it imprints on the hearts of our own countrymen the sense and obligation of benevolence."⁹ But if the Orientalist discourse was initially premised on a respect for ancient Indian traditions, it produced a knowledge about the subject society, which ultimately prepared the ground for the rejection of Orientalism as a policy of governance. These scholars not only highlighted the classical glory of India-crafted by the Aryans, the distant kin-brothers of the Europeans-but also emphasised the subsequent degeneration of the once magnificent Aryan civilisation. This legitimated authoritarian rule, as India needed to be rescued from the predicament of its own creation and elevated to a desired state of progress as achieved by Europe.

Hastings's policy was therefore abandoned by Lord Cornwallis, who went for greater Anglicisation of the administration and the imposition of the Whig principles of the British government. Lord Wellesley supported these moves, the aim of which was to limit government interference by abandoning the supposedly despotic aspects of Indian political tradition and ensuring a separation of powers between the judiciary and the executive. The state's role would only be the protection of individual rights and private property. The policy came from a consistent disdain for "Oriental despotism", from which Indians needed to be emancipated. Despotism was something that distinguished the Oriental state from *its* European counterpart; but ironically, it was the same logic that provided an "implicit

justification" for the "paternalism of the Raj".¹⁰ From the very early stages of conquest, the Company state tried to curb the local influence of the rajas and zamindars, the local remnants of the Mughal state, in order to ensure a free flow of trade and steady collection of revenues. And ostensibly for that same purpose, it took utmost care in surveying and policing the territory and insisted on the exclusive control over the regalia of power, e.g., flag, uniform, badges and seals.¹¹ This indicated the emergence of a strong state, based on the premise that natives were not used to enjoying freedom and needed to be emancipated from their corrupt and abusive feudal lords. Men like William Jones typified such paternalist attitude exhibited by many British officers at that time. Radical at home, attracted to the glorious past of India and its simple people, they remained nonetheless the upholders of authoritarian rule in India.¹² One purpose of the Fort William College was to prevent the spread of the ideas of freedom preached by the French Revolution. Javed Majeed (1992), therefore, sees no apparent contradiction, but a gradual evolution of a conservative ideology in the ideas of Jones since his arrival in India. This conservatism, of which Edmund Burke was the chief exponent, was related to domestic politics in England facing the threat of jacobinism. The Georgian state had to consolidate public support at home by manipulating ceremonies and enhancing the popular profile of the monarchy. The issue of uniqueness of cultures, requiring change or not, tied in an unmistakable way the questions of reform at home and in India. The process of Anglicisation and the regulative administration under Cornwallis and Wellesley reflected this conservatism of the time.

As Eric Stokes (1959) has shown, two distinct trends were gradually emerging in the Indian administration of the East India Company, although they were not totally unrelated. There was, on the one hand, the Cornwallis system, centred in Bengal, and based primarily on the Permanent Settlement. Lord Cornwallis introduced Permanent Settlement with the hope that the rule of law and private property rights would liberate individual enterprise from the shackles of custom and tradition, and would bring in modernisation to the economy and society. But Thomas Munro in Madras, and his disciples in western and northern India, such as Mountstuart Elphinstone, John Malcolm and Charles Metcalfe, thought that the Cornwallis system did not pay heed to Indian tradition and experience. Not that they were averse to the rule of law or separation of powers; but such reforms, they thought, had to be modified to suit the Indian context. Some elements of the Indian tradition of personal government

needed to be maintained, they believed; the role of the Company's government would be protective, rather than intrusive, regulative or innovative. So Munro went on to introduce his Ryotwari Settlement, with the intention of preserving India's village communities. But ultimately his aim was to consolidate the Company's state in the south by expanding its revenue base, where land taxes would be collected directly from the peasants by a large number of British officers, an idea he had borrowed from the "military fiscalism" of Tipu Sultan's Mysore (see chapter 1.2).^u Both the systems, it therefore appears, were based on the same fundamental principles of centralised sovereignty, sanctity of private property, to be protected by British laws. Munro believed, as Burton Stein argues, that part of India should be indirectly governed; but he insisted that the traditional Indian forms of government would function well if "directed by men like himself, knowledgeable and sympathetic, with great and concentrated authority". This authoritative paternalism rejected the idea of direct political participation by Indians.¹⁴ Respect and paternalism, therefore, remained the two complementing ideologies of the early British empire in India. And significantly, it was soon discovered that imperial authoritarianism could function well in conjunction with the local elites of Indian rural society—the zamindars in Bengal and the mirasidars in Madras—whose power was therefore buttressed by both the Cornwallis system and the Munro system, both of which sought to define and protect private property. If the Awadh taluqdars lost out, their angst caused the revolt of 1857; and after the revolt they were again restored to their former positions of glory and authority.!

If Cornwallis was a little restrained and conservative, it was partly out of the expediencies of administering a newly conquered territory, and at the same time raising sufficient revenue to pay for the Company's annual investments. The situation began to change with further conquests and pacification. Around 1800 the Industrial Revolution in Britain created the necessity to develop and integrate the Indian markets for manufactured goods and ensure a secured supply of raw materials. This required a more effective administration and the tying up of the colony to the economy of the mother country. There were also several new intellectual currents in Britain, which preached the idea of improvement and thus pushed forward the issue of reform both at home and in India. While the pressure of the free trade lobby at home worked towards the abolition of the Company's monopoly over Indian trade, it was Evangelicalism and Utilitarianism, which brought about a fundamental change in the nature

of the Company's administration in India. Both these two schools of thought asserted that the conquest of India had been by acts of sin or crime; but instead of advocating the abolition of this sinful or criminal rule, they clamoured for its reform, so that Indians could get the benefit of good government in keeping with the "best ideas of their age". It was from these two intellectual traditions "the conviction that England should remain in India permanently was finally to evolve".¹⁶

Evangelicalism started its crusade against Indian barbarism and advocated the permanence of British rule with a mission to change the very "nature of Hindostan". In India the spokespersons of this idea were the missionaries located at Srirampur near Calcutta; but at home its chief exponent was Charles Grant. The principal problem of India, he argued in 1792, was the religious ideas that perpetuated the ignorance of Indian people. This could be effectively changed through the dissemination of Christian light, and in *this* lay the noble mission of British rule in India. To convince his critics, Grant could also show a complementarity between the civilising process and material prosperity, without any accompanying danger of dissent or desire for English liberty. His ideas were given greater publicity by William Wilberforce in the Parliament before the passage of the Charter Act of 1813, which allowed Christian missionaries to enter India without restrictions.¹⁷ The idea of improvement and change was also being advocated by the free-trade merchants, who believed that India would be a good market for British goods and a supplier of raw materials, if the Company shifted attention from its functions as a trader to those of a ruler. Under a good government the Indian peasants could again experience improvement to become consumers of British products. Fundamentally, there was no major difference between the Evangelist and the free-trade merchant positions as regards the policy of assimilation and Anglicisation. Indeed, it was the Evangelist Charles Grant who presided over the passage of the Charter Act of 1833, which took away the Company's monopoly rights over India trade.

This was also the age of British liberalism. Thomas Macaulay's liberal vision that the British administrators' task was to civilise rather than conquer, set a liberal agenda for the emancipation of India through active governance. "Trained by us to happiness and independence, and endowed with our learning and political institutions, India will remain the proudest monument of British benevolence", visualised C.E. Trevelyan, another liberal in 1838.¹⁸ It was in this atmosphere of British liberalism that Utilitarianism, with all

its distinctive authoritarian tendencies, was born. Jeremy Bentham preached that the ideal of human civilisation was to achieve the greatest happiness of the greatest number. Good laws, efficient and enlightened administration, he argued, were the most effective agents of change; and the idea of rule of law was a necessary precondition for improvement. With the coming of the Utilitarian James Mill to the East India Company's London office, India policies came to be guided by such doctrines. Mill, as it has been contended, was responsible for transforming Utilitarianism into a "militant faith". In *The History of British India*, published in 1817, he first exploded the myth of India's economic and cultural riches, perpetuated by the "susceptible imagination" of men like Sir William Jones. What India needed for her improvement, he argued in a Benthamite line, was an effective schoolmaster, i.e., a wise government promulgating good legislation. It was largely due to his efforts that a Law Commission was appointed in 1833 under Lord Macaulay and it drew up an Indian Penal Code in 1835 on the Benthamite model of a centrally, logically and coherently formulated code, evolving from "disinterested philosophic intelligence".¹⁹

The Utilitarians differed from the liberals in significant ways, especially with regard to the question of Anglicisation. This was the time that witnessed the Orientalist-Anglicist debate on the nature of education to be introduced in India. While the liberal Lord Macaulay in his famous Education Minute of 1835 presented a strong case for the introduction of English education, Utilitarians like Mill still favoured vernacular education as more suited to Indian needs. In other words, dilemmas in imperial attitudes towards India persisted in the first half of the nineteenth century. Although gradually the Anglicists and Utilitarians were having their day, the old dilemmas were not totally overcome, and the epitome of this dilemma was Lord Bentinck, himself. An ardent follower of Mill, he abolished sari and child infanticide through legislation. He believed in the Utilitarian philosophy that legislation was an effective agent of change; and the concept of rule of law was a necessary precondition for improvement. But at the same time, he retained his faith in Indian traditions and nurtured a desire to give back to the Indians their true religion. The official discourse on the proposed reform of sari was, therefore, grounded in a scriptural logic that its abolition was warranted by ancient Hindu texts.²⁰ The Indian Penal Code drafted in 1835 could not become an act until 1860. The dilemmas definitely persisted in the mid-nineteenth century, in spite of Lord Dalhousie's determination to take forward Mill's vision of aggressive advancement of Britain's mission in India.

It was Victorian liberalism in post-1857 India that certainly made paternalism the dominant ideology of the Raj. The traumatic experience of the revolt convinced many in England and in India that reform was "pointless as well as dangerous"²¹ and that Indians could never be trained to become like Englishmen. Not that the zeal for reform totally evaporated, as it was amply represented in the Crown Proclamation of 1858, in the patronage for education, in the Indian Councils Act of 1861 and in the Local Self-government Act of 1882, which in a limited way moved towards sharing power with the Indians. But on the other hand, veneration for Indian culture was definitely overshadowed by a celebration of the superiority of the conquering race. Bentinck's dithering attitudes were now replaced by the authoritarian liberalism of James Fitzjames Stephen, who succeeded Macaulay as the new law member in the viceroy's council. He not only emphasised India's difference, but also asserted India's inferiority. Such ideas in the nineteenth century were further strengthened by the rise of racial sciences in Victorian England, which privileged physical features over languages as the chief markers of racial identity. *This* racial anthropology could not accommodate the idea of an ancient Indian civilisation into its theory of dichotomy between the civilised white-skinned Europeans and the dark-skinned savages. Hence the story of invading white Aryans founding the Vedic civilisation through a confrontation with the dark-skinned Indian aborigines was invented, a theory constructed by "consistent overreading" of evidence and "a considerable amount of text-torturing".²² To put it more directly, this new Orientalist discourse-contributed not just by Sanskritists, but by a whole range of observers, ethnologists and civilians--eventually produced an essentialist knowledge of a backward caste-ridden Indian society; it was this knowledge of the Indian "essences" which rationalised authoritarian colonial rule.²³ All discussions about India's eligibility for self-rule were dismissed as sentimental, and racial distancing as well as avowal of privileges for the rulers triumphed over the earlier liberal visions of similarity and assimilation.²⁴ If reforms were introduced, they were more in response to articulate political demands of the Indians (see chapter 6.1).

However, it needs to be pointed out here that statements of racial superiority of the rulers were not for the first time being made in the mid-nineteenth century. If we look at the actual functioning of the empire, such statements were made rather loudly since the late eighteenth century, when Cornwallis transformed the Company's bureaucracy into an "aloof elite", maintaining physical separation from the

ruled. British soldiers were forbidden to have sexual relations with Indian women and were confined to army cantonments, where they would be quarantined from infectious diseases as well as Oriental vices. Moreover, the Company's civil servants were discouraged from having Indian mistresses, urged to have British wives and thus preserve—as one official put it before a parliamentary select committee in 1830—"the respect and reverence the natives now have for the English". Any action undermining that respect, Henry Dundas, the president of the Board of Control had argued as early as 1793, would surely "ruin our Indian empire".²⁵ Such overt statements of physical segregation between the ruler and the ruled as an ideology of empire were quite clear in the very way the human environment of the imperial capital city of Calcutta developed in the eighteenth century. "The process worked in an overall setting of dualism, basically a feature of all colonial cities, between the white and the black town".²⁶ This phenomenon of dualism reflected on the one hand, the conquerors' concern for defence and security, but on the other, their racial pride and exclusivism. In the early eighteenth century, this spatial segregation along racial lines had been less sharply marked, as there was a White Town and a Black Town, intersected by a Grey Town or an intermediate zone, dominated by the Eurasians or East Indians, but accessible to the natives as well. The position of the Eurasians—the children of mixed marriages—continually went down in the imperial pecking order since 1791, when they were debarred from covenanted civil and higher-grade military or marine services. The racial polarisation of colonial society was now complete. By the early nineteenth century, "the social distance" between the people and the ruling race became an easily discernible reality in Calcutta's urban life.²⁷

However, during the first half of the nineteenth century along with racial arrogance, there was also a liberal optimism, as expressed in Lord Macaulay's ambition to transform the indolent Indian into a brown sahib, European in taste and intellect—but not quite a European; he would be "more brown than sahib", to use Ashis Nandy's cryptic expression.²¹ It was this optimism that was shattered by the rude shock of 1857. From the very beginning in colonial discourses Indian subjecthood was likened to childhood and effeminacy that required tutoring and protection; but now it was also equated with primitivism, which justified imperialism on the arrogant assumption of the superiority of culture." The Imperial Assemblage of 1877, which resolved the ambiguity of sovereignty by proclaiming Queen Victoria the Empress of India, manifested in unmistakable terms

what Bernard Cohn has called the "British construction of their authority over India." It established a new social order where everyone, from people to princes, were situated in a hierarchy, and the viceroy became the central locus of power. The Ilbert bill controversy in 1883 marked the ultimate victory of the authoritarian trends and racial arrogance of the colonisers. The bill-proposed by a liberal viceroy, Lord Ripon, intending to give jurisdiction to Indian judges over Europeans-had to be toned down under pressure from non-official Englishmen as well as the bureaucracy. It was this authoritarian imperial order that Indian nationalism had to confront in the early twentieth century.

2.2. PARLIAMENT AND THE EMPIRE

In mid-eighteenth century, when Company Raj was gradually being established in the subcontinent, the difficulties of communication with England gave the Company's servants a free hand in India to behave like their own masters. There was misinformation and lack of interest about Indian affairs in Britain. And as a result, before 1784, thinks P.J. Marshall (1975a), new policies were hardly ever initiated from London. But although the "sub-imperialism" of the Company's men on the spot had been an important motivating factor behind much of the territorial conquests in India, the relationship between the state and the Company was much more complex than what was implied by that fact. Not only the Company's existence depended on the renewal of the charter, but right from the seventeenth century, the Company's servants in India acted on the concept of "delegated sovereignty", and there were clear instructions on how to divide the booty between the Company and the royal troops, if the latter participated in any joint campaign. The Company had to depend on the successive governments in London for various matters, and the latter was ever ready to provide it in exchange for hefty subscriptions to the state exchequer. There were always a few MPs with East Indian interests and the ministers used the Company's resources for expanding the scope of their patronage. The Company was also an important element in the city politics of London, about which the government was always keenly concerned. The conflicts between the parties within the Company often got aligned with wider political configurations within the Parliament. As the rumours about the growing riches of the Company began to spread, there was even greater eagerness on the part of the government to have a share of it. There had been government interventions in the Company's affairs in 1763 and 1764, paving the way

for a parliamentary intervention in 1766, over the rights of the state to the revenues of the territories conquered with the help of the royal army. The result was the Company agreeing to pay £ 400,000 to the government annually." Thus, right from the beginning, the British state participated in and profited from the empire; it is difficult to argue that it was acquired "in a fit of absence of mind". One could, however, say that the empire was acquired "without the national cognizance", by a "small number of Englishmen who had not the least illusion about what they were doing".³²

Although the state was profiting from the empire, the question was how to control it. The need to impose greater parliamentary control over the Company's affairs increased during the decades after Plassey, because of a growing concern about mis-government of the Indian affairs by the corrupt servants of the Company. Much of this "corruption" was the result of these officials being caught in the complex exchange nexus of trade and governance in eighteenth-century India. Exchange of gifts and pleasantries for political favour and trading concessions were accepted norms of the uneven power relationships between the political elites and the traders. But what was natural in the northern Indian political milieu, was anathema to the Western moral discourse of imperial rule.³³ The debate grew bitter, as the English gentry became jealous of the East Indian "Nabobs" indulging in conspicuous consumption to force their way into English society. As the Company's empire in India expanded, the British government also felt that it could no longer be allowed to remain outside the ambit of the state. In 1772, Edmund Burke claimed that it was "the province and duty of Parliament to superintend the affairs of this Company".³⁴ Governors General in India, like Clive or Hastings, also desired to forge some kind of formal constitutional relationship with the Crown, which would buttress their power and legitimise their authority. There was of course no political will yet to impose any direct control over the Company affairs in India, except in matters of defence and internal order and establishment of sovereignty was still being considered to be too drastic a measure. The existing abuses were therefore to be corrected by attacking the Company's servants, but not the Company itself. Lord Clive in 1773, and Warren Hastings in 1786, were tried unsuccessfully for misconduct and, later in 1806, Lord Wellesley had to go through the same ordeal.

