

CHAPTER 2

LAISSEZ-FAIRE AND THE GRAIN TRADE

Historians such as Stokes have emphasised the influence of reformist ideologies emanating from Britain on the formulation of policy in British India in the nineteenth century.¹ Rabinoy has challenged this idealist perspective with regard to one specific aspect of British policy in India – the introduction of the ryotwari revenue settlement to Bombay Presidency in the early nineteenth century. He has contended that ideology would have driven a uniform implementation of the ryotwari settlement throughout the Presidency. Yet the reality was, he has argued, that the Bombay Councils allowed their Collectors some latitude in deciding whether the new settlement was applicable in their particular districts. This administratively expedient approach was evident, according to Rabinoy, in the hotchpotch of revenue settlements made by the Bombay Government with its subjects.² Yet as Rabinoy would himself acknowledge, this pragmatic perspective would not apply to British policy toward the grain trade. Non-intervention was uniformly implemented throughout Bombay Presidency by the Councils of the early nineteenth century.³ The Councils' representatives in the districts were allowed no latitude on this matter. The new ideology of *laissez-faire* was to find uniform expression.

This chapter will examine how *laissez-faire* ideology gained such predominance in western India. It will also explore the potential alternative and reinforcing factors behind the change in policy. Furthermore, it will assess the degree of resistance against the incursion of the new ideology offered by conservatives within the administration, and consider the reasoning behind their unfashionable policies. Finally, it will consider the expectations that the Indian public traditionally had of their rulers, and their reaction to the sudden change of policy.

¹ Eric Stokes, *The English Utilitarians and India*, Oxford: Clarendon Press, 1959.

² Neil Rabinoy, 'System v. Expediency: The Reality of Land Revenue Administration in the Bombay Presidency, 1812-20', *Modern Asian Studies*, vol. 9, no. 4, 1975.

³ Neil Rabinoy, 'The Control of Fate and Fortune: The Origins of the Market Mentality in British Administrative Thought in South Asia', *Modern Asian Studies*, vol. 25, no. 4, 1991, pp. 737-8.

Interventionism and the grain trade.

Until the turn of the nineteenth century the grain trade policies of all governments, whether Indian or British, were interventionist. Droughts drastically reduced harvests and increased people's dependence on local grain stores and imports. The reduced supply and the people's panic to buy grain combined to push prices beyond the reach of the poor. Some grain dealers combined to form local monopolies and push prices even higher.⁴ Knowing this, interventionist governments intervened in the grain markets of drought-stricken areas with the intention of restricting merchant combinations,⁵ boosting local grain supplies and reducing prices to tolerable levels. Ahuja has argued that there is very little evidence of the Mughal rulers intervening in the grain trade.⁶ Yet he has stated elsewhere that the Mughals did intervene in the market.⁷ Ambirajan has noted that the pre-British rulers 'almost always interfered with the market'.⁸ Sharma, too, has found that the Indian states of North India typically intervened in the grain trade during the famines of the eighteenth century.⁹

The British also consistently intervened in the market during subsistence crises prior to the early years of the nineteenth century. Ahuja has observed that the earliest record of British intervention in the Madras grain market was in 1729.¹⁰ The Madras administration also interfered during the 1773 scarcity.¹¹ Ahuja has found that *laissez-faire* logic began to carry some favour in the Calcutta administration by the early 1780s, but its practice was still typically interventionist in the grain trade.¹² In the three Madras scarcities of 1789, 1792 and 1798 the administration intervened in the grain trade, despite the protests from Indian and British grain traders.¹³ Ambirajan has also concluded that the various British governments of India intervened in the market

⁴ David Hardiman, 'Usury, dearth and famine in western India,' *Past and Present*, vol. 152, Aug, 1996, p. 126.

⁵ *Ibid*, p. 126.

⁶ Ravi Ahuja, 'State Formation and "Famine Policy" in Early Colonial South India', *Indian Economic and Social History Review*, vol. 39, no. 4, Oct-Dec, 2002, pp. 355-6.

⁷ *Ibid*, p. 380.

⁸ S. Ambirajan, 'Political Economy and Indian Famines', *South Asia*, vol. 1, 1971, p. 22.

⁹ Sanjay Sharma, *Famine, Philanthropy and the Colonial State; North India in the Early Nineteenth Century*, New Delhi: Oxford University Press, 2001, p. 120.

¹⁰ Ahuja, p. 362.

¹¹ *Ibid*, pp. 364-6.

¹² *Ibid*, pp. 370.

¹³ *Ibid*, p. 378.

during the numerous famines between 1770 and 1805.¹⁴ Interventionism enjoyed a brief glimpse at the opening years of the nineteenth century. Ambirajan, Rabitoy and Sharma have found that the Bombay administration intervened in the 1802-4 famine.¹⁵ Between 1805 and 1866, however, the British governments of India seldom intervened in the grain trade.

There were several ways in which governments could intervene in the market. Such governments often directly set the price of grain through legislation. This was intended to curb the greedier instincts of grain merchants who were willing to combine with other merchants and partially hoard their stocks to artificially push up prices. Government intervention was ultimately intended to ensure that food was affordable for the bulk of the population. Both Indian and British administrations intervened in this manner. The Peshwa and Gaekwad governments of western India fixed the grain prices to provide relief to their subjects during the 1790-1 and 1803-4 famines.¹⁶ Furthermore, Hardiman has observed that throughout the colonial era Indian princes continued to fix prices as a relief measure.¹⁷ The British Government of Madras fixed grain prices as early as 1729.¹⁸ Currie has noted that the Company fixed prices during the famines of 1769-70 in Bengal, 1781-2 in Madras, and 1802-4 in Bombay.¹⁹ In fact, Etheridge argued that every government of the eighteenth century, 'whether Native or British', typically fixed grain prices during scarcities.²⁰ The governments that ruled prior to 1805 therefore often interfered in the market by fixing the price of grain.

