

THE PERMANENT SETTLEMENT IN BENGAL

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Cornwallis realized that the existing system was impoverishing the country-its agriculture was in decline. Furthermore, it was failing to produce the large and regular surplus that the Company hoped for. And it was also becoming difficult for the Company to get the large quantities of Indian goods that it planned to export to Europe, because, as Cornwallis observed, the production of silk, cotton, etc. all depended on agriculture. When agriculture was decaying, handicrafts could hardly be prosperous. And both the London authorities and Cornwallis were agreed that much of the corruption and oppression originated in the fact that the taxation had the character of an 'uncertain, arbitrary imposition'.

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It was decided therefore, that the land-tax would now be permanently fixed: the government would promise never to increase it in future. Several effects were expected from this measure. It would reduce the scope for corruption that existed when officials could alter the assessment at will. Furthermore, now that the state would not demand anything extra if the production increased it was hoped that landholders would invest money in improving the land as the whole of the benefit would come to them. Production and trade would increase, and the government would also get its taxes regularly. Finally, Cornwallis believed that even if the land tax was fixed, government could always levy taxes on trade and commerce in order to raise more money if it was needed. In any case, the land revenue was now fixed at a very high level-an absolute maximum-of Rs. 2 crore and 65 lakhs.

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A Settlement With Zamindars

So we see that the land revenue was fixed permanently. But from whom was it to be collected? The Nawabs of Bengal had collected taxes from the zamindars. These zamindars were usually in control of large areas: sometimes entire districts. They had their own armed forces, and were termed Rajas. But there were also zamindars who held smaller areas, and either paid directly to the State, or paid through some big zamindar. The actual cultivation was carried on by peasants who paid the zamindars at customary rates fixed in every sub-division (or *pargana*). Oppressive zamindars often added extra charges called '*abwabs*' on top of the regular land revenue rates.

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By 1790 British rule had greatly confused this picture. Some zamindars were retained-others were replaced by contractors of officials. The old customary rates were ignored, and every abuse permitted, if it led to an increase in the revenues. By the time Cornwallis arrived on the scene, the situation was one of the complete confusion. The new Governor-General belonged to the landed aristocracy of Britain and was in favour of a settlement that gave the right of ownership to the zamindars, who he hoped, would improve that land as English landlords did. But apart from this preference on his part, it was difficult for the government to make the settlement with any other class.

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To understand this it must be bear in mind that there must have been about four or five million cultivating families in Bengal, Bihar and Orissa at that time. Collecting from them would have involved the preparation of detailed records of all their holdings, and the calculation of a tax on this basis. This would take several years and large staff to execute. In addition it would give great opportunities for corruption. It was obviously much simpler to collect the revenue from a small number of big zamindar had to pay the tax fixed upon it: if he did so then he was the proprietor, the owner of his zamindari. He could sell, mortgage or transfer it. The land would be inherited by heirs in due course. If however, the zamindar failed to pay the tax due, then the Government would take the zamindari and sell it by auction, and all the rights would vest in the new owner.

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The Position of the Cultivators

The actual cultivation of the land was of course, carried on by the lakhs of peasants who were now reduced to the status of tenants of the zamindars: Cornwallis had also decreed that the zamindars should issue written agreements (called *pattas*) to each cultivator, and these should specify what the tenant was to pay. He apparently believed that this would prevent oppression by the zamindars. In practice, however, no such *pattas* were issued, and the peasants were wholly at the mercy of the zamindars.

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This was not accidental. As we have noted earlier, the permanent assessment was the large sum that could be got from the land. It was a heavy and oppressive assessment. According to the estimate of a knowledgeable official, John Shore, if a piece of land produced crops worth Rs.100, then Rs. 45 went to the government, Rs. 15 to the zamindar and only Rs. 40 was left to the cultivator. Such oppressive taxes could only be collected by oppressive methods. If the zamindars were not allowed to oppress the peasants then would not be able to meet the demands of the State. By regulations made in 1793, 1799 and 1812, the zamindar could seize, that is, carry away the tenants' property if the rent had not been paid. He did not need the permission of any court of law to do this. This was a legal method of harassment.

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In addition to this the zamindars often resorted to illegal methods, such as locking up or beating tenants who did not pay whatever was demanded.

The immediate effect of the Settlement was, therefore, to greatly worsen the position of the actual cultivators of the soil, in order to benefit the zamindars and the British Government.

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Effects of the Permanent Settlement

It may seem that the settlement was greatly in favour of the zamindars but we should not forget that they were also now obliged to pay a fixed amount by fixed dates every year, and any failure on their part meant the sale of the zamindari. Furthermore, many of the zamindaris were rated for large sums that left no margin for shortfalls due to flood, drought or other calamity. As a result, many zamindars had their zamindaris taken away and sold in the decades immediately after the permanent Settlement. In Bengal alone it is estimated that 68 per cent, of the zamindari land was sold between 1794 and 1819.

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Merchants, government officials, and other zamindars bought these lands. The new buyers would then set about trying to increase the rents paid by the tenants in order to make a profit from their purchases. Raja Rammohan Roy remarked that:

“Under the permanent settlement since 1793, the landholders have adopted every measure to raise the rents, by means of the power put into their hands.”

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However, many zamindars still found it difficult to pay the amount demanded by the British. One such zamindar, the Raja of Burdwan then divided most of his estate into 'lots' or fractions called *patni* taluqs. Each such unit was permanently rented to a holder called a *patnidar*, who promised to pay a fixed rent. If he did not pay, his *patni* could be taken away and sold. Other zamindars also resorted to this: thus a process of subinfeudation commenced.

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Gradually the population of Bengal increased; waste and jungle land came under cultivation. Rents also increased. On the other hand, the tax payable to government was fixed, so the position of the zamindars improved, and they were able to lead lives of indolence and luxury at the expense of their tenants. Only in 1859 did the State take some step to protect the rights of tenants: a law passed that year bestowed a limited protection on old tenants, who were now termed occupancy tenants.

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Disillusionment with Permanent Settlement

When Cornwallis introduced the Permanent Settlement in Bengal he expected that the same system would be established in the other British territories as well. And the Government of Madras in fact began to introduce it in the lands under its control. However, British officials soon began to doubt the virtues of this system, while its defects became more prominent.

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A very important defect, as far as they were concerned, was that it left no scope for increases in taxation, while the expenditure of the Company, fuelled by repeated wars, continued to expand. Lord Wellesley, Governor- General from 1798 to 1806 actually diverted funds sent from England for the purchase of trade goods and used them for his military expenditures. So officials began to think of ways and means of increasing the government's income. Some of the officials thought that in 1793 the zamindars had got off too easily, and this mistake should not be repeated in future. As early as 1811 the London authorities warned against the introduction of permanent settlements without 'a minute and detailed survey of the land.