A Select Committee of the Parliament was, however, appointed in April 1772 to inquire into the state of affairs in India. There were some important constitutional problems to be resolved: how, for

example, the relationship between the British government and the Company with its possessions in India was to be defined; how would the Company's authorities in Britain exert control over its servants in India; or, how a single centre of power could *be* devised for the far-flung possessions in India. The immediate occasion for such considerations was provided by the Company's application for a loan, which raised suspicion about mismanagement of resources in India. The stories about the rich resources of Bengal and the fabulous wealth brought home by the Company officials did not go well with the fact that the Company was facing a financial crisis. There were, therefore, concerns about the lowering of moral standards, which might also bring in corruption in British politics. Adam Smith, and his book *An Inquiry into the Nature and Causes of the Wealth of Nations*, brought in a new school of economic thinking that condemned companies enjoying exclusive monopolies. Free enterprisers were striving to have a share of the profits of the India trade and wanted to put an end to the monopoly rights of the Company. The Parliament, however, decided on a compromise; some sort of control over Indian affairs was established, but the Company was allowed to continue its monopoly of Eastern trade and the Directors of the Company were given control of the Indian administration.

However, a trend was thus set. The next important step to control the Company's administration in India came in the shape of the Regulating Act of 1773, which formally recognised parliamentary right to control Indian affairs. The Court of Directors of the Company would henceforth be obliged to submit all communications received from Bengal about civil, military and revenue matters in India to the British government. Apart from that, territories in India were also subjected to some degree of centralised control. The status of governor of Bengal was raised to that of governor general, to be assisted by a council of four members. They were given the power to superintend and control the presidencies of Madras and Bombay in matters of waging war or making peace with the Indian states, except in emergency situations. The governor general and his council were under the control of the Court of Directors, whom they were supposed to send dispatches regularly. A Supreme Court was established in Calcutta, while the legislative powers were vested in the governor general and the council. The act was by no means satisfactory, as it failed to streamline Indian administration, while the supervision of the British government remained ineffective due to problems of communication. The administration in India was hampered by the disunity in the council and disharmony between the

council and the governor general. The provincial governors took advantage of the wide manoeuvring space they had been offered by the vague wordings of the act and the ambiguities in the jurisdiction of the Supreme Court and the council created serious conflicts between competing authorities. All these obscurities and indeterminate character of the act, it seemed, arose from Parliament's inability to define properly the issue of sovereignty in India. An Amending Act of 1781 defined more precisely the jurisdiction of the Supreme Court, but did not address the other anomalies.³⁵

A corrective came in the shape of Pitt's India Act of 1784. But it too was a compromise: the Company's territorial possessions were not touched, only its public affairs and its administration in India were brought under more direct government control. A Board of Control consisting of six members was constituted and would include one of the secretaries of state, the chancellor of the exchequer and four privy councillors. It would "superintend, direct and control all acts, operations and concerns" related to "the civil or military government or revenues of the British territorial possessions in the East Indies".³⁶ The orders of the board became binding on the Court of Directors, which was required to send all its letters and dispatches to the board for its perusal. The Court of Directors retained its control over commerce and patronage, but only with the approval of the Crown could it appoint its principal servants in India, such as the governor general, governors and the commander-in-chief. The government of India was placed under the governor general and a council of three, thus giving greater power to the former. The presidencies of Madras and Bombay were subordinated to the governor general, whose power over them was now enlarged and more clearly defined. The governor general in council in his turn was subordinated to the Court of Directors and the Board of Control. Thus a clear hierarchy of command and more direct parliamentary control over Indian administration was established.

But the arrangement still had too many defects. The first and foremost was the provision of two masters for the governor general—the Court of Directors and the Board of Control—which gave virtual autonomy to the man on the spot. The governor general could easily play his two masters one against another and act at his own discretion. But on the other hand, a factious council and the inability of the governor general to override its decisions could often make him ineffective, particularly as his right to use the army had been curbed. An Amending Act of 1786 corrected these anomalies. It gave the governor general right to override his council in extraordinary

situations and authorised the Court of Directors to combine the two offices of governor general and commander-in-chief, resulting in Warren Hastings for the first time enjoying the two positions simultaneously. An effective and authoritarian instrument of control was thus put in place, which continued till 1858 with only little modifications."

The Charter Act of 1793 renewed the charter of the Company for twenty years, giving it possession of all territories in India during that period. In Indian administration, the governor general's power over the council was extended and the Governors of Bombay and Madras were brought more decisively under his control. A regular code of all regulations that could be enacted for the internal government of the British territories in Bengal was framed. The regulation applied to all rights, person and property of the Indian people and it bound the courts to regulate their decisions by the rules and directives contained therein. All laws were to be printed with translations in Indian languages, so that people could know of their rights, privileges and immunities. The act thus introduced in India the concept of a civil law, enacted by a secular human agency and applied universally. William Wilberforce had wanted to include two more clauses into the act: one would declare that the purpose of British rule in India would be to work towards the moral and spiritual uplift of the Indians and the other would allow entry of appropriate persons, such as teachers and missionaries, into India to achieve that imperial goal. Both the clauses were, however, dropped, but only till the next renewal of the charter.

In 1808 the House of Commons appointed a committee of investigation, which submitted its report in 1812. The free traders in the meanwhile had become dominant in British politics and were demanding free access to India. This would bring, they argued, capital and skills, and with the establishment of industries and introduction of new agricultural techniques, it would result in development and improvement for India. The Benthamite reformists and the Evangelicals too tried to influence British politics and British policies in India and they gained a decisive voice when the Evangelist Charles Grant was elected to the Court of Directors. The Charter Act of 1813 incorporated in a significant way all these aspirations for change in Britain's India policy. It renewed the Company's charter for twenty years, and during that period it was allowed to have its territorial possessions. But at the same time the act asserted the "undoubted sovereignty of the Crown of the United Kingdom" over the Indian territories.³⁸ The Company was also deprived of its

monopoly of trade with India, although its monopoly of China trade was left untouched for another twenty years. And in addition to that, Christian missionaries were henceforth to be allowed to enter India, subject only to obtaining a licence either from the Court of Directors or the Board of Control. "

The Charter Act of 1813 was thus an important benchmark in the push towards westernisation of India. When the charter was again due for renewal in 1833, there was a fresh and more widespread agitation in Britain for the abolition of the Company and a direct takeover of the Indian administration by the government. The political atmosphere in Britain at that time was also fully charged with enthusiasm for reform, as the Reform Act of 1832 had just been passed. A parliamentary inquiry was held, and the Act of 1833, which followed from its recommendations, became a landmark in the constitutional history of India. The Company's monopoly of tea trade with China was now abolished and henceforth it was meant only to have political functions, and here too the Indian possessions of the Company were to be held in trust for the British Crown. The President of the Board of Control now became the Minister for Indian Affairs, while the board was empowered to superintend all administrative affairs in India. The Governor General of Bengal became the Governor General of India, who would, in consultation with his council, control all civil, military and revenue matters in the whole of India. With the extension of territories and influx of British settlers into India, there was need for uniform laws. The governor general in council was, therefore, empowered to legislate for the whole of British territories in India and these laws were to be applicable to all persons, British or Indian. A law member was added to the council (Lord Macaulay) and a law commission was instituted for codification of laws. The Company's services in India were thrown open to the natives; but there was no provision for their being nominated to the covenanted services.

Although in India during all these years demands were being raised for the abolition of the Company rule, the British government was not yet so sure about such a measure. The charter of 1833 was renewed in 1853, but this time not for another twenty years. The Company was allowed to retain the Indian possessions "in trust for Her Majesty, her heirs and successors until Parliament shall otherwise provide", thus keeping the door ajar for a future takeover. The act also provided for the separation of the executive and legislative functions of the governor general's council by adding new members for legislative purposes. And the Company's control over

appointments was curtailed by the introduction of competition for the recruitment of the Indian Civil Service. Already deprived of its commercial privileges, the Company hereafter hardly ever controlled policies in India. Since the act did not give it the right to govern for the next twenty years, the House of Commons with greater ease could formally abolish Company administration in India in 1858, the immediate occasion for this final stroke was of course provided by the revolt of 1857, which shall be discussed in the next chapter. The revolt made the English people more aware of the Indian situation and generated popular support for the perpetuation as well as reorganisation of British rule there. Since 1833, many English traders and settlers had also developed a vested interest in India and their persistent complaint was that the Company had been neglecting their interests. In other words, both at home and in India there had been now considerable pressure for the abolition of the Company Raj and the establishment of Crown rule.

However, in terms of the administrative structure, the Government of India Act of 1858, which followed the pacification of the revolt, meant more continuation than change. It replaced the President of the Board of Control with a Secretary of State for India, who became "in subordination to the cabinet, the fountain of authority as well as the director of policy in India." He was to be advised by a Council of India, consisting of fifteen members, seven of whom were to be selected from the now superseded Court of Directors. The Governor General of India, who would henceforth be known as the Viceroy, would retain all his powers, but instead of a dual control, he would be answerable only to the secretary of state. Continuity was also maintained in the structure of the civil service, and the same recruitment examination introduced in 1853 was carried on. India thus passed from Company rule to Crown rule, which meant ironically the rejection of a liberal promise of reforming India in order to prepare her for self-government. It meant, in other words, a "symbolic endorsement of British permanence in India".⁴⁰ The liberal zeal for reform and change had by this time died down and in the aftermath of revolt one could discern in every aspect of British policy in India what Thomas Metcalf has called a "new attitude of caution and conservatism." There was now an assertion of the racial superiority of the ruling race, which, as mentioned earlier, carefully distanced itself from the subject society in order to formalise a more authoritarian regime. Indians were held to be 'tradition-bound' and therefore beyond reform to live up to the high moral standards of the West. And trust was reposed in their 'natural

leaders', the landed gentry and the aristocrats, who were restored to prominence, in the hope of securing their loyalty. The situation, which Anand Yang (1989) has described as the "Limited Raj" where the colonial regime depended on local power elites like zamindars for the administration of the interior, was indeed contributing to the foundation of a more authoritarian Raj.

2.3. EXTRACTING LAND REVENUE

Since the grant of diwani for Bengal, Bihar and Orissa in 1765, the major concern of the East India Company's administration in India was to collect as much revenue as possible. Agriculture was the main basis of economy and the main source of income and hence, although the nawabi administration was retained with Muhammad Reza Khan acting as the Naib Diwan for the Company, several land revenue experiments were introduced in haste to maximise extraction. And here they did not want to take any chances. So, although native officials were in charge of collection, European officers of the Company were given supervisory authority over them, and their corruption as well as lack of understanding of the local situation led to complete disorganisation of the agrarian economy and society in the diwani provinces within a few years. The devastating famine of 1769-70, in which about one-third of the Bengal population was wiped off, was but only one indication of the prevailing chaos. The Company directors, unable to pay their shareholders the expected amounts of dividend, began to look for reasons for falling revenues and the devastations of famine. They found an easy "scapegoat" in Reza Khan, who was arrested on false charges of corruption and embezzlement. But the real reason for his removal was the desire of Warren Hastings, the newly appointed Governor of Bengal, to get rid of Indians altogether from the administration of revenue and make the British the sole controller of the resources of the province.⁴² In 1772, he introduced a new system, known as the farming system. European District Collectors, as the nomenclature suggested, were to be in charge of revenue collection, while the revenue collecting right *was* farmed out to the highest bidders. About the periodicity of the settlements, a number of experiments were made, but the farming system ultimately failed to improve the situation, as the farmers tried to extract as much as possible without any concern for the production process. The burden of revenue demand on the peasants increased as a result and often it was so onerous that it could not be collected at all. The net outcome of this whole period of rash experimentation was the ruination of the agricultural

population. In 1784, Lord Cornwallis was therefore sent to India with a specific mandate to streamline the revenue administration.

PERMANENT SETTLEMENT

Cornwallis realised that the existing system was impoverishing the country, ruining agriculture and was not producing the large and regular surplus that the Company hoped for. Company's trade also suffered, because of the difficulty in procuring Indian goods for export to Europe. Production of silk or cotton, two of the Company's major export items, was mainly agro-based, while decline in agriculture also affected handicraft production. It was thought, therefore, that the only way to improve this situation was to fix the revenue permanently. Indeed, it was since 1770, i.e., even before Cornwallis arrived, that a number of Company officials and European observers, like Alexander Dow, Henri Parullo, Philip Francis and Thomas Law were advocating for the land tax being permanently fixed. Despite their various ideological orientations, they shared a common faith in the Physiocratic school of thinking that assigned primacy to agriculture in a country's economy. These ideas went into the making of the Permanent Settlement of 1793, which introduced in Bengal the policy of "assessment for ever". This would reduce, it was hoped, the scope for corruption that existed when officials could alter assessment at will. The landlords would invest money in improving the land, as with the state demand being fixed the whole of the benefit from increased production and enhanced income would accrue to them. The Company would get its taxes regularly and when necessary, as Cornwallis thought, it could raise its income by taxing trade and commerce. The land revenue, since it was going to be fixed in perpetuity, was also to be fixed at a high level—the absolute maximum. So taking the assessment for the year 1789-90 as the standard, it was fixed at Rs. 26.8 million (approximately £3 million). While according to P.J. Marshall, the revenue demand in 1793 was just about 20 per cent higher than what prevailed before 1757,⁴⁴ in B.B. Chaudhuri's calculation, it "nearly doubled" between 1765 and 1793.⁴⁵

The other problem for the Company was to decide as from whom the revenue was to be collected. The nawabs used to collect it from the zamindars. Some of them were big landlords who controlled large areas and had their own armed retainers; in 1790 twelve big zamindari houses were responsible for paying more than 53 per cent of the land revenue assessment in Bengal.⁴⁶ Others were smaller

zamindars, who paid revenue either directly to the state or through the bigger zamindars. Peasants undertook cultivation and paid the zamindars at customary rates, which often varied from subdivision to subdivision and sometimes extralegal charges called *abwabs* were collected as well. By 1790, however, the Company's administration had profoundly confused this situation by retaining some zamindars and replacing others by new revenue farmers. In terms of assessment too, the old customary rates were ignored and by the time Cornwallis arrived, a complete confusion prevailed in this area. Being a member of the landed aristocracy of Britain and imbued with the idea of improving landlordism, his natural preference was for the zamindars. They were expected to invest for the improvement of agriculture if their property rights were secured. There were also other practical reasons: it was easier to collect revenue from a small number of zamindars than from the innumerable peasants, which would require a large administrative machinery; and finally, it would ensure the loyalty of a powerful class of the local population.

o the Permanent Settlement in 1793 was made with the zamindars. Every bit of land in Bengal, Bihar and Orissa became a part of a zamindari or estate and the zamindar had to pay the tax fixed upon it. If he did so, then he was the proprietor or owner of his zamindari: he could sell, mortgage and transfer it; land could also be inherited by heirs. But failure to pay the revenue would lead to the confiscation of the zamindari by the government and its sale by auction; the new purchaser would then have the ownership right on it. This was the so-called creation of private property in land; the magic of private property, it was widely hoped, would bring in the desired improvement in agriculture.

The Permanent Settlement vested the land ownership right in the zamindars, who previously enjoyed only revenue collecting right. Therefore, those who lost out in this settlement were the peasants, who were left at the mercy of the zamindars. Their customary occupancy right was ignored and they were reduced to the status of tenants. The provision of *patta*, or written agreement between the peasant and the zamindar providing a record of the amount of rent to be paid, was rarely followed by the zamindars. Nor was it liked by the peasants who always feared to lose in any formal record of rights and obligations. The burden of high revenue assessment was thus shifted to the peasants, who were often also called upon to pay illegal cesses. The subsequent regulations of 1799 and 1812 gave the zamindars the right to seize property of the tenants in case of non-payment of rent without any permission of a court of law. It is no

wonder, therefore, that as a cumulative effect of this support to the coercive power of the zamindars, the condition of the actual cultivators declined under the Permanent Settlement.

Though the settlement was pro-zamindar, they too had to face a number of difficulties. As Daniel Thorner has argued, creation of private property in land was a misnomer, as the absolute ownership was retained by the imperial authority.⁴⁷ The zamindars had to pay a fixed amount of revenue by a particular date (the so-called 'sun-set' law), failure leading to the sale of the zamindari. Often they found it difficult to collect the rent, as demands were too high and there were the uncertainties of nature. The result was the frequent sale of zamindari estates: between 1794 and 1807 land yielding about 41 per cent of the revenue in Bengal and Bihar was sold out in auction; in Orissa between 1804 and 1818, 51.1 per cent of the original zamindars were wiped off because of auction sales.⁴⁸ This of course meant the collapse of most of the old zamindari houses; but contrary to the old myths, those who bought these estates were not exactly 'new' men in the Bengal agrarian society. The old zamindaris were parcelled out by their own *amlas* (zamindari officials) and rich tenants or by the neighbouring zamindars among themselves.⁴⁹ And some of the old houses, such as the Burdwan raj, survived by resorting to the novel method of subinfeudation that complicated the tenurial structure to an absurd level.⁵⁰ These subinfeudatory *patni* tenures, which sometimes proliferated up to twelve grades between the zamindar and the peasants, increased the demand on the latter. In 1859 and 1885 there were tenancy legislations, which to some extent protected the tenants by recognising their occupancy rights. This was the time when the Company Raj had transformed itself into a self-confident territorial state trying to penetrate deeper into the economy and society and co-opt wider sections of the population.⁵¹ But zamindari power remained largely unrestrained and their alliance with the Raj unaltered.

