LAND SETTLEMENTS: INTRODUCTION

UG SEM-5 PAPER-MJC -9

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

Let us try and understand what this means. Imagine that the British East India Company has just defeated some Indian ruler, and annexed his territories. Now they went to collect taxes from these lands. You many think that this could be done by looting and plundering-and this was in fact often the first thing that was done in newly conquered territory. But it is not possible to continue like this: First of all, because loot is usually kept by the looter, and does not find its way into the government treasury, and secondly because

this sort of activity is likely to cause people to flee to other areas, or to so impoverish them that nothing can be got later on. So it is necessary to institute some regular system of taxation. Such a system has requirements: the government has to fix what or how much will be paid. This amount is called the 'assessment; and it has to fix who will have to pay. Now the person who is called on to pay a certain amount must

have some connection with, some control over the land from which the tax is to be collected, because he will otherwise be incapable of paying anything from it. So when the government places the burden of payment on somebody, it must also see that he has some control over the land so that he gets an income from which the tax can be paid. If he does not get anything from the land, he can obviously not pay anything to the government.

FIRST EXPERIMENTS IN LAND REVENUE MANAGEMENT

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

FIRST EXPERIMENTS IN LAND REVENUE MANAGEMENT

From 1772 therefore, a new system was introduced: this was the farming system. Under this system the government gave out the collection of land revenue on a contract basis. The contractor who offered to pay the largest amount from a certain district or sub-division was given full powers for a certain number of years. Obviously, such contractors (they were called 'farmers' in those days), would try and extort as much as possible during the period that they held the contract; it would not matter to them if the people were ruined and the production in the later years declined. After all, they would have made their profit.

FIRST EXPERIMENTS IN LAND REVENUE MANAGEMENT

Extortion and oppression were the obvious results of such a system. Furthermore, many of the contractors had offered to pay very large amounts, and later found that they could not collect so much, even with great oppression.

Finally, the system also led to corruption. As with many government contracts even today, profitable contracts on very easy terms were given to the friends and favourites and 'benamidars' of men in power, leading to loss to the government. In 1786 Lord Cornwallis was sent out to India with orders to clean up and reorganise the administration.

(To be continued)