The new legal reforms could not provide any relief to the poor cultivators. These reforms on the other hand only strengthened the position of a group of powerful rich peasants—the *jotedars*—who are believed to have been actually controlling landholding at the village level, as argued by Rajat and Ratnalekha Ray (1973, 1975), while the zamindars enjoyed only the revenue collecting right. Beneath all the changes effected by colonial policies, the Rays argue, the power of this class and their control over the rural society remained unaffected and herein lay the basic continuity of the rural social structure in colonial Bengal. This 'jotedar thesis', however,

came under serious attack in a monograph by Sugara Bose (1986) who found such jotedar domination confined only to northern Bengal. In the rest of the region he discovered two other distinct modes of peasant economy—the peasant landholding-demesne labour complex in the west and the peasant small holding system in eastern Bengal. In both the regions he found the power of the zamindars continuing unhindered till the 1930s, a position which has found support also in the works of Akinobu Kawai (1986-87) and Partha Chatterjee (1984a). In a subsequent essay in defence of the 'jotedar', Rajar Ray (1988) conceded the fact that the zamindars probably retained some of their influence and authority in rural Bengal till about the 1930s, but there still existed all along a section of substantial peasants who yielded considerable power in the Bengal countryside. This modified position has found partial corroboration in two subsequent works. Nariaki Nakazato (1994) has shown the existence of a powerful jotedar-haoladar class in certain districts of central and eastern Bengal in the late nineteenth and early twentieth centuries. This did not mean, however, as he argues, a demise of the old zamindari system, as the interests of the two classes were complementary to each other and not necessarily antagonistic. In western Bengal, on the other hand, in Midnapur district for example, China Panda (1996) has detected only unqualified decline of the zamindars, who were losing out to a class of rich peasants who dominated the land market, rural credit and the trading networks. Both Nakazato and Panda, however, argue emphatically that there was more change than continuity in the agrarian structure of post-Permanent Settlement Bengal. And, as we shall see in the next chapter, these changes, which almost uniformly affected the poor peasants, perennially excluded from any control over land and power, resulted in a series of peasant revolts.

RYOTWARI SETTLEMENT

Lord Cornwallis expected that his Permanent Settlement, or the zamindari system, would be extended to other part of India as well. When Lord Wellesley came to India, he and Henry Dundas of the Board of Control equally shared a faith in the Bengal system, and in 1798 Wellesley gave orders for its extension to Madras Presidency. Here the problem was to find a sizeable zamindar class as in Bengal; but still between 1801 and 1807 the Madras authority introduced it in large areas under its control. The local poligars were recognised as zamindars, and in other areas, where such people could not be

found, villages were aggregated into estates and were sold in auction to the highest bidders. But before this could go on very far, in British official circles there was growing disillusionment with the Permanent Settlement, which provided for no means to raise the income of the government, while the increased income from land was being garnered by the zamindars. This distrust for the large landlords was also partly the result of Scottish Enlightenment, which insisted on the primacy of agriculture and celebrated the importance of the yeoman farmer within the agricultural societies. Such ideas obviously influenced Scottish officials like Thomas Munro and Mountstuart Elphinstone, who took the initiative to change the Company's revenue administration.^P This was also the time when Utilitarian ideas had begun to influence policy planning in India, and among them David Ricardo's theory of rent seemed to be hinting at a revision of the existing system.⁵³ Rent was the surplus from land, i.e., its income minus the cost of production and labour, and the state had a legitimate claim to a share of this surplus at the expense of the unproductive intermediaries, whose only claim was by virtue of their ownership right. The theory provided, therefore, an argument to eliminate the zamindars and appropriate a larger share of the increasing income from the new acquisitions of land. But theories alone hardly guided policies in India." A more powerful reason for a new settlement was the perennial financial crisis of the Madras Presidency, worsened by the rising expenses of war. This was the genesis of the Ryotwari Settlement in Madras Presidency.

The Ryotwari experiment was started by Alexander Reed in Bara-mahal in 1792 and was continued by Thomas Munro from 1801 when he was asked to take charge of the revenue administration of the Ceded Districts. Instead of zamindars they began to collect revenue directly from the village, fixing the amount each village had to pay. After this they proceeded to assess each cultivator or ryot separately and thus evolved the Ryotwari System. It created individual proprietary right in land, but it was vested in the peasants, rather than in the zamindars, for Munro preferred it to be "in the hands of forty to fifty thousand small proprietors, than four or five hundred great one".⁵⁵ But Munro's system also made a significant distinction between public and private ownership. In David Ludden's words: "it defined the state itself as the supreme landlord, and individual peasants landowners who obtained title by paying annual cash rents, or revenue assessments, to the government".⁵⁶ This was, as it evolved eventually, a field assessment system, as rent payable on each field was to be permanently assessed through a general survey of all lands.

And then annual agreements were to be made between the government and the cultivator, who had the choice of accepting or rejecting the agreement. If he agreed, he would get a *parta*, which would become a title to private property and if no cultivator was found, the land might lie fallow. The system, therefore, in order to be attractive and equitable, required a detailed land survey: the quality of soil, the area of the field and the average produce of every piece of land had to be assessed and on the basis of that the amount of revenue was to be fixed. But this was the theory; in practice the estimates were often guesswork and the revenue demanded was often so high that they could only be collected with great difficulty or could not be collected at all. And the peasants were to be coerced to agree to such unjust settlements. So the Ryotwari system was almost abandoned soon after Munro's departure for London in 1807.

But around 1820 the situation began to change as Thomas Munro returned to India as the governor of Madras. He argued that Ryotwari was the ancient Indian land-tenure system and therefore best suited to Indian conditions.⁵⁷ This reference to the past was however in the interest of the empire. He believed that the British empire needed a unified concept of sovereignty and the Ryotwari system could provide a foundation for that. The security and administration of the empire needed, as his experience in the Ceded Districts revealed, the elimination of the overmighty poligars and collection of revenue directly from individual farmers under the supervision of British officers. He therefore justified his position by arguing that historically land in India was owned by the state, which collected revenue from individual peasants through a hierarchy of officials paid through grant of *inam* land. The power of this landlord-state rested on military strength and when that declined, the poligars appropriated land and thereby usurped sovereignty. This process of alienation needed to be reversed now.⁵⁸ In arguing this, he briskly set aside the contrary observations by men like Francis Ellis who argued that property right was traditionally conferred on the community or tribes and that family had a variety of rights to the community assets. Munro at the same time insisted that this system would reduce the revenue burden for farmers, while it would yield larger amount of land revenue for the state, as no intermediaries would be having a share of the surplus." And London was happy too as this system would place authority and power directly in British hands in a way which the Cornwallis system would never hope to achieve.⁶⁰ The Madras government was chronically short of funds and so it decided to introduce the Ryotwari Settlement in most parts of the presidency;

bur gradually it took quite different forms than the one which Munro had visualised. It raised the revenue income of the government, but put the cultivators in great distress. In many areas no surveys were carried out and the tax of a ryot was assessed on an arbitrary basis, based on village accounts. Known as the *putcut* settlement, the revenue to be paid by a ryot was fixed on his entire farm, not on each field, which might have varying irrigation facilities and therefore different levels of productivity. And where the survey was actually undertaken, it was often "ill-conceived and hastily executed", resulting in over-assessment.⁶¹ Contrary to Munro's insistence that the cultivator be given freedom to take as much or as little land as he chose to, this "right of contraction or relinquishment" was effectively dropped by 1833.⁶² The cultivating peasants were, therefore, gradually impoverished, and increasingly indebted and could not invest for the extension of cultivation. Except for Coimbatore, there was practically no land market in Madras, as buying land would mean paying extortionate land revenue.

The Ryotwari system did not also eliminate village elites as intermediaries between the government and the peasantry. As privileged rents and special rights of the mirasidars were recognised and caste privileges of the Brahmans respected, the existing village power structure was hardly altered, and indeed even more strengthened by the new system.⁶³ This whole process was actually supported by a colonial knowledge, collaboratively produced by officials and Tamil writers, that the mirasidars of good agricultural castes, like the Vellalas, were the original colonists and good agriculturists. Such stereotypes made such traditional village elites as the mirasidars pivotal to the British ideal of a sedentary agricultural community.⁶⁴ The latter therefore could gradually position themselves comfortably in the subordinate ranks of the revenue establishments, and some of them bought lucrative and large tracts of irrigated land after getting their official appointments.⁶⁵ These revenue officials after 1816 combined in themselves both revenue collection and police duties in the countryside. This enhancement of power inevitably resulted in coercion, bribery and corruption by the subordinate officials of the Collectorate, which were revealed in abundant and gory details in the Madras Torture Commission Report in 1855, indicating the need for effective reform.⁶⁶

It was from this year that a scientific survey of land and a fresh assessment of revenue were undertaken, resulting in decline in the real burden of tax. It was decided that the revenue rate would be half of the net value of the produce of the land and the settlement

would be made for thirty years. The reformed system was introduced in 1864, immediately leading to agricultural prosperity and extension of cultivation. This was interrupted by two famines in 1865–66 and 1876–78; yet, as Dharma Kumar asserts, "recovery was faster in the Presidency as a whole". She also argues that contrary to prevalent myths, "statistics ... fail to support the view that land was increasingly passing into the hands of rich farmers and 'moneylenders'". Inequality increased only in the prosperous and irrigated areas, such as the Godavari delta; elsewhere it declined. There is also no evidence, she affirms, that indebtedness was resulting in widespread dispossession. Debts varied in nature, while absentee landlordism, except in Tirunelveli, declined everywhere else. However, where the tenants existed, there was hardly any protection for them in the entire presidency.⁶⁷

The impact of the Ryotwari system on the agrarian society of Madras can be looked at in different ways. As a number of recent micro-studies have revealed, by redefining property rights, it actually strengthened the power of the village magnates where they did exist, and thus intensified social conflict. However, it is also true that this impact had wide regional variations, depending on the existing social structures and ecological conditions. David Ludden's study of the Tirunelveli district,⁶⁸ for example, shows how the locally powerful mirasidars manipulated the system to get privileged rents and convert their collective rights into individual property rights. The Madras government since 1820 showed absolutely no interest in protecting the rights of the tenants, despite their active but futile resistance to mirasidari power. However, mirasidars in the wet zone, Ludden argues, did much better than their counterparts in the dry or mixed zones. Willem van Schendel's study of the Kaveri delta in Tanjavur (Tanjore) district also shows "the golden age" of the mirasidars, who entrenched their control over land and labour and thus "intensified the polarisation of local society". Their power eroded somewhat in the second half of the nineteenth century, because of greater social and economic differentiation within their community and the older families giving way to new commercial groups. But this by no means marked the end of mirasidari power in local society.⁶⁹ Among other Tamil districts, the situation was largely similar in the wet taluks of Tiruchirapalli (Trichinopoly), while in South Arcot and Chingleput such privileged landownership rights were being increasingly challenged by the actual cultivators. In other vast areas of Tamilnad, however, where there was abundance of cultivable land, the situation was dominated by a large number of

owner-cultivators and a small group of middle landowners.⁷⁰ In the Andhra districts of the Madras Presidency too the Ryotwari system promoted differentiation within the peasantry. By the beginning of the twentieth century, there was an affluent group of big landholders-whom A. Satyanarayana calls "peasant-bourgeoisie"-who controlled large farms and leased out surplus lands to landless tenants and sharecroppers. The intermediate strata also did well and lived under stable economic conditions. On the other hand, the poor peasants, who constituted the majority of the rural population, lived in squalid conditions, were exploited by rich ryots, creditors and lessors, were forced to hire themselves despite wretched conditions and remained tied to small plots of land.⁷¹

The Ryotwari system in the Bombay Presidency had its beginning in Gujarat after its annexation in 1803, and then when the peshwa's territories were conquered in 1818, it was extended to those areas as well under the supervision of Munro's disciple, Mountstuart Elphinstone. Initially, in these areas the British had been collecting revenue through the desmukh and the village headmen or the *patil*. But this did not yield as much revenue as they hoped for, and hence from 1813-14 they began collecting directly from the peasants. The abuses that characterised the Madras system soon appeared in Bombay too, as the revenue rates that were fixed turned out to be extraordinarily high. With frequent crop failures and sliding prices, peasants either had to mortgage their lands to moneylenders or abandon cultivation and migrate to neighbouring princely states where rates were lower. A land survey was therefore undertaken by an officer called R.K. Pringle, who classified the land and fixed the revenue at 55 per cent of the net value of the produce. The scheme, first introduced in the Indapur taluk in 1830, was soon found to be faulty and abandoned. It was replaced in 1835 by a reformed 'Bombay Survey System' devised by two officers G. Wingate and H. E. Goldsmid. It was a practical settlement aiming at lowering the demand to a reasonable limit where it could be regularly paid. The actual assessment of each field depended on what it paid in the immediate past, expected price rise, the nature of soil and location. This new assessment began to be made in 1836 on the basis of a thirty years settlement and covered most of Deccan by 1847.

The impact of the Ryotwari Settlement on the agrarian society of western India is the subject of a major historical controversy, as it gave rise to a rural uprising in Bombay Deccan in 1875. Historians like Neil Charlesworth (1985) do not think that the Wingate settlements actually introduced between 1840 and 1870 caused any

dramatic change in western India. It reduced the Village patil to the status of an ordinary peasant and a paid employee of the government. But the erosion of his power had started in pre-British days, and British rule "was merely completing a process already in full morion." And the settlements did not universally displace all village elites either; in Gujarat the superior rights of the *bhagdars*, *naru/adars* and the Ahmedabad taluqdars were respected, and as a result, in these regions "greater political and social stability was guaranteed." It was only in central Deccan that a power vacuum was created, which offered opportunities for a greater active role for the Marwari and Gujarati banias. And for the peasants, the new settlements "were making revenue assessment less burdensome and inequitable". If they became massively indebted by the middle of the nineteenth century, such indebtedness was indeed "Jong-standing", not because of the land revenue demands, and did not in itself result in any large-scale alienation of land, as the Marwari creditors had little attraction for the cultivator's land." H. Fukazawa also endorses this interpretation and asserts that: "There is no evidence that land was increasingly being bought up by traders and moneylenders". Ian Catanach thinks that dispossession and land transfer from agriculturists to non-agriculturists did occur in Deccan in mid-nineteenth century, but this did not necessarily cause the Deccan riots.⁷⁴ But on the other hand, Ravinder Kumar and Sumit Guha have argued that a significant social upheaval was being caused by Ryotwari Settlement which undermined the authority of the village headmen and thus caused a status revolution in the Maharashtra villages, and that discontent ultimately propelled into the Deccan riots." We will discuss this controversy in greater detail in chapter 4.2, when we will be looking at the Deccan riots of 1875. What perhaps can be observed here is that the social effects of the Ryotwari system, both in Madras and in Bombay, were perhaps less dramatic than those of the Permanent Settlement. But it is difficult to argue a case for "continuity", as the older forms that continued were now "differentially ensructured by imperialism";"

MAHALWARI SETTLEMENT

The 'village community', which some of the early Western observers from Charles Metcalfe to Henry Maine spoke so eloquently about, figured neither in the Permanent Settlement nor in the Ryotwari system. However, when these two systems were being worked out, vast stretches of territory in north and north-western India were overrun

between 1801 and 1806. This region, once the heartland of the Mughal empire, stretching from the Himalayan foothills to the central Indian plateau, including the Ganga-jumna Doab, formed the North-Western Provinces. In the agrarian structure of this area, there was on the one hand, a small group of magnates, known as the taluqdars. Nurul Hasan has described them as the "intermediary zamindars", who "contracted with the state to realise the revenue of a given territory". There were on the other hand, a large group of "primary zamindars", who were the "holders of proprietary rights over agricultural as well as habitation lands". Included in this group were both the small owner-cultivators and also the large proprietors of several villages.ⁿ With the Bengal model in mind, the British initially proceeded to collect revenue from the taluqdars, who by the end of the eighteenth century included two distinct social groups. On the one hand there were the locally entrenched "rulers of the lineage-dominated principalities" and on the other, the Mughal jagirdars, revenue officials and tax-farmers who had instituted themselves as "de facto rajas or taluqdars".⁷⁸

These initial short-term settlements, eventually to be made permanent, were based on artificial and faulty estimates of the productivity of the newly conquered lands, and therefore revenue assessments in many cases were abnormally high. Many of the big taluqdars resisted the new regime and its high revenue demand, and were liquidated with utter ruthlessness. Many were driven off and their mud fortresses razed to the ground. In other cases, defaulting estates were sold off by the government. As a result, by 1820, many of this "inchoate magnate class of upper India", as Eric Stokes described them, had "either lost their position entirely or were left in a shrunken condition".ⁿ The land sold in auction was often bought by the amlas and tehsildars, who used their local knowledge and manipulated their power to buy some of the best properties in the area. In the Banaras region, for example, about 40 per cent of land had changed hands by the middle of the nineteenth century and they went into the possession of, as Bernard Cohn gives the list, "under civil servants and their descendants, and to merchants and bankers". These people came to constitute a "a new class of landlords", who were outsiders to the village community and had different attitudes to the land.⁸⁰ But on the other hand, as Thomas Metcalf has argued, since land market was imperfect (often there were no buyers) and frequently the new purchasers had to leave the former owners in charge, in few cases only the land actually changed hands. The situation created nevertheless a scare that land was passing into the hands

of non-cultivating classes, Holt Mackenzie in 1819 describing it as a "melancholy revolution"; for in his judgement only the village coparcenary bodies were the "sole owners of the land".⁸¹

So from taluqdars British preference now shifted to the 'primary zamindars' and village communities. Mackenzie's recommendations were incorporated in the Regulation VII of 1822, which provided for a detailed field-to-field survey for revenue assessment. Settlement was to be made with the village community or with a taluqdar where available; and in addition to the rights of the proprietors, the rent to be paid by the resident cultivating peasants was also to be ascertained and recorded. Thus taluqdars were not completely eliminated; but where possible joint proprietary right in land was vested in the village communities. The refractory and oppressive nature of the taluqdars and the need to maximise revenue as well as protect the rights of the peasant proprietors to ensure the improvement of agriculture, rather than the influence of the Ricardian theory of rent, prompted the making of the Mahalwari Settlement. But the new settlement from the very beginning was enmeshed in confusion, and corruption, as in practice it was virtually impossible to implement. The survey, which was at the core of the new arrangement, failed, because it was too complex to be carried out with the existing administrative machinery. The obvious result was over-assessment, based on "idiosyncratic estimates".⁸² The situation was worsened by the agricultural depression of 1828. Arrears started mounting, land remained uncultivated; buyers were difficult to find. Some reforms had become clearly necessary, which came in the Regulation XI of 1833.

The revised system, as worked out by another civilian, R.M. Bird, provided for a detailed survey to assess the revenue of an entire *mahal* or fiscal unit, based on the net value of potential produce of the field. The total revenue thus fixed was then to be shared by the members of a co-sharing body. The state was to appropriate two-thirds of the net income of the land and the settlement was to be made for thirty years. But the village settlements, started by Bird and completed by James Thomason, were again based on imperfect survey, inaccurate calculations and therefore over-assessment. And they were marked by an unconcealed hostility towards the taluqdars, whom Bird considered to be a "host of unproductives". Many of them were dispossessed and pensioned off with a cash allowance; and so effective was this policy that it nearly "flartenjed] the whole surface of society", as the Lt. Governor of the province commented in 1842 after Bird's retirement.⁸³ But this did not mean the ushering

in of a golden age for the village communities, which were ruined by high revenue demand, mounting debt burden, arrears of revenue and the resulting sales of their properties and dispossession through decrees of the civil courts. Land in many cases passed into the hands of moneylenders and merchants, more so in the commercialised districts. Whether this meant a fundamental social upheaval is open to question, as in many cases the formal sale of properties did not effect any real change in the structure of landholding in the villages, as the new purchasers could hardly do anything without the original owners. But, as Thomas Metcalf concedes, "one can hardly say that 'nothing happened'".⁸ The grievances of the rural society of north India were soon to be expressed rather loudly and violently in the revolt of 1857, as we shall see in the next chapter.

Thus by the middle of the nineteenth century the Company's administration had devised three systems of land revenue administration, creating private property in land and conferring that proprietary right on three different groups—the Permanent Settlement was made with the zamindars, the Ryotwari Settlement with the ryots or peasant proprietors and the Mahalwari Settlement with the village community. The latter system was extended to Punjab and central India when those regions were conquered subsequently, while the Ryotwari system was introduced in Sind, Assam and Coorg. The zamindari system was tried in the northern districts of the Madras Presidency where zamindars could be found. According to a rough estimate, in 1928-29 about 19 per cent of the cultivable land in India was under zamindari settlement, 29 per cent under Mahalwari settlement and 52 per cent under Ryotwari system." A common feature of all the settlements, as we have noted, was over-assessment, as the primary aim of the Company's government was to maximise revenue income. The results were arrears of payment, mounting debt, increasing land sales and dispossession. Contrary to received wisdom, modern research has established that the effects of these changes were less spectacular than once imagined, and had significant regional variations, as the land transfers could not fundamentally alter the structure of landholding everywhere. The agrarian society thus proved to be more resilient than once thought to be. But the groups and classes that survived had substantially different rights, obligations and powers. These changes and grievances generating from there were amply reflected in the series of agrarian disturbances that marked the first century of British rule in India, which we shall examine in the next chapter.

2.4. THE APPARATUS OF RULE

As the empire grew in size and its resources needed to be controlled, so did the need for an efficient and authoritative administrative system increase. Initially there was respect for Indian tradition and no attempts were made to impose European ideals. But soon this mid-eighteenth century construction of a "rational" Asia began to wane, as the conquerors felt the need to assert sovereignty and exert control to ensure a steady flow of revenue. The idea of cultural particularism gradually began to lose ground in the face of Evangelical attacks and the Utilitarian zeal for reform. The idea of improvement led to the introduction of British principles of justice and uniformity under a civil authority exercised by British personnel. Good laws and sound administration, it was hoped, would lead to the freeing of individual initiative from despotism, irrational customs and traditions. This would give free and full scope for capital and labour and place due emphasis on individual rights and ownership. The Utilitarians advocated the 'Rule of Law' for India, while a uniform system of administration throughout the conquered territories also suited British interests. Till 1813 the Company acted more like a traditional Indian ruler, avoiding innovation or intervention, but keeping nonetheless a vigilant eye on extracting agricultural surplus. But this scenario gradually changed under the ideological pressure of the intellectual movements mentioned above and also because the Industrial Revolution in Britain necessitated an integration of the markets throughout India and her development as a source for agricultural raw materials. All this required an unequivocal assertion of sovereignty, much greater penetration into Indian economy and society and control over Indian trade not only with Britain but with other countries as well.

JUDICIAL SYSTEM

The grant of diwani in 1765 gave the East India Company the right to collect revenue in Bengal, Bihar and Orissa, but the nawabi administration and the Mughal system remained in place. The practical implications of this dual administration were however very little, as the authority of the nawab was overtly and systematically undermined by the Company, while maintaining for some time to come the fiction of Mughal sovereignty. The judicial administration of the subah remained initially in the hands of the Indian officers between 1765 and 1772 and the Mughal system was followed in both civil and criminal justice. Clive appointed Muhammad Reza

Khan to represent the Company's civil jurisdiction; as Naib Nazim he also administered the criminal jurisdiction of the nawab. However, this acceptance of the indigenous system depended to a large extent on the colonisers, understanding and interpretation of it. The Mughal system was never centrally organised and depended to a large extent on the local faujdars and their executive discretion. Although the *sharia* or the Islamic law was referred to for legitimation, its application varied widely depending on the seriousness of the case and the interpretation of the *muftis* and *kazis*. The focus of this system was more on mutual resolution of conflict rather than punitive justice (except in cases of rebellion), and punishment when meted out often depended on the status of the accused. To many Company officials this system looked like one marked by unusual laxity and they attributed it to an eighteenth century degeneration when the zamindars and revenue farmers had allegedly usurped judicial authority. These people were thought to be driven more by considerations for pecuniary benefit than justice and this led to the complaint about the "venality" of the justice system. It was therefore argued by 1769 that there was need for some sort of direct or overt European supervision to ensure a "centralization of the judicial prerogative" retrieved from the hands of the zamindars and revenue farmers, and thereby to assert Company's sovereignty.⁸⁶ So when Warren Hastings took charge as governor in 1772, he decided to take full control of the justice system and he had no doubts whatsoever as to why he should: through such a measure, he reasoned, "the people of this country would be accustomed to the Company's sovereignty".⁸⁷ One major reason for arresting Reza Khan in 1772 and for keeping him in confinement without trial for nearly two years was to get rid of the most powerful obstacle to this project of eliminating Indian agents from the administration of justice. It was Khan who was continually insisting on Mughal sovereignty and the supremacy of Islamic laws. Even after his acquittal, Hastings pleaded with the Company directors not to restore him to his former position.⁸⁸

Under the new system of 1772, each district was to have two courts, a civil court or *diu/ani adalat* and a criminal court or *[aujdari adalat]*. Thus the Mughal nomenclature was retained, and the laws to be applicable were Muslim laws in criminal justice and the Muslim or Hindu laws in adjudicating personal matters, such as inheritance, marriage etc. This division of the topics of law was evidently in accordance with the English system, which left such matters as marriage, divorce, property, religious worship or excommunication, in the jurisdiction of the Bishops' courts, where the law applicable was

the ecclesiastical law.⁸⁹ The civil courts in India were to be presided over by the European District Collectors, and they were to be assisted by maulvis and Brahman pundits interpreting indigenous laws for their understanding. There would be an appeal court in Calcutta, which too would be presided over by the president and two members of the council. The criminal courts were to be under a kazi and a mufti, but they were to be supervised by the European collectors. The appeal court, the Sadar Nizarnar Adalat, was removed from Murshidabad to Calcutta; Reza Khan had already been dismissed and now the control of the court was vested in the president and council members. However, the legal fiction of nawabi sovereignty was still maintained, as all their orders were sent to the nawab for his final sanction. In reality, Hastings personally supervised the criminal justice system until 1774, when he finally acknowledged his failure to improve law and order situation and reluctantly accepted the Court of Directors' decision to reappoint Reza Khan at the head of the nizamat adalat, which was once again moved back to Murshidabad.⁹⁰

In civil justice system further changes took place between 1773 and 1781, partly in response to the demands of revenue collection and partly in deference to the Whig principle of separating executive functions from the administration of justice. According to the plans worked out by Hastings and Sir Elijah Impey, the chief justice of the Calcutta High Court, district collectors were divested of their judicial duties. In the area of civil justice, instead of district courts, initially six provincial courts, later replaced by eighteen *mofussil* courts were created and they were to be presided over by only the European covenanted officers of the Company, who would be designated 'Judges' for this purpose. For some time the new Supreme Court, created by the Regulating Act of 1773, acted as an appeal court; but its conflict with the Supreme Council over definition of jurisdiction led to the confinement of its authority to the city of Calcutta and to matters related to factories dependent on Fort William. In its place the Sadar Diwani Adalat was now reconstituted to serve as an appeal court, with Sir Elijah himself taking over its superintendence in 1780. Along with this Europeanisation, which was the most dominant and visible feature of the judicial reforms of this period, there was also another coherent trend, and that was towards systematisation or institutionalisation of the civil justice system. The Code of 1781 prescribed specific rules and regulations to be followed in all the civil courts down to the lowest level and all judicial orders were henceforth to be in writing. The major problem that hindered

certainty and uniformity in the system was that of conflicting and varying interpretations of indigenous laws, as Brahman pundits, for example, often gave divergent interpretations of the various schools of *dbarmashastra* and sometimes their opinions on the same law varied widely from case to case. To reduce this element of uncertainty, a committee of eleven pundits compiled, at the behest of Hastings, a digest of Hindu laws in 1775, and it was translated into English by N.B. HaJhed in 1776 for the purpose of lessening the dependence of European judges on their indigenous interpreters.⁹¹ A code of Muslim laws was also compiled by 1778. With this standardisation of law, the practice of law now needed professional expertise that could only be expected from a specially trained group of people, the 'lawyers'. Thus, in its effects, the reforms of the Hastings era "tended to centralise judicial authority, and reduce administration to a system."⁹²

There was a certain reversal of this system in 1787, when once again the collector was given the duty of administering civil justice. It was Lord Cornwallis and his Code of 1793 that finally set the rule of separating revenue collection from administration of civil justice as a safeguard for property rights against abuse of power by revenue officials and their agents. The new system provided for a hierarchy of courts from zillah (district) and city courts to four provincial courts and the Sadar Diwani AdaJat with appellate jurisdiction. All the courts were to be headed by European judges, with provision for appointment of 'native commissioners'. The criminal justice system was also completely overhauled, as the district magistrates complained to Cornwallis about the anomalies of Islamic laws and the corrupt practices at the criminal courts. But more importantly, it was felt that such an important branch of administration could no longer be left in charge of an Indian.⁹³ The faujdari adalats, which until then functioned under Naib Nazim Reza Khan, were therefore abolished and replaced by courts of circuit, headed by European judges. The office of the Naib Nazim itself was abolished and the Sadar Nizamat Adalat was brought back to Calcutta and placed directly under the supervision of the Governor-General-in-Council. The jurisdiction of these criminal courts did not extend to the British-born subjects, who remained under the jurisdiction of the Supreme Court at Calcutta. The entire judicial reform of Cornwallis therefore spoke of one thing—a total exclusion of Indians from the whole system, which became less ambiguous in its authoritarian and racially superior tone.

The Cornwallis regulations were extended to the province of Banaras in 1795 and to the Ceded and Conquered Provinces in 1803

and 1805 respectively. But the Bengal system based on the assumptions of a permanent settlement with the zamindars, faltered seriously in Madras, where it was introduced because of Lord Wellesley. By 1906 it was clear that in a Ryotwari area, where the collector had to function also as a Settlement Officer and assess revenue, and where there was no such powerful class as the zamindars of Bengal, the separation of revenue collection and magisterial and judicial powers posed serious problems. On Thomas Munro's insistence, the Court of Directors in 1814 therefore proposed a different system for Madras, which included provisions for greater Indianisation of the system at the lower levels (village panchayats, district and city courts) and the union of magisterial, revenue collection and some judicial powers in the office of the collector. Fully introduced in Madras by 1816, it was later extended to Bombay by Elphinstone in 1819.

Certain unresolved issues remained in the area of judicial administration however. Apart from the question of Indianisation, there was the issue of codification of laws, which would establish a uniform judicial administration and civil authority throughout British India. These issues were not raised until the governor-generalship of Lord Bentinck and the Charter Act of 1833. The act, first of all, threw open judicial positions to Indians and provided for the appointment of a law commission for codification of laws. By this time the collectors had once again resumed magisterial authority and some judicial power. The law commission appointed under Lord Macaulay completed the task of codification by 1837, but it had to wait until after the revolt of 1857 for full implementation. The Code of Civil Procedure was introduced in 1859, the Indian Penal Code in 1860 and the Criminal Procedure Code in 1862. The new codes, as Radhika Singha has argued, sought to establish "the universal principles of jurisprudence", based on "a notion of indivisible sovereignty and its claims over an equal abstract and universal legal subject". But this institutionalised justice system, it needs to be mentioned here, was to be applicable only in British India. In the vast regions that remained within the princely states, whose size and efficiency varied widely, the judicial administration was usually run by a motley amalgam of British Indian laws and personal decrees of the princes, who also acted as the highest judicial appellate authority. But they too were subjected to constant imperious supervision of the British Residents and Political Agents stationed in their court' (for more details see section on Residents and Paramountcy).⁹⁵

In British India, however, the judicial administration now looked significantly different from what it was under the Mughal rule, and

these changes the ordinary Indians found hard to comprehend.⁹⁶ While previously they had access to a variety of judicial procedures, now they were subjected to a streamlined system. Although initially in personal matters traditional Hindu and Muslim laws were applied, the judicial interpretations made the laws often look very different and incomprehensible to the indigenous people. Justice now became distant, not just physically, because of the geographical distance from the district courts, but also psychologically, as the indigenous people did not understand the complex judicial procedures, dominated by a new class of lawyer. As a result, justice also became expensive. And as the huge number of court cases started piling up, for most people justice became inordinately delayed, sometimes even by fifty years. But there were elements of "continuity" too, particularly in the first century of British rule. In most cases the way Hindu personal laws were interpreted by Brahman pundits that these only benefited the conservative and feudal elements in Indian society. It was only the public side of the law that upheld the idea of freeing the individual from the shackles of status.⁹⁷ But here too there were problems, as the colonial system retained a considerable terrain for judicial discretion, based on the argument of cultural particularism or civilisational inferiority of the indigenous people. The concept of equality before law often did not apply to the Europeans. If there was greater movement towards equality in civil justice system, racial privilege for the rulers remained in place in various forms in the criminal courts.⁹⁸ And there were significant domains of activity, for example, those of the police and the army, which remained unaffected by this colonial definition of the 'Rule of Law'.

POLICE

When the East India Company took over diwani in 1765, the Mughal police system was under the control of the faujdars, who were in charge of their *sarkars* or rural districts; the *kouoals* were in charge of the towns, while the village watchmen were paid and controlled by the zamindars. This system continued for some time under the authority of Muhammad Reza Khan acting as the Naib Nazim with his station at Murshidabad. But the old system could hardly function effectively, as the growing power of the Company had thoroughly undermined the authority of the nawab. Crime rates began spiraling upward after the famine of 1770, and the general state of 'law and order' declined day by day with an alarming rise in the rate of crime against property. For the Company officials, like

other departments, the 'police administration too seemed to be in need of European supervision, as every crime was a direct affront to their authority. The faujdari system continued with minor modifications until 1781, when the faujdars were finally replaced by English Magistrates. The zarnindars retained their police duties, but were made subservient to the magistrates.

But this limited reform of Warren Hastings could not solve the problem, as the establishments of the magistrates proved to be too inadequate for the purpose, while the zamindars abused the system and freely took advantage of its weaknesses. So Lord Cornwallis in 1793 decided to divest the zamindars of their policing duties, and instead divided the districts into thanas or units of police jurisdiction of twenty to thirty square miles, each placed under a new officer called *daroga*, who was to be appointed and supervised by the magistrates. The daroga thus became a new instrument of control for the Company's government in the diwani provinces, or as the peasants looked at them, as the local representatives of the "aura and authority of the Company Bahadur".⁹⁹ A new and alien element in the countryside, they could hardly ignore the powerful local-landed magnates, who retained much of their extra-legal coercive powers and in most cases made alliances with them. By the nineteenth century the daroga-zamindar nexus thus emerged as a new instrument of coercion and oppression in Bengal rural life. But on the other hand, when the resourceful contestants for power in the countryside, the zamindars and the planters, both having posses of mercenaries or *lathiyals* at their command, got embroiled in fierce battles for territories, the ill-equipped and poorly provided darogas stood as helpless onlookers.¹⁰⁰ Therefore, when the regulation was extended to Banaras in 1795, Jonathan Duncan, the Resident at Banaras, made further modifications to make the tehsildars, who were to be in charge of the policing units, more subservient to the magistrates and the zamindars more responsible for crime prevention in their estates. The daroga system was extended to Madras in 1802 and the tehsildari system to the Ceded and Conquered Upper Provinces in 1803 and 1804 respectively. But everywhere the system produced devastating results because, as Thomas Munro diagnosed, it was "not founded in the usages of the country".¹⁰¹

Whenever the system failed and the law and order situation deteriorated, the colonial authorities searched for reasons, and the easy scapegoats to be found were the native subordinate officers who were stereotyped for their alleged lack of morality and integrity. So the Cornwallis system was crapped within a few years. The

tehsildars were divested of police duties in 1807, the daroga system was formally abolished in 1812, and the supervision of the village police was vested in the collector, who was now responsible for revenue, police and magisterial functions at the same time. This extreme concentration of power led to other problems. The subordinates in the revenue department, who were now in charge of revenue collection as well as supervision of rural policing, became the new agents of oppression and coercion. This was revealed, for example, in the report of the Madras Torture Commission appointed in 1854.¹⁰² In Bengal, on the other hand, where there was no subordinate establishment in the Collectorate offices, because of the Permanent Settlement, the darogas were retained and allowed to perform police duties, although after 1817 they were placed under a more regulatory regime closely supervised by the District Magistrates. But such patchy reforms were hardly satisfactory and the colonial state clearly needed an appropriate and uniform police system that would assert its authority, secure property and ensure the introduction of its version of the 'rule of law' throughout the empire.

The new model was first experimented in Sind when it was conquered by Sir Charles Napier in 1843. Discarding the previous practice of trying to adapt the indigenous systems to the needs of the colonial state, he created a separate police department with its own officers, following the model of the Royal Irish Constabulary, which he found to be ideally suited to the colonial conditions. It needs to be mentioned here that while English political opinion remained ideologically averse to the idea of a professional police force, it was in Ireland, in view of the growing sectarian and peasant movements, that a regular police force was created in 1787 as an apparatus of colonial intervention.¹⁰³ Under this model, which was now applied to Sind, the whole territory was to be under the supervision of an Inspector General, while the districts would have their own Superintendents of Police, answerable to both the Inspector General and the District Collector, representing the civilian authority. While the rank and file were to be Indians, the officers were to be invariably Europeans. The Sind model, which was found to be adequately suited to tackle any political agitation, was later introduced in Punjab when it was conquered in 1849, and later, with various modifications to Bombay in 1853 and Madras in 1859. The Madras system provided for a military police and a civilian unarmed force, both subservient to the civilian authority of the Collector-Magistrate in the districts. But in the meanwhile, the revolt of 1857 had shaken the foundations

of British rule and had made it more conscious of the need of an effective machinery for collecting information and policing the empire. The Police Commission appointed in 1860 provided for a basic structure of a police establishment for the Indian empire that was enacted in the Police Act of 1861. And that structure, with only minor adjustments, remained unchanged for the next century of British rule.¹⁰⁴

In the new organisation military police was eliminated and the civilian police was organised on a provincial basis, with the inspector generals answerable to the provincial governments, and the district superintendents to the collector. Thus the entire police organisation was placed under the control of the civilian authorities, and for a long time the positions of the inspector general were filled in by civil servants. The district superintendents were to be in charge of rural police, the daroga becoming the subinspector, thus solving the age-old problem of integrating rural police into the imperial structure. In this way the police organisation established a well-defined hierarchy of command, from which Indians were systematically excluded. The Police Commission of 1902 provided for the appointment of educated Indians to the position of officers in the police force; but they "stopped in rank where the European officer began".¹⁰⁵ Thus, distrustful of the Indian subordinates and subservient to the civilian authorities, the Indian police system was tellingly reflective of its colonial nature. Although not a police state in a conventional sense, thinks David Arnold, a "Police Raj" gradually emerged between the revolt of 1857 and the transfer of power in 1947.¹⁰⁶ Faced with recurrent peasant rebellions and mounting political resistance, the police became the foremost tool of repression in India, with the colonial state retaining total monopoly over its coercive power. And if a situation ever went out of hand, there was always the army to take control.

ARMY

The evolution of the Company's army was integrally connected to the development of its Indian empire. In the eighteenth century, Royal forces, particularly the navy, were often dispatched to India on lease to the Company to help it out at times of trouble, but this created problems, particularly in the relationship between the King's army officers and the civilian authorities of the Company. So from very early on there was an attempt to raise a permanent Company's army in India.¹⁰⁷ The tradition of recruiting peasant armies had been

developing in north India since the sixteenth century and this created what Dirk Kolff (1990) has called a "military labour market". During the Mughal period, the distinction between this peasant army and the civilian population was never very clearly marked. It was in the eighteenth century that the rulers of some of the north Indian successor states, like the Nawab of Awadh and the Raja of Banaras, refined this recruitment system and raised sophisticated trained peasant armies distanced from the civilian communities.¹⁰⁸ It was this tradition that the East India Company appropriated as it started recruiting its own army, which came to be known as the sepoy (from *sipahi* or soldier) army. The French had first initiated this tradition of recruiting an Indian army in 1721-29. And it was against the backdrop of Anglo-French wars in south India that in 1748 Captain (Major?) Stringer Lawrence—who had brought in the Royal naval reinforcement to rescue the beleaguered English Company—first began the drive towards recruiting a permanent Indian army for the English Company. It was renewed by Lord Clive after the defeat of the Bengal nawab in 1757. This sepoy army was to be trained and disciplined according to European military standards and commanded by European officers in the battlefield. Some of these officers including the commander-in-chief were King's officers, while the majority were nominated by the Company directors by way of distributing patronage. In the early nineteenth century by legislation twenty thousand Royal troops were to be stationed in India and paid for by the Company, ostensibly as a strategy to subsidise Britain's defence expenditure in the post-Napoleonic era.¹⁰⁹ In addition to that the size of the Company's Indian army also increased continually and as its territory expanded beyond Bengal, the military labour market from where it recruited extended as well. The number of sepoys rose from 82,000 in 1794 to 154,000 in 1824 to 214,000 in 1856.¹¹⁰

"Indeed, the recruitment of the East India Company's army", Seema Alavi argues, "was central to the development of the Company's political sovereignty",¹¹¹ which rested on a monopoly of power. The army therefore claimed the largest share of the Company's expenditure in India, and also it was crucial to effective collection of revenue—a situation that Douglas Peers has called "military fiscalism". The army not only conquered territories, it also protected the empire against real or imagined internal threats; it handled peasant rebellions against high revenue demands, made alliances with Indian elites, collected information about Indian society and economy. It was thus considered to be the most important

apparatus of rule for the Company's administration in India. To a large extent, however, this sense of importance was generated by the army itself. A number of military ideologues argued incessantly that India was in a perpetual state of war, given the militarised state of her society and the inherent volatility of the political situation. This "Anglo-Indian militarism", as Peers argues, created constant pressures for conquests, generated a sense of self-importance for being the ultimate guarantee of the empire's security and stability and thus sustained its claims to autonomy and unrestrained expenses.¹¹²

The recruitment of the Company's army in the eighteenth century was not just building on the existing traditions of the north Indian military labour market; those traditions were being adapted to British imperial preferences. The recruitment system, for example, endorsed the traditional British preference for peasants as best potential recruits and followed the colonial stereotypes that wheat-eating Indians rather than the rice-eating groups were physically more suitable for the job, although such ethnic stereotyping became a much more important factor in army recruitment in the late nineteenth century rather than in the eighteenth. During the initial formative phase, Hastings did not want to disturb the existing caste rules in the affairs of the army. So the Company's army consisted mainly of upper caste Brahman and Rajput landed peasants from Awadh and the Rajput and Bhumi-har-Brahman peasants from north and south Bihar—both wheat-eating regions. These people joined the Company's army because the pay, allowances, pension and resettlement provisions offered by the Company were much better than those offered by the regional states, and what was most important, salaries were paid regularly. The deliberate policy of respecting caste, dietary, travel and other religious practices of the sepoys fostered a high caste identity of the Company's army. By joining it many of the upcoming socially ambitious castes—like the Bhumi-har-Brahmans—could fulfill their aspirations for social mobility. Cornwallis, despite his preference for Anglicisation, did not disturb this specific organisation of the army, and as a result, the Company came to possess a high caste army, which was prone to revolt when their social privileges and pecuniary benefits were cut from the 1820s. As the Company's territories expanded to the west beyond the Bengal frontiers into the mountainous jungle Terai, in the 1770s and then into the Ceded and Conquered Districts in 1802 there was another attempt to recruit from among the hill tribes. While in the plains the Company ran permanent recruitment centres, in the hills recruitment was made through local notables and payment was offered through the Mughal system

of *ghatwali* service tenures. The defeat of the Indian states, particularly of Mysore in the late eighteenth and of the Marathas in the early nineteenth centuries created another vast reservoir of surplus armed manpower to recruit from; but the Company's army could not absorb all the disbanded soldiers of the Indian princes. Then from 1815 there was another experiment to recruit Gurkha soldiers from among the Nepalis, Garwahlis and Sirmouri hillmen. A skilful blending of the Nepali martial tradition and European training and discipline made the Gurkhas the most trusted soldiers in the British army."¹

Thus as the empire expanded, the Company's army came to incorporate a variety of social groups and a number of military traditions, which had to be accommodated in a careful balancing game and power had to be shared with the local elites. Within these circumstances while the Bengal army remained more high caste in character, the Bombay and Madras armies became more heterogeneous. In the 1820s, when the empire attained stability with the weakening of most of the Indian powers, and Company's finances ran into trouble, the contradictions of this balancing game became apparent. In the following decade there were attempts to streamline the army administration, the main purpose of which was to have more rigorous control over the sepoys and their families. The reforms of the 1830s, which aimed at levelling the differences and promoting a universal military culture, as Alavi shows, created discontent among the sepoys. This unhappy feeling particularly showed in the Bengal army, as the reforms infringed upon the sepoys' high caste status and disturbed the power relations within which they were located. In the 1840s, therefore, the disaffection of the Indian troops found articulate expressions from time to time and these incidents prepared the backdrop for the mutiny in the Bengal army in 1857, which shall be discussed in the next chapter.

After the mutiny there was a lot of rethinking about the constitution and recruitment strategies for the Indian army. The Peel Commission which was appointed to look into the military affairs of India recommended that "the native army should be composed of different nationalities and castes, and as a general rule, mixed promiscuously through each regiment."¹¹⁴ Therefore, during the next few years regiments which had mutinied were disbanded, castes were more evenly mixed across the regiments, recruitment remained focused on Punjab which remained loyal during the mutiny, and the regional elements like the Punjab, Hindustan, Bombay and Madras, were carefully kept separate. The recruitment strategies were further

streamlined in the 1880s when the colonial knowledge of Indian ethnicity and racial stereotypes were deployed to evolve the theory of "martial races". Certain groups, such as the Pathans of the North-West Frontier Province, the jats of Punjab, the Rajputs of north India or the Gurkhas of Nepal, were identified as ideally suited for the job, because of their martial background or racial status, i.e., being of Aryan Kshatriya stock. These groups were thought to be warlike, trustworthy, but at the same time intellectually deficient, so that they could fight but not lead. This gave the European commanding officers a sense of security. As David Omissi calculates, by 1914, "about three-quarters of the Indian infantry came from Punjab, Nepal or the North West Frontier Province."¹¹⁵ The peasants from these social groups joined the army primarily because it was a lucrative career. On the other hand, their loyalty was ensured by the army administration by deliberately encouraging their respective religious traditions and their sense of honour, which kept them devoted to the master whose "salt" they had eaten. The valorising of warriorself-image communicated through uniforms and other insignia, and the idea of shaming themselves and their communities through dishonourable deeds or cowardice remained important parts of a carefully cultivated army culture. This loyalty of the army was important for the stability of the Raj, as it was used more against internal threats to security than against external foes. Except for a brief Russian threat through Afghanistan in the 1880s, the British empire in India did not face any external danger to its security. Yet a large army was maintained—quarter of a million in peace time—devouring 40 per cent of the central revenue. The "British Raj", writes, David Omissi, "was a garrison state".¹¹⁶

In the administration of this garrison state the relationship between the civilian and military authorities remained always a sticky point ever since the beginning of the Company's army. In order to establish civilian authority over the army, the Charter Act of 1793 very clearly gave the ultimate control over all matters of war and peace to the Board of Control. The commander-in-chief was made subservient to the governor general, but the functional relationship between the two, despite various safeguards, worked well only when there was good personal understanding between them. Often the pressure of the army was too much for the civilian authorities to withstand. Lord Amherst was pressurised by the army into a belligerent foreign policy, while William Bentinck had serious problems in his dealings with his commander-in-chief.¹¹⁷ This relationship continued to be unpleasant during the period of Crown rule, and became ugly

during the notorious Curzon-Kitchener controversy in 1904/5. The commander-in-chief, Lord Kitchener, wanted to abolish the position of the Military Member in the viceroy's council and centralise control and command of the army in his own hands. Viceroy Lord Curzon objected to it and when the home government offered a compromise formula of reducing the powers of the Military Member without abolishing the position, he offered his resignation. To his surprise, the resignation was quickly accepted, indicating the power of the army establishment. But Kitchener too did not have his way fully. In 1905 the position of the Military Member was abolished and the commander-in-chief became directly responsible to the viceroy's council. But the crucial financial control of the army was not left in his hands; for this a separate Military Finance Department was created, with a civilian chain of command going up to the Finance Member of the Council. This system remained in place until the end of colonial rule.¹¹

In the late nineteenth and early twentieth centuries, the army remained, as before, the most effective instrument of coercion. It provided guarantee of stability to the Raj against all sorts of civil disturbances, for example, nationalist agitations, workers' strikes, peasant movements or communal riots. The police were not always suitable to handle these situations, as the policemen lived in the communities and therefore were susceptible to social coercion and exposed to ideological influences. The army, on the other hand, was quarantined in the garrisons spread across India, deliberately kept at a low level of literacy and insulated from all political influences. The army was not used frequently for the purpose of policing the country, as frequent use would reduce its effectiveness and blunt its demonstration impact. But the civilian administrators knew that it was always there at times of grave emergencies. In such situations, and there were more of them in the 1920s and 1930s, usually British troops were preferred, as since 1857 till almost the end of the colonial period one British soldier was maintained to two or three Indian sepoys. But in a vast country like India colonial order could not be maintained without the collaboration of the latter, who remained steadfast in their loyalty to the King-emperor. Except on two occasions—one in 1907 during the Canal Colony agitations in Punjab and then again in 1920 during the Sikh gurdwara movement—the sepoys were never touched by the political agitations. This was the main reason why there was so much bureaucratic opposition to the Indianisation of the command chain in the army. Training and appointment of Indian officers started hesitatingly and selectively in

1931 after the first Round Table Conference. The issue was given full consideration only in the 1940s as a delayed concession to the nationalists under the pressure of the military needs of World War Two. But it was already too late to win the sympathies of the Indians. In the subsequent years the composition of the army officer corps completely changed and many of the Indian officers became attracted to the cause of Indian nationalism.¹¹ Visible signs of this cracking of the loyalty of the Indian army, we will argue in the last chapter, was one of the main reasons why the Raj had to end its career in 1947.

INDIAN CIVIL SERVICE

The civilian bureaucracy, which controlled the army by pulling the financial strings if not anything else and ran the Indian empire with its help, were meant only to implement policies framed at home. But the distance between London and India, the difficulties of communication and their command over information from the field gave them a considerable amount of discretion and initiative. As a result, as Clive Dewey observes: "In their heyday they were the most powerful officials in the empire, if not the world".¹²⁰ It was "a patronage bureaucracy" at the outset, as the method of recruitment, as outlined by the India Act of 1784 and the Charter Act of 1793, was only through nomination by the members of the Court of Directors of the Company, who would sign a declaration that they had not received any money for offering this favour. Various factors also compelled them to nominate from outside their immediate family circles. Yet, corruption and inefficiency gradually crept in, and the educational background as well as abilities of the recruits were found to be extremely uneven. As Bernard Cohn calculated, between 1840 and 1860, "fifty to sixty extended families contributed the vast majority of civil servants who governed India".¹²¹ And from *this* service, Indians were carefully excluded, as no position worth an annual salary of £500 or more could be held by them.

The expansion of empire, however, increased the responsibilities of governance and required an efficient bureaucracy, trained in Indian languages and laws. Lord Wellesley, who arrived in India in 1798 with a grand imperial vision, wrote in his minute of 1800 that the Indian empire "should not be administered as a temporary and precarious acquisition".¹²² What he wanted was adequate training for the European civil servants. At Fort William College in Calcutta the civil servants from all the presidencies took three years of

training before getting their civil posting. But the college did not continue for long, as Wellesley soon lost the favour of the Court of Directors, and the latter feared that such a training programme might result in the loyalties of the civil servants shifting from London to Calcutta. So in 1802 Fort William College was closed; it would continue there only as a language school. In its place, in 1805 the East India College was established at Hertford near London; it was moved to Haileybury in 1809. All candidates nominated by the Court of Directors were to have at this college two years of training and only if they passed the final examination would they secure an appointment to civil service in India. It is difficult to fathom how much influence this education actually had on the subsequent behaviour of the civil servants in India, as this training, following Lord Macaulay's recommendation, was essentially based on a generalist curriculum, which, except the language component, had practically nothing of relevance to India. But Haileybury College developed among the Indian civil servants a sense of camaraderie-or indeed a sense of belonging to an exclusive club.

By the 1830s, however, the administrative responsibilities of the bureaucracy in India had increased immensely, as the District Collector had once again combined in his office the revenue collecting responsibilities, magisterial authority and also some judicial powers. In the newly conquered territories-the so-called 'non-regulation' provinces-such as Punjab or Assam, the powers and responsibilities of the district officers were even greater. Along with that, functions of the state were also gradually extending to newer areas of activities. This brought in greater impersonalisation and a more elaborate hierarchy in the bureaucratic structure, requiring more able administrators. It was, therefore, felt around this time that the existing patronage system could not bring in adequate number of able personnel for such onerous administrative responsibilities. What was needed was competition to attract the best minds from the rising middle classes of England. The Charter Act of 1833 introduced competition for recruitment; but it was limited competition among the candidates nominated by the directors and therefore could not improve the situation. Finally, the Charter Act of 1853 introduced the principle of open competition; civil servants for India were henceforth to be recruited through an examination open to all "natural born subject of Her Majesty". The Haileybury College was abolished in 1858 and the Civil Service Commission henceforth recruited civil servants through an examination held annually in England. The steel frame of a centralised bureaucracy thus came of

age in India in response to the needs of an empire that had by now established itself on firm grounds.

It was no wonder, therefore, that in this administrative structure the Indians were accommodated, if at all, only in subordinate positions, known as the Uncovenanted Civil Service. After 1813 under Warren Hastings a gradual process of Indianisation of the subordinate services had begun, mainly in the judiciary. Later Lord Bentinck advocated inclusion of Indians for orientating administration to local needs; the other reason might have been the question of expenses. A regulation in 1831 gave more power and responsibility to the Indian judicial officers; but the top echelon of the Covenanted Civil Service still remained closed to the Indians. The introduction of competitive examination in 1853 technically opened the gates to the Indians; but they were still effectively barred, as the recruitment examination was held only in England. And in spite of repeated petitions from the Indian nationalists in the late nineteenth century, the opposition of the European bureaucracy prevented the holding of a simultaneous examination in India. Yet the government could neither ignore the nationalist demands and so the compromise formula was the introduction in 1870 of a 'Statutory Civil Service'. It meant that Indians of ability and merit could be nominated to a few positions hitherto reserved for the European covenanted civil servants. But as Lord Lytton's predilections were clearly in favour of the aristocracy, Indians chosen for such positions were usually those with respectable family background or belonging to the indigenous princely families.

It was Lord Ripon who realised the political importance of the Indian middle classes and argued that their continued exclusion from administration might eventually spell danger for the empire. He, therefore, preferred a simultaneous competitive examination in India, which would allow the entry of educated Indians of merit and ability into the Covenanted Civil Service. But the proposal met with a concerted opposition of the European bureaucracy, who clearly felt threatened by the prospect of sharing power with the Indians. Indeed, in the late nineteenth century following the revolt of 1857, the European covenanted civil servants in India suffered from a profound sense of insecurity, which issued from aristocratic criticism at home, Liberal democratic attacks in the Parliament and the growing political protests of the educated Indians. They loathed therefore any idea of sharing power with the Indians and tried to scuttle the Local Self-government Act in 1882 and then in racist conjunction with the Anglo-Indian commercial community, opposed covertly,

and often even overtly, the Ilbert bill in 1883-84. They objected the very idea of introducing the principle of election in India and obstructed the proposed Indianisation of the civil service on the basis of a "mythical rationale" of "inefficiency" that was used to legitimise their own monopoly of power.¹²⁴

The structure of the civil service was ultimately reformed in 1892, on the basis of the recommendations of a Public Service Commission submitted five years ago. The new regulations retained the exclusive status of the covenanted civil service and called it the Indian Civil Service (ICS). The Uncovenanted Civil Service, on the other hand, was to shed its derogatory epithet and was to be called the Provincial Civil Service. The Statutory Civil Service was abolished, and in its place certain higher positions which were previously preserved for the ICS were now to be filled in through promotion from the Provincial Civil Service. The Indians could still enter the ICS through the open examination held in London; but their representation in this service remained abysmally low—just about 15 per cent in 1922. But then it was from this year that the proportion of representation in the civil service began to change.

In response to the nationalist demands, the Government of India Act of 1919 finally provided for a separate, not simultaneous, recruitment examination to the ICS to be held in India; and under its provision, the first examination was held in Allahabad in February 1922. As a result, by 1941 the Indians outnumbered the Europeans in this charmed circle of Indian Civil Service. If the period between 1858 and 1919 was that of "bureaucratic despotism" when the will of the civil servants used to run the government, this tendency somewhat diminished after the gradual democratisation of the polity since 1919. But even after 1937, when Indian ministers took office in the provinces, the administration was virtually run by the civil servants, because of their superior knowledge at the ground level and their informal alliances with the local power structure. However, the gradual Indianisation of the civil service also reduced its value as an apparatus of authoritarian rule for the empire and paved the way for a transfer of power. On the other hand, this Indianisation made it possible for the continuation of the tradition into the period after independence,¹²⁵ when the service only changed its nomenclature into the Indian Administrative Service.

RESIDENTS AND PARAMOUNTCY

While the steel frame of the Indian Civil Service ruled British India, about two-fifths of the territory of the Indian subcontinent were

under 'indirect rule' of the Company and later the Crown. Until then indigenous princes ruled, but the British Residents and Political Agents governed. As the nature of the East India Company's function in India changed from commercial to political, the role of the commercial agents, who were placed at the courts of various Indian states to look after the Company's trading interests, also transposed into that of Residents handling the political relations between the Company Raj and the Indian princes. The system of Residency, as Michael Fisher has argued,¹²⁶ was unique, as it was not to be found in existing European imperial tradition and differed from the Mughal system of *vakils*. The latter were employed by the client states and Mughal nobility to represent them at the imperial court and the same system was replicated by the successor states. The Residency system involved a redefinition of sovereignty, which was encoded in the new terminology of 'Paramountcy', under which the Indian states were left with "domestic sovereignty", while sovereignty beyond their borders lay with the Company as the superior imperial power. The actual terms of the subordinate sovereignty of the Indian states varied from case to case, depending on the status of the princes and the circumstances within which treaties with them had been signed. But in effect, "British practice often reduced some of these very 'sovereigns' to the de facto status of puppets or virtually confined them within their own palaces".¹²¹

As the Company's imperial expansion progressed in India, for reasons of resources—both financial and manpower—it preferred to keep many of the Indian states under indirect rule, rather than trying to control and administer them directly. The choice depended on many factors. The states which were not in a position to challenge the military power of the British were left to themselves; those situated in remote corners or on hostile terrains were also left alone; while those that did have little arable land, and therefore limited prospect of revenue returns, held little attraction for direct conquest.¹²² The policy was also subjected to various ideological push and pulls, responding to conservative pressure for disengagement, aggressive pleas for direct annexation and pragmatic reasoning for indirect control. The evolution of the Residency system therefore underwent various ups and downs.

Michael Fisher has identified three distinct phases in the evolution of indirect rule in India until the revolt of 1857. The first phase (1764–97) starts with the initial placement of the Company's Residents at the courts of Murshidabad, Awadh and Hyderabad after the Battle of Buxar (1764). The Company's authorities were not yet

confident and clear-visioned about its forward policy in India, and so the development of the Residency system during this period was halting, and the role of the Residents rather restricted and cautious. This initial hesitation was, however, decisively gone in the second phase (1798-1840), which was marked by aggressive expansionism, championed by Lord Wellesley (1798-1805) and his policy of Subsidiary Alliance (see chapter 1.3 for details). The role of Residents also changed during this period from that of maintaining diplomatic relations to that of indirect control, and in many cases the Residents themselves facilitated further territorial expansion. This trend was temporarily halted by the recall of Wellesley and the coming of Lord Cornwallis with a mandate to follow a policy of non-interference. But after *his* death, British officials in India again embarked on a mission of territorial expansion, and many of the newly conquered territories were left to be indirectly controlled by the Residents. This growth went on unabated until 1841, when the abortive Afghan campaign (1838-42) for the first time failed to establish indirect British rule in Afghanistan. The third phase (1841-57), therefore, saw the ascendancy of the idea of "consolidation", rather than expansion, which had now reached its physical limits in India. During this period, therefore, we find a policy shift towards direct annexation, spearheaded by Lord Dalhousie's forward policies (for example, 'Doctrine of Lapse'), which saw the takeover of a number of Indian states like Awadh, Jhansi, Nagpur, Satara and a number of Punjab states. These contributed to the grievances that flared up in the revolt of 1857.¹²⁹

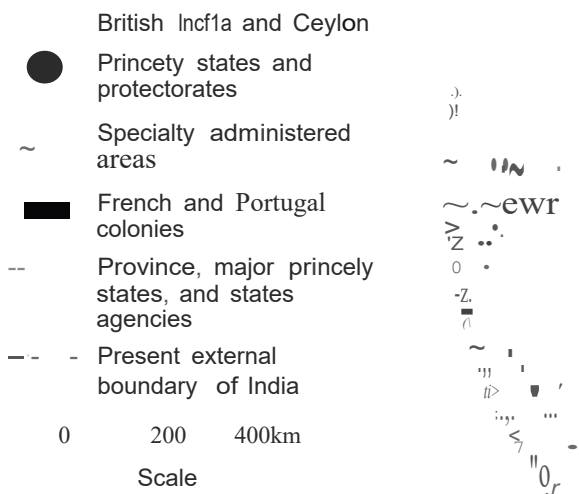
The revolt of 1857, therefore, constitutes an important watershed in the evolution of British policies towards the Indian states. It was not only diagnosed that the annexation policies had contributed to the revolt, but it was also found that territories under indirect rule were less affected by the disturbances than those under direct rule. And not only that, states like Gwalior and Hyderabad rendered valuable service in containing the conflagration. So, as India passed into the hands of the Crown, the Queen's Proclamation of 1 November 1858 made a commitment to "respect the rights, dignity and honour of the native princes as our own". Lord Canning reassured them against possible extinction of their dynasties by issuing 150 'adoption' sanads recognising their adopted heirs.¹³⁰ But that did not mean that the Indian states were to be left unreformed, as the British often assumed a greater responsibility for the welfare of the princely subjects. The Raj, therefore, argues Ian Copland, "dedicated to grooming the princes as 'natural allies'". This reformist mission



MAP 4: Briri h India and the princely tare , c. 1904

H I N D U E M P I R E

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became a dominant official policy with the coming of Lord Mayo (1869-72) as viceroy. He discovered a certain breakdown of *darbari* authority, which contributed to the collapse of law and order in many states. But the latter could be given political support only in return for "good government". He was also supported in this mission by the Young Turks in the Political department, who continued to put subtle and often not so subtle pressure on the princes to reform their regimes. Most of the indigenous rulers gave in, and those who chose to resist were rudely reminded of the "omnipotence of the Paramount Power". Malhar Rao Gaikwad of Baroda, the most important of them, was deposed in 1875 on charges of "gross misrule".¹³¹

But reform and modernisation also had its political costs, and this became evident towards the end of the 1870s when nationalism gradually began to surface in British Indian politics. Lord Lytton, therefore, considered the princes to be the true representatives of traditional India and the 'natural leaders, of the Indian people. But they were also to be reminded of the grandeur of British power and be placed within the imperial order, which at this stage, as we have seen (chapter 2.1), was being institutionalised into an elaborate hierarchy. This association with the princes also gave the Raj some amount of legitimacy, and that was another reason why this relationship was duly incorporated into the imperial rituals, such as the Imperial Durbar of January 1877 and the table of gun salutes. By the twentieth century, the King-emperor was entitled to 101 gun salutes, the Viceroy 31, and the more important 113 Indian princes somewhere between 21 and 9 gun salutes. To maintain the pecking order, the minor princes were entirely denied this imperial honour!" On the other hand, during the period 1878-86, the states had to withstand systematic intervention and contraction of their domestic sovereignty. They had to relinquish control over the railway tracks and other communication systems within their territories, although they had to pay for their construction, refrain from exporting salt to other parts of British India and accept British Indian currency as legal tender.

This interventionism reached its height during the administration of Lord Curzon (1898-1905). He, on the one hand, recognised the princes as integral parts of imperial organisation and invited them with due honour to the grand Coronation Durbar of 1903. But, on the other hand, he also brought them under stricter control. In 1900 he prohibited their foreign travel; in 1902 he pressurised the Nizarn of Hyderabad to sign a more favourable treaty regarding the

administration of Berar; he forced the princes to pay more for the Imperial Service Troops; deposed a number of rulers and brought sixty-three states under temporary British administration. No wonder, as Scindia of Gwalior later confessed, that the princes simply hated "the tyranny" of Curzonian paternalism. The "Shackles of Paramountcy", as Copland describes the situation, were eased somewhat as Lord Minto took over as the viceroy and found the princes effective and willing allies in his fight against political extremism. As a *quid pro quo*, he promised to respect their internal autonomy, and in an historic speech at Udaipur on 1 November 1909, announced his new policy of *laissez-faire*. However, the officers in the Political department often did not share the viceroy's wisdom. If the new policy was meant to isolate the states from the political currents then sweeping British India, it was meant to be "subordinate isolation". And things remained like that until the outbreak of World War One, which once again brought in a policy change vis-a-vis the princely states.!"

One important question remains to be answered at this stage and that is about the rights and obligations of the princes under the Paramountcy and how were they supervised by the overbearing Residents. The responsibilities and privileges of the princes were in all cases defined in treaties between them and the Company, the obligations of the latter being inherited subsequently by the Crown. The provisions of these treaties varied according to the circumstances in which they were signed, the status of the princes and the size of their states; but there were certain generalities too and the treaties in many cases were later revised as well to bring in more uniformity. To begin with, all the princes recognised the Company and later the Crown as the suzerain power, relinquished their right to enter into diplomatic relations with or declare war against any other state or to employ any other European or American, agreed to direct all their communications with the outer world through the British agents, pay for a contingent of Imperial Service Troops and contribute militarily when there was need for military assistance for the defence of the empire. They had to relinquish sovereignty over the railway tracks running through their territories, and share control over post and telegraph and other communication systems with the Raj. In return, they were to be protected against external aggression and internal revolt, and enjoy internal autonomy. They maintained small police forces for enforcing law and order and spent very little on public facilities for their subjects, such as healthcare or education. If some states did spend on modernising such institutions as a mark of

status, and if some other larger states like Baroda, Mysore, Travancore or Cochin, introduced some constitutional changes, they were exceptions, rather than the rule.

However, the internal autonomy of the princes was in practice seriously constrained by the overbearing presence of the Residents in the case of larger states and the Political Agents to the governor general in the cases of smaller states. The Resident, as Michael Fisher defines his position, stood at "the intersection between the indigenous Rulers and the British".¹³⁴ They controlled all communications between the two and from time to time exerted the supremacy of the latter over the former. He often tried to promote good government in the states, gave solicited and often unsolicited advice to the rulers on various internal matters and sought to control all important appointments, particularly those of the ministers through whom this informal but not so subtle control was exerted. Often they took advantage of the minority status of the rulers to extend their direct control over the affairs of the states through Councils of Regency. These Residents and Agents were members of either the Foreign Department of the Government of India, or the Political Department of the Bombay government. In 1914, the Foreign Department was split into two: a Political Department looked after the Indian states and a Foreign Department concentrated on the frontier regions and the Persian Gulf states.¹³⁵

Although the Political Department, for various historical reasons, did not attract men of high intellectual capabilities,¹³⁶ it was on their personalities and attitudes that the nature of such interventions actually depended. Often they stretched official policies to suit their visions of supervisory role, and sometimes even openly deviated from them. It is true that the princes also tried to co-opt, appropriate and manipulate the political officers to their advantage; sometimes they used the organisational divisions within the British administration to retain their autonomy.¹³⁷ Some even resisted the intrusive Residents and the presumptuous Paramount power; one such example was Malhar Rao of Baroda mentioned earlier. Another glaring example was Salar Jung, the ambitious Anglophile minister of the Nizam of Hyderabad, who not only proclaimed Hyderabad's status of a semi-independent ally of the British Crown, and asserted his master's rights over Berar, but also resisted an uneconomical railway project thrust upon him by the British for military reasons. But with his death in February 1883 Paramount power was asserted again in Hyderabad in its full vehemence. Most other lesser princes succumbed to the relentless pressures of the representatives of

Paramountcy even without any semblance of resistance. As Bharati Ray puts it, within a few decades since Lord Canning and Sir Charles Wood at the India Office gave a new orientation to the Raj's policy to the Indian states, their status changed from "semi-independent allies of the Company, into ... feudatories of the Crown".¹³⁸

The colonial intrusion into the ways of governance in princely India also brought significant changes in the existing social equilibrium in the states, as the previous balance of power was continually redefined under the new regimes. Such social change, however, took different directions in different regions. In the case of Sirohi, a small kingdom in Rajasthan, Denis Vidal (1997) has shown how a dynamic system of power sharing in the *darbar* between the ruler and the nobles belonging to various lineages within the dominant clan was disturbed by the colonial intervention in favour of the ruler; and so was disturbed the relationship between the ruler and the mercantile groups, who were systematically marginalised from the state administration. As the ruler tried to assert his authority, with the patronage of the British, the other groups resisted. The nobles did not like their *jagirs* being surveyed for higher revenues and the merchants detested the various judicial reforms that went against their interest. But their traditional means of resistance were now delegitimised or indeed "criminalised" and suppressed, sometimes even with armed intervention. Such crises could not be solved as they were in the past to the satisfaction of all the parties, affecting in the process the inter-connections between different sections of the local population.¹³⁹ An almost similar situation could be seen in Alwar, also in Rajasthan, where the local ruler in the process of erecting the structures of a modern centralised state ruptured his traditional relationship with the Rajput elites. The latter were reduced from their status of co-sharers of power to that of subordinate subjects.¹⁴⁰ On the other hand, in the far south, in the state of Travancore we come across a different kind of reorientation of the balance of social power. Pressurised by the Madras government—which in turn was being continually prodded by the Christian missionaries—Travancore since the 1860s underwent an elaborate programme of modernisation, executed energetically by a versatile Dewan, T. Madhava Rao. This involved among other things, the introduction of Western education, the state services being thrown open to talent, and finally the establishment of the Sri Mulam Popular Assembly to curtail the political influence of the palace coterie. This cut into the power structure of Travancore and by early twentieth century had far-reaching social consequences, marking the beginning of—to use Robin

Jeffrey's words-a "movement from inherited to achieved status". In other words, the existing caste society was given a thorough shake up, as the dominance of the Nairs in state politics, their near monopoly over administrative positions and other sinews of power were now effectively challenged by the upwardly mobile enterprising dalit groups like the Ezhavas and the local Syrian Christians."! The local societies in the princely states continually experienced the encounter of two contending systems of values. The one authorised by the power of the colonial state threatened to displace the locally rooted traditions and tended to alter the social structure in a more fundamental way than we sometimes allow.

2.5. EMPIRE AND ECONOMY

We have already seen how over the years in the late eighteenth and the early twentieth centuries the colonial state had been perfecting its system of surplus extraction from the agricultural economy of India. Now another question remains to be discussed-a question that has been so intensely debated by historians: did India under British rule experience any economic development at all? As an entry point to this discussion, we may first look at India's economic obligations to the empire and how did it fulfill them. It has been argued that it was after the pacification of the revolt of 1857, that the "classical colonial economic relationship" between Britain and India gradually emerged.¹⁴² The Indian empire was supposed to pay for itself and at the same time the country's resources were meant to be available in the imperial cause. India had to provide a market for Britain's manufactured goods, and serve as a source of agricultural raw materials. Till the end of the nineteenth and the beginning of the twentieth century, India fulfilled many of her imperial obligations successfully. It served as a major market for British industries, like cotton, iron and steel, railways, machinery etc. At the time of World War One, Indians consumed 85 per cent of cotton piecegoods produced at Lancashire and 17 per cent of British iron and steel production was absorbed by the Indian railways.¹⁴³

Until World War One, there was no import duty, which could possibly offer any sort of protection to any of the Indian industries, and this was, as A.K. Bagchi has noted, "quite contrary to the trend in the rest of the world, including the British Dominions".¹⁴⁴ Even after 1919, when policies were meant to change under the 'Fiscal Autonomy Convention', successive recommendations of the Indian Tariff Boards to raise cotton duties, were successfully thwarted by the Lancashire lobby, which fought for "our rights" in India, which was

considered to be "an important imperial asset".¹⁴⁵ Apart from that, India was also a field for British capital investments in railways and agency houses; the Government of India had to ensure the payment of interests on guaranteed railway stock and debt bonds and meet its annual home charges. This invariably increased India's public debt. On the other hand, India's export trade with other countries helped Britain to overcome its own problems of balance of payment deficit with them, particularly with Europe and North America. Finally, Britain could use the Indian army to maintain its far-flung empire across the world, the entire expenses being borne by the Indian tax payers. Military expenditure had been the greatest single burden on Indian revenues, accounting for almost one-third of the budget.¹⁴⁶ No wonder, India was considered to be the most precious "jewel" in the imperial crown of the British monarch.

In the process of fulfilling these imperial obligations, India was being drained out of her wealth, so complained the early nationalists. There were several pipelines through which this drainage allegedly occurred, and these were interest on foreign debt incurred by the East India Company, military expenditure, guaranteed interest on foreign investments in railways, irrigation, road transport and various other infrastructural facilities, the government purchase policy of importing all its stationery from England and finally, "home charges" or paying for the secretary of state and his establishment at the India Office in London, as well as pay, pension and training costs for the civilian and military personnel-or "the men who ruled India". The actual transfer of money took place through the sale of "Council Bills", which were sold in London in sterling to purchasers of Indian goods who received Indian rupees in exchange. It was often pointed out *by* the votaries of empire that the phenomenon of drainage was exaggerated; a modern historian would put the amount of drainage at £17 million per annum in the late nineteenth and early twentieth centuries, and point out that this "represented less than 2 per cent of the value of India's exports of commodities in that period".¹⁴⁷ But though a small amount, as the Indian nationalist Dadabhai Naoroji argued, what was being drained out was "potential surplus" that could generate more economic development if invested in India.¹⁴⁸ The other imperial argument was that some of this expenditure was to encourage economic development in India in the way it had happened in the West. India was brought into the larger capitalist world market and that was in itself a progress towards modernisation. Much of the foreign loans and investments were for the development of infrastructure, for integrating internal

markets and, therefore, for the modernisation of the Indian economy itself. Some of the recent historical writings point out that the fact still remains that India was not transformed into a full-fledged capitalist economy. As in the case of agrarian economy, so also in other sectors, British policies failed to foster growth. And this was due to the colonial nature of those policies, i.e., the policy of gearing up the colonial economy to the needs of the economy of the mother country. To what extent British policies can be held responsible for macro-economic changes in India remains, however, a contentious issue, as a revisionist view claims that on the whole "colonial India experienced positive economic growth". But *this* growth, it is admitted, varied widely in both time and space. In other words, there were periods of growth (for example, 1860-1920) and regions of prosperity (such as Punjab, coastal Madras and western Uttar Pradesh), and a generalised view of colonial policies cannot explain these regional and periodic variations. But where stagnation prevailed, it was to a large extent because the government did not do as much as it should have by investing in resource generation, such as irrigation, education and healthcare. The revisionist view acknowledges that it was the presence or absence of these critical resources, which determined regional development or lack of it.¹⁴⁹

So what was the track record of the colonial state in matters of generating resources in India? There was, first of all, limited colonial initiative to develop agricultural production, except the construction of some irrigation canals in parts of northern, north-eastern and south-western India, i.e., in non-Permanent Settlement areas where there was scope for enhancing land-revenue rates. It is possible to argue that between 1900 and 1939, the area under irrigation almost doubled; but that was only in absolute terms. In relative terms, in 1947 when the British empire ended its long career in India, only a quarter of the total cropped area was under public irrigation system. While we may try to put the blame on technological bottlenecks, social issues and local power rivalries for this lack of progress in extending irrigation facilities, the real reason was that public investment in this sector was guided only by the profitability factor and extreme contingencies, such as prevention of famines.¹⁵⁰ So public irrigation facilities remained hopelessly inadequate, creating only a few pockets of relative prosperity; and even in those areas, irrigation favoured only the more prosperous among the peasantry, as canal rates were very high. As Imran Ali has shown for Punjab, the canal colonies became the model of commercial agriculture in Asia, but the new prosperity that accrued even after paying high water rates,

was shared only by limited social groups, such as a few agricultural castes and some medium and large-sized landlords, while the poor continued to labour as tenants-at-will.¹¹ So in general, although the development of irrigation resulted in some improvement in productivity and some other technological innovations, these profited only the privileged peasants and helped the production of cash crops in certain pockets. It is difficult to dispute the fact that "in the aggregate agricultural yields were largely static in colonial India", and between 1920 and 1947, especially the production of food crops lagged far behind the rate of population growth.¹² Near-famine conditions were therefore not rarities in India during the British period and in 1943 two to three million people perished in a major famine in Bengal (see chapter 8.2).

Commercialisation of agriculture, which favours differentiation within the peasantry, capital accumulation and production for the market, is considered to be a sign of progress towards capitalist agriculture. In the Indian case, however, the initiative often did not come from within the peasant society and the benefits did not accrue to them either. In the case of indigo in eastern India, it was directly fostered by the Company's government when in 1788 it offered advances to ten pioneer planters trying to grow indigo in Lower Bengal by using West Indian methods. Since then indigo industry never functioned as a proper plantation economy, as with no right to buy land until 1829, the planters had to persuade, and later force, the local peasants to accept advances to produce indigo in their lands. This created enough scope for friction, because demand remained uncertain, and it was with an eye on the needs of the remittance trade, rather than the requirements of English textile manufacturers, that the amount of production was monitored. The system became more exploitative and coercive day by day, leading to the indigo rebellion in 1859-60.¹⁵³ As for other crops, there is a persistent view that the peasants were "forced" to cultivate cash crops because of high revenue demand, the necessity to pay revenue and rent in cash and above all for debt servicing. This view is refuted by the fact that there was always a positive correlation between the price of a crop and the cropped acreage, indicating profit motive behind the peasants' decision for preferring a particular cropping pattern.¹⁵⁴ But at the same time it was only the rich peasants who could go for cash crops and they too remained immensely vulnerable to the fluctuations in the market. In western India, for example, cotton cultivation grew in response to the cotton boom in the 1860s caused by the American Civil War. It created a pocket of prosperity in the Deccan

cotton belt, which disappeared very soon after the end of the war and was followed by a famine and agrarian riots in the 1870s. Jute cultivation in eastern India developed as the peasants failed to meet the subsistence necessities and hoped to earn more by cultivating the "golden crop". So an economic motive was certainly there in peasants' decision to shift to jute cultivation. But as Sugata Bose has shown, the primary producers could hardly reap the benefit of the boom in jute market between 1906 and 1913, as "jute manufacturers and exporters [majority of whom were British] were able to exercise their monopsony power as purchasers of raw jute", leaving the jute growers no space to bargain for prices.¹⁵⁵

So how can the impact of commercialisation of agriculture on Indian peasant society be assessed? By way of commenting on this question, Tirthankar Roy has argued that: "It is possible that the capitalists captured most or all of the increase in value-added. The rich may have become richer. But that does not mean that the poor got poorer. For, total income had increased."¹⁵⁶ One could argue however that if the rich got richer and the poor remained poor (though not poorer) or became just marginally better off, that was not a very happy state of development either. In other words, commercialisation of agriculture did not benefit the majority of the peasants, although it would be hasty to conclude that it signified a "transition" from pre-capitalist to capitalist mode of production marked by the rise of a powerful rural capitalist class and the proletarianisation of the peasantry.¹⁵⁷ The jute economy crashed in the 1930s and was followed by a devastating famine in Bengal in 1943. It is difficult to establish a direct connection between commercialisation and famines, even though cash crops in some areas might have driven out foodgrains from the better quality land, with consequent impact on output.¹⁵⁸ But even if this had happened, it was an extremely localised phenomenon, as on the whole food crops and cash crops were produced simultaneously. When colonial rule came to an end, food crops were still being grown in 80 per cent of the cropped acreage.¹⁵⁹ But on the whole, as noted earlier, the aggregate production of food crops lagged behind population growth. In view of this, the claim of some historians that growth of trade and integration of markets through development of infrastructure actually increased food security and contained the chances and severity of famines in colonial India¹⁶⁰ remains at best a contentious issue, particularly in the context of the Bengal famine of 1943, which was preceded by a long period of consistently declining per capita entitlement of rice in the province (more on this famine in chapter 8.2).¹⁶¹

Railways are considered to be another contribution of British rule towards the development of modern economic infrastructure. "India became", writes a modern historian, "a nation with its local centres linked by rail to each other and to the world".¹⁶² Yet, the very way the railways were constructed makes it clear that its main purpose was to serve the interests of the empire, rather than the needs of the Indian economy. In 1853 Lord Dalhousie took the decision to construct railways in India mainly to facilitate army movements. Gradually there arose another need to integrate the Indian market to open it to British imports, i.e., to connect the port cities to the internal markets and sources of raw materials. So British capital investments were invited with 5 per cent guaranteed interests to be paid, if necessary, from Indian revenues. The companies were given free land with ninety-nine years lease, after the expiry of which the line would become government property. But any time before that—even a few months before the expiry of the lease—the companies could return the lines to the government and claim full compensation for all capital expended. In other words, they could enjoy 5 per cent guaranteed profit for ninety-eight years and then get back all their capital. This made the railway projects, as Sabyasachi Bhattacharya describes them, "an instance of private enterprise at public risk". It was quite natural, therefore, that between 1858 and 1869 Indian railways would attract capital investments to the tune of £70, 110,000.¹⁶³ The main purpose of this railway construction was to tie up the Indian hinterland in the interest of foreign trade, rather than favour Indian economic development. The construction planning favoured this goal, as it connected the internal markets with the ports, but provided no interconnection between the internal market cities. The preferential freight charges also betrayed this motive: there were less freight charges for bulk manufactured goods travelling from the ports to the interior and raw materials from the interior to the ports, than vice versa.¹⁶⁴ Apart from this, the multiplier effect of the railway construction boom benefited British economy, as machinery, railway lines, and up to a stage even coal was imported from England. The transfer of technology remained confined to low technology areas, such as plate-laying, bridge-building or tunnelling, while in the 'hitech' area the expertise that was imported was never Indianised to develop "a truly national technology".¹⁶⁵ And in certain cases the construction work disturbed ecology, subverted the natural sewage system, and in Bengal for example, created malaria epidemic in the nineteenth century.¹⁶⁶

About the railways the nationalists often complained of constant drainage of wealth through payment of guaranteed interests, which

encouraged a lot of wasteful construction. The government also invested directly in railway construction, mainly in the frontier regions to meet the needs of army movement or for "famine lines" in scarcity areas. The nationalists' main objection was against the selection of priority areas for such public investments, as many of them believed that irrigation would have been a more suitable area for such investment promising higher social benefits. For a colonial government looking for profits, there was obviously less incentive for investment in irrigation. Thus the railways, as it seems, did not encourage Indian economic development as it did in industrialising Europe. Although agriculture was relatively favoured, it did not become a growth sector either. But nevertheless, when the British left, in 1946/47 there were 65,217 kilometres of railway tracks in India, covering 78 per cent of the total area.¹⁶⁷ The railways had also encouraged the construction of feeder roads and a few other strategic roads interconnecting different regions of India. This did certainly integrate the Indian market to some extent and provided a cheaper mode of transportation for both people and goods, which were taken advantage of by the Indian businesses at a later stage after Independence. And finally, the railways certainly had significant social and cultural impact on Indian society and nation;¹⁶⁸ but those were, one should remember, the unintended results of British imperialism.

The other nationalist complaint against the empire was about its adverse impact on Indian handicraft industries, which at the beginning of British rule in the mid-eighteenth century used to supply about a quarter of all manufactured goods produced in the world¹⁶⁹ and constituted chief export items of European trade. Following the industrial revolution, not only did this export demand gradually evaporate, but colonial rule opened the Indian markets for British manufactured goods and led to "deindustrialisation" or destruction of indigenous handicraft industries, reducing the number of people dependent on secondary industries. Initially, the British imported goods, mainly woollen textiles, had a limited market in India; but then industrial revolution changed the scenario. The preferential tariff policies between 1878 and 1895 were meant to solve a crisis in British industrial economy, which could be overcome by having a captive market in India, now being integrated by the railways. Thus, disappearance of export demand as well as invasion of the home market by cheap manufactured goods from England resulted in the destruction of craft industries. For India its obvious outcome was increasing pressures on land and pauperisation.

However, some modern economic historians have questioned this nationalist thesis. They argue, first of all, that the rate of deindustrialisation, if it did occur at all, is difficult to quantify, because of the paucity of reliable data and also multiple occupations of the Indian artisans, many of whom were often involved in agriculture as well. And if the cotton weavers are supposed to be the chief victims of this onslaught of cheap Manchester produced cotton textile, there is enough evidence to suggest that the Indian handlooms continued to produce coarse cotton cloth for the poorer consumers at home well up to 1930s, when they were overtaken only by the Indian mill produced goods.¹⁷⁰ Some other recent researches, however, reveal that the nationalist position might not have been so incorrect after all, as the available statistical data from Gangetic Bihar clearly show that the proportion of industrial population to total population of that region declined from 18.6 per cent in 1809-13 to 8.5 per cent in 1901. Greater fall was in the percentage of weavers and spinners, whose proportion to the total industrial population declined drastically from 62.3 to 15.1 per cent during the same period.¹⁷¹

That does not bring the "deindustrialisation" debate to a convenient conclusion, for it has been shown further that while employment declined, real income per worker in industry increased between 1900 and 1947 and this did not indicate overall regress in the industrial situation. This rising industrial income was not certainly due to the intervention of modern industries in India, but, as Tirthankar Roy has argued, because of increasing per worker productivity in the crafts. This was achieved through technological specialisation and industrial reorganisation, such as substitution of family labour with wage labour within the small-scale industry, which was mostly the case in the handloom textile sector.¹⁷² As Roy further suggests, there is also evidence of "a significant rise in labour productivity" in other small-scale industries as well, resulting from a process which he describes as "commercialisation". It included producing for non-local markets, a shift from local to long distance trade, evolution of infrastructure and institutions to support that change and shifts in consumer and producer behaviour as a consequence of that. These factors helped artisanal industry, but did not lead to successful industrialisation, with the necessary structural changes and economic development.¹⁷³ The basic occupational structure in the subcontinent remained substantially unchanged between 1881 and 1951, with agriculture providing for 70 per cent, manufacturing 10 per cent and services 10-15 per cent. Modern manufactures grew rapidly only after World War One; but the rate of increase in the

over all income from the secondary sector before World War Two was only 3.5 per cent per annum, not "fast enough to set India on the path of an industrial revolution".¹⁷⁴

One of the reasons behind this lack of overall economic development was that the colonial state in the nineteenth century was far from just a "night watchman", as supposed by Morris D. Morris (1968). Officially the British government was committed to a *laissez-faire* policy, but actually it was a policy of discriminatory intervention, which amounted to, as one economic historian has described them, "non-market pressures exerted by the government".¹⁷⁵ Such pressures successfully nudged out Indian entrepreneurs like Jarnsetjee Jeejeebhoy¹⁷⁶ or Dwarkanath Tagore,¹⁷⁷ who still mistakenly believed in the idea of partnership. Since 1813 when Indian trade was freed from the monopoly of the East India Company, India came to be considered as a lucrative field for British private capital investment, chiefly in railways, jute industry, tea plantation and mining. Indian money market was dominated by the European banking houses. One major reason why the Indian entrepreneurs failed and their European counterparts thrived was the latter's greater access to and command over capital, facilitated by their connections with the banks and agency houses, while the Indians had to depend on their kins, families and castemen.¹⁷¹ On the other hand, British economic interests in India operated through the Chambers of Commerce and the Managing Agency Houses, which influenced government policies and eliminated indigenous competition. The managing agencies, controlled by the British "merchant adventurers", offer an interesting story of economic domination of expatriate capital. These were private partnership firms, which controlled through legal contracts a host of joint-stock companies, with no obligations to their shareholders. Thus a large firm like Andrew Yule would control about sixty companies in 1917. They preferred racial exclusivism and autonomy, and resisted all attempts at integration. On the eve of World War One, there were about sixty such agency houses, dominating jute industry, coal mining and tea plantations, controlling 75 per cent of the industrial capital in India and almost half of the total industrial employment.^{P?} So whatever industrialisation that did occur was mostly, though not exclusively, through British capital, with the profits being regularly repatriated. And the major factors that favoured this development were the discriminatory official policies.

An ideal example of such economic favouritism was the tea plantation in Assam, which was developed in 1833, directly under the

sponsorship of the government, seeking to reduce import of expensive tea from China. Later, plantations were transferred to individual capitalist ownership, and here native investors were deliberately ignored. The Inland Emigration Act of 1859 secured them a steady supply of labour, by preventing the migrant workers from leaving the plantation sites. Tea industry remained dominated by British capital until the 1950s; so was coal mining in eastern India. The development of jute industry in Bengal is another interesting saga that needs to be recounted here. Jute as a cheap substitute for flax was developed in the early nineteenth century and Bengal remained the chief supplier of raw jute for the industries in Dundee. In 1855 the first jute mill was started in Bengal, and then closeness to sources of raw materials and cheap labour gave it a competitive edge over the Scottish industry. The opening of the Australasian markets in the late nineteenth century, World War One and the wartime demand hike gave the industry a real push. The amount of paid up capital in jute industry increased from 79.3 million in 1914-15 to 106.4 million in 1918-19, to 179.4 million in 1922-23. Bulk of the capital invested was British capital, organised through the Indian Jute Mills Association (IJMA), which controlled output in order to maintain high prices. The profitability of the industry continued until the Great Depression, when both exports and net profits began to decline.¹⁸⁰

However, this dominance of expatriate capital notwithstanding, from the 1920s some Calcutta-based Marwaris, who had made money as traders and shroffs, began to intrude into this exclusive sphere and started investing in jute industry. First, through buying stocks and lending money, many of the Marwaris got themselves elected to the boards of the European managing agencies. And then, people like G.D. Birla and Swarupchand Hukumchand set up their own mills in 1922. This marked the beginning of Indian jute mills around Calcutta, as in this decade one Armenian and six Indian mills were started, accounting for over 10 per cent of the loomage. In the 1930s this position was further consolidated, as some mills dared to operate outside the control mechanism of the IJMA, thus challenging the hegemony of expatriate capital in this industry. This Marwari stranglehold was gradually extended to other sectors, like coal mines, sugar mills and paper industry. Between 1942 and 1945, they began to take over some of the European companies, so that by 1950, argues Omkar Goswami, they were "poised to take over almost all the older industries in the region" which had hitherto been dominated by European capital.¹⁸¹ While Tomlinson would ascribe this development to the flight of expatriate capital because of

decolonisation,¹¹² Goswami would give more credit to Marwari entrepreneurial skills.

The real success of the Indian industrialists, however, came in the cotton industry of western India. Until the beginning of World War One imported textiles dominated Indian markets. This import considerably declined during the war—more than halved between 1913-14 and 1917-18—partly because of the transport dislocations caused by the war and partly due to 7.5 per cent import duty on cotton textiles imposed in 1917. The Japanese competition was not so serious yet, while on the other hand, excise duty on Indian textiles remained static at 3.5 per cent. In addition, there was the military demand and the call for 'Swadeshi', proposing a boycott of foreign goods and the use of their indigenous alternatives. Cotton industry existed in India before World War One, and along with the European managing agencies, certain traditional trading communities like the Gujarati banias, Parsis, Bohras and Bhatias, who made money through export trade with China, had maintained their presence in this sector. But as opportunities contracted and their subordination in export trade of raw cotton became more constrictive, they began to diversify into manufacturing as a strategy for survival. The development of cotton industry went through three distinctive phases. It had its early beginning in Bombay in the 1870s and 1880s; its diversification beyond Bombay began in the 1890s, first to Ahmedabad, and then to other centres like Sholapur or Kanpur, its major expansion coming after World War One and in the 1920s; the third phase of its development came in the 1930s when it withstood the initial pressures of depression and then began to expand. The industry remained dependent on foreign collaboration for imported machinery, chemicals and technological expertise. But technology was not the most crucial factor behind its growth, which depended on three things, as Rajnarayan Chandavarkar has identified them, i.e., "relentless improvisation in the use of old machinery, the manipulation of raw materials and the exploitation of cheap labour."¹¹³ Although import of cheap Japanese goods threatened its growth temporarily in the 1930s, by the time of World War Two, the Indian cotton industry had established "an unchallenged monopoly over its vast domestic market and began competing with Lancashire in foreign markets".¹¹⁴

Iron and steel industry, under the leadership of Tata Iron and Steel Company (TISCO), began at the turn of the century under direct government patronage. Because, here the monopoly of the Birmingham steel industry had already been broken by continental steel,

except in matters of government and railway orders. Revision of store purchase policy during World War One and protection after the war provided a real push to the growth of TISCO. But during World War Two, when there was another opportunity for expansion, the government showed "a strange unconcern".¹⁸⁵ But by then (1938-39) TISCO was producing on an average 682,500 tons or 66 per cent of the steel consumed in India. Apart from cotton textiles and steel, the other industries that developed during the inter-war period were shipping, coal, paper, sugar, glass, safety matches and chemical industries. It is true that protection after World War One, motivated by fiscal compulsions and the need for a local power base, stimulated growth in a number of manufacturing industries in India. But their growth potential was limited to domestic market alone, which remained consistently depressed, given the massive poverty of the Indian population. The situation could only improve through effective government intervention, which was not forthcoming (more on industrialisation and industrialists in chapter 7.3).

If the government policies and the stranglehold of British capital inhibited Indian enterprise in certain sectors, recent researches show that below the westernised enclave and above the subsistence economy of the peasants, there was an intermediate level—the bazaar—where Indian businessmen and bankers continued to operate. This tier consisted of the sectors where either the returns were too low or risks too high to attract European investors, who 'confined themselves to sure bets' or the exclusive spheres protected by the empire.¹⁸⁶ This phenomenon which Rajat Ray has called the "imperial division of economic space",¹⁸⁷ provided a sphere of operation, though less rewarding and more risky, for the enterprising communities from Gujarat, Rajasthan or Tamilnadu. The recent micro-study of Bihar by Anand Yang shows how the bazaar provided a profitable ground for the operations of the indigenous merchants-cum-bankers from the mid eighteenth century right up to the period of the Gandhian movements in the twentieth.¹⁸⁸ Some of these indigenous firms took advantage of the new opportunities of the empire, such as the railways and telegraph, and ran sophisticated and fairly integrated business networks that covered the whole of the subcontinent. These firms later expanded overseas to China, Burma, Straits Settlement, Middle East and East Africa. It was these operations which generated indigenous capital, which was later invested in industries after World War One, when the imperial economic policies began to slacken due to multifarious pressures, both financial and political. India's underdevelopment was therefore not due to any lack of entrepreneurial skills.

This brings us back to the point where we began, i.e., India's economic and financial obligations to the empire and how did it fulfill them till the end of the imperial connection. Between 1880 and World War One successive financial crises showed that India was incapable of shouldering the financial burden of serving the empire. The financial crises were due to various reasons, such as greater Indian demands for a share of resources. Development of an articulate political opinion made any increase in internal taxation rate a risky proposition. There were also the macro-economic factors, like fluctuating exchange rates, trade depressions etc. or the vagaries of nature. These led to the weakening of the imperial goal and resulted in greater devolution of power. Gradually import tariffs were imposed against British textile, which virtually amounted to a protection for Indian industries. There was also a shift in British industrial economy and the Indian market lost its importance for the growth sectors in British economy. British investments in Indian capital market also declined, so did the use of Indian army for the defence of empire. The Indian army could still be used, but the cost had to be borne by London or by the dependent colony, which needed it. Thus, gradually India's role in the greater imperial structure was subordinated to its own domestic requirements. The imperial goal and ideology were muted to accommodate pressures built up in India, both financial and political. This diminution of imperial economic interests in India is regarded by some historians as a major factor behind the decision to transfer power. We shall examine that claim in detail in the last chapter.

NOTES

1. Metcalf 1994: 3.
2. For details, see Marshall 1999 and C.A. Bayly 1999.
3. For a detailed discussion on this concept, see Gallagher and Robinson 1961.
4. Stokes 1978: 26.
5. Stokes 1959: 1.
6. Irschick 1994: 6-13, 191-204 and *passim*.
7. Majeed 1992: 22.
8. Viswanathan 1989: 28.
9. Quoted in Trautmann 1997: 17.
10. Metcalf 1994: 8.
11. Sen 1998: 104 and *passim*.
12. Mukherjee 1968: 141.
13. Stein 1985.
14. Stein 1989: 351-53.

15. Reeves 1991: 11-12.
16. Hutchins 1967: 5-6.
17. Details in Embree 1962.
18. Quoted in Stokes 1959: 47.
19. Quotations in Majeed 1992: 163, 193.
20. Mani 1998.
21. Metcalf 1994: 53.
22. Ibid: 2C8 and passim.
23. For more on this argument see Inden 1990.
24. For details see Stokes 1959: 288-310.
25. Ballhatchet 1980: 2-3, 96-97.
26. Sinha 1978: 7.
27. Ballharchet 1980: vii, 97 and passim.
28. Nandy 1998: viii.
29. Ibid.
30. Cohn 1992: 208.
31. Sutherland 1952.
32. Hutchins 1967: 84.
33. Sen 1998.
34. Quoted in Marshall 1968: 57.
35. Misra 1959: 18-Z3.
36. MarshaJI 1968: 132.
37. Misra 1959: 27-34.
38. Quoted in Marshall 1968: 31.
39. Spear 1965: 229.
40. Hutchins 1967: 99.
41. Metcalf 1965: 323.
42. Khan 1969: 294, 297-349.
43. For more details see Guha 1963.
44. Marshall 1987: 123, 141-44.
45. Chaudhuri 1982: 88.
46. Islam 1979: 2-3.
47. Cited in Dhanagare 1991: 32.
48. Chaudhuri 1975: 5-6.
49. Islam 1979; R. Ray 1979.
50. Raychaudhuri 1969; Islam 1988.
51. Robb 1997: 83 and passim.
52. Bayly 1989: 85.
53. Stokes 1959.
54. Bhattacharya 1992: 119.
55. Quoted in Beaglehole 1966: 8.
56. Ludden 1985: 104.
57. Beaglehole 1966: 80ff.
58. Stein 1989: 99, 106, 125-26, 207.
59. Ludden 1999: 160.
60. Stein 1989: 191.

61. Mukherjee 1962: 116.
62. Bandopadhyay 1992: 138-39.
63. Mukherjee and Frykenberg 1969: 220-225.
64. Irschick 1994: 194-200 and passim.
65. Ludden 1985: 83, 90, 105-7.
66. Arnold 1986a: 20.
67. Kumar 1982: 230- 37; 1965: 179.
68. Ludden 1985.
69. van Schendel 1991: 81-85.
70. Bandopadhyay 1992: 270-71.
71. Satyanarayana 1990: 113-14, 135-36.
72. Charlesworth 1985: 48-49, 62-69, 83-86, 96-106.
73. Fukazawa 1982: 198.
74. Catanach 1970: 20.
75. Kumar 1968; Guha 1992.
76. Stein 1992: 28.
77. Hasan 1969: 24-27.
78. Reeves 1991: 5-6.
79. Stoke 1982: 40-41.
80. Cohn 1987: 336-37.
81. Metcalf 1979: 56-58.
82. Metcalf 1979: 59 and passim.
83. Reeves 1991: 8.
84. Metcalf 1979: 135 and passim.
85. Bhattacharya 1989: 47.
86. For details, see Singha 1998: 1-27.
87. Quoted in Majumdar 1960: 308.
88. Khan 1969: 294, 341.
89. Derrert 1968: 233.
90. Khan 1969: 344-49.
91. Derrert, 1968: 239-40.
92. Misra 1959: 240.
93. Chattopadhyay 2000: 35.
94. Singha 1998: viii.
95. Ramusack 1978: 19.
96. See Cohn 1987: 463-82.
97. Washbrook 1981: 650-54.
98. Singha 1998: 30, 289-93.
99. Chattopadhyay 2000: 109.
100. For details see *ibid*: 102-20.
101. Quoted in Arnold 1986a: 18.
102. See *ibid* for details.
103. Bayly 1989: 131.
104. See Arnold 1986a for details.
105. Bayley 1969: 49.
106. Arnold 1986a: 230-31.

107. Cohen 1971: 5-6.
108. Alavi 1995: 10-34.
109. Peers 1995: 47, 52- 53.
110. Cohen 1971: 7-8, 32.
111. Alavi 1995: 4.
112. Peers 1995: 1-14, 54-67.
113. For these and more details on the Company army, see Alavi 1995.
114. Quoted in Cohen 1971: 38.
115. Omissi 1994: 44.
116. Ibid: 192-93.
117. Peers 1995: 66-67.
118. Cohen 1971: 22-27.
119. For these and more details on the army after 1860, see Omissi 1994.
120. Dewey 1993: 1.
121. Cohn 1987: 521.
122. Quoted in Misra 1977: 66.
123. For details, see Spangenberg 1976: 347 and passim.
124. Misra 1977.
125. See Potter 1986.
126. Fisher 1991: 67.
127. Ibid: 444.
128. Ramusack 1978: 10.
129. Fisher 1991: 44-59.
130. Copland 1999: 16-17.
131. Copland 1982: 123-52.
132. Ramusack 1978: 12, 22- 24.
133. For details, see Copland 1999: 20-21, 30-32.
134. Fisher 1991: 29.
135. For details, see Ramusack 1978: 4-9, 17-22.
136. See Copland 1982: 78-87.
137. For details see Fisher 1991.
138. See Bharati Ray 1988: 164 and passim.
139. For details see Vidal 1997.
140. Mayaram 1997: 56-58.
141. Jeffrey 1994: 241 and passim.
142. Misra 1999: 20-21; Tomlinson 1979: 1-6.
143. Misra 1999: 21.
144. Bagchi 1972: 48.
145. B. Chatterji 1992: 350.
146. Tomlinson 1979: 27-28.
147. Ibid: 17.
148. Sarkar 1983: 27.
149. For more details on these two views, see Roy 2000: 12-18, 89-100, and passim; quotation from p. 14.
150. Whitcombe 1982: 677-78.

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151. Ali 1988: 158-205, 235-44.
152. Tomlinson 1993: 32.
153. Kling 1966: 18-19 and passim.
154. Roy 2000: 90-94.
155. Bose 1986: 63, 72.
156. Roy 2000: 93.
157. For more on the "transition" debate, see Chaudhuri 1996.
158. Charlesworth 1982: 25.
159. Roy 2000: 88.
160. For more on this view, see Roy 2000: 86-89.
161. For more on the Bengal famine see Greenough 1982.
162. Hurd 1982: 737.
163. Bhattacharya 1971: 105-6.
164. Bhattacharya 1989: 131-33.
165. See Derbyshire 2001: 277-303.
166. Samanta 2002: 36-37.
167. Hurd 1982: 739-40.
168. For more details see Kerr 2001.
169. Tomlinson 1993: 101.
170. Vicziany 1979; Tomlinson 1993: 102-9.
171. Bagchi 1976a; Bagchi 1976b.
172. Roy 1993.
173. Roy 1999: 22 and passim.
174. Ray 1994: 7-8.
175. Bhattacharya 1982: 293.
176. Siddiqi 1982.
177. Kling 1976.
178. Chandavarkar 1998: 50.
179. Misra 1999: 4-7, 19-26.
180. Chakrabarty 1989: 36-37.
181. Goswami 1985: 226 and passim.
182. Tomlinson 1981.
183. Chandavarkar 1998: 30-73; quotation from p. 56; also see Chandavarkar 1994: 239-77.
184. R.K. Ray 1979: 73.
185. Ibid: 84.
186. Bagchi 1987: 72.
187. Ray 1994: 17.
188. Yang 1998.