Interventionist governments also typically banned the export of grain from drought-stricken regions. This was considered a means of safeguarding what was left of the district's meagre grain supply and reducing the likelihood of famine. Both Indian and British governments prohibited grain exports during scarcity. The Maratha

¹⁴ Ambirajan, 'Political Economy and Indian Famines', pp. 22-3.

¹⁵ Ibid, p. 23; and Rabitoy, 'The Control of Fate and Fortune', pp. 753-5; and Sharma, *Famine*, p. 40.

¹⁶ Mr. Spry, 1st Asst Surat Cltr, 19 Aug 1867, in A. T. Etheridge, *Report on Past Famines in the Bombay Presidency*, Bombay: Education Society's Press, 1868, pp. 58, 59; see also Mr. Sheppard, Act Khandesh Cltr, 2 Apr 1867, in Etheridge, p. 76.

¹⁷ Hardiman, 'Usury, dearth and famine', p. 144.

¹⁸ Ahuja, p. 362.

¹⁹ Kate Currie, 'British Colonial Policy and Famines: Some Effects and Implications of "Free Trade" in the Bombay, Bengal and Madras Presidencies, 1860-1900', *South Asia*, vol. xiv, no. 2, 1991, p. 27.

²⁰ Etheridge, p. 8.

governments that ruled prior to the British in western India always banned grain exports during drought.²¹ In the 1790 and 1803-4 famines, the Gaekwad and Peshwa governments ‘forbade the exportation of grain’.²² Currie has noted that the Company prohibited exports during the 1769-70 Bengal famine, the 1781-2 Madras famine, and the 1802-4 Bombay famine.²³ Ambirajan has also found that the Bombay administration banned the export of grain during the 1802-4 famine.²⁴ The prohibition of grain exports was thus another common official response to scarcity until the early 1800s.

Interventionist governments could also physically enter the market as a merchant – they could purchase grain and pay for its transportation into districts suffering from scarcity. This was the most direct method of government intervention. It was intended to break the merchant combinations with the threat of underselling them, to open their stores, and to drop the price of grain to affordable levels. Once again, both Indian and British governments intervened in this manner. In the 1790-1 and 1802-4 famines the Gaekwad and Peshwa governments often purchased and imported grain on their own account and sold it at an affordable price as a relief measure.²⁵ The British likewise competed with grain dealers to keep market prices down.²⁶ In 1750 the Madras administration bought up grain and supplied it to its soldiers, labourers, and the poor.²⁷ Ahuja has shown that during the 1773 scarcity it once again bought up large stocks of grain and sold it in fixed daily rations.²⁸ Currie has observed that similar practices were followed by British administrations in the famines of 1769-70 in Bengal, 1781-2 in Madras and 1802-4 in Bombay.²⁹ Ambirajan has also found that the

²¹ W. J. Lumsden, Surat Cltr, to Sec to Govt, 21 Sep 1824, BGP, 29 Sep 1824, pp. 5429-31, APAC; See also, J. H. Cherry, Nthn Konkan Cltr, Sec to Govt, 20 Aug 1824, BGP, 22 Sep 1824, pp. 5255-6, APAC; and Mr. Sheppard, Act Khandesh Cltr, 2 Apr 1867, in *ibid*, p. 76; and Mr. Spry, 1st Asst Surat Cltr, 19 Aug 1867, in *ibid*, p. 58; and Mr. Salmon, Act Kolaba Sub-Cltr, no date given, in *ibid*, p. 117.

²² Mr. Spry, 1st Asst Surat Cltr, 19 Aug 1867, in *ibid*, pp. 58, 59.

²³ Currie, ‘British Colonial Policy’, p. 27.

²⁴ Ambirajan, ‘Political Economy and Indian Famines’, p. 23; see also E. Galley, Surat Cltr, to Surat Judge, 9 Jan 1804, in Etheridge, pp. 71-2.

²⁵ No name given, Deputy Broach Cltr, no day given, Oct 1867, in Etheridge, p. 55; and Mr. Spry, 1st Asst Surat Cltr, 19 Aug 1867, in Etheridge, p. 58; and No name given, Deputy Surat Cltr, 30 Aug 1867, in Etheridge, p. 61; and Deputy Surat Cltr, 7 Oct 1867, in Etheridge, p. 75; and Raja Ruttonsing Jadhkora, Maligaonkur, no date given, in Etheridge, p. 90; and Rungrao Venayek, Poorundhuray, no date given, in Etheridge, p. 93.

²⁶ Rabbitoy, ‘The Control of Fate and Fortune’, pp. 752-3.

²⁷ Ahuja, p. 362.

²⁸ *Ibid*, pp. 364-6.

²⁹ Currie, ‘British Colonial Policy’, p. 27.

British Government of Bombay purchased, imported and sold grain during the 1803-4 famine.³⁰ The governments that ruled before 1806 therefore often interfered in the market by purchasing and selling grain at an affordable price.

Further options were available to interventionist governments regarding the flow of grain. They could offer subsidies to encourage grain imports into scarcity districts. The Peshwa Government did this in the 1792 famine and the British Government of Bombay followed suit during the 1803-4 famine.³¹ Interventionist governments could also directly order the merchants to sell their grain. Ahuja has found that in 1729 the Madras Government confiscated all stores of grain above a certain size and distributed them on the market to forcibly free up the supply of grain.³² During the 1781-3 Madras famine the Government once again forced the merchants to report the size of their grain holdings and sell them.³³ Conversely, on rare occasions some interventionist governments even rationed the amount of grain that merchants were allowed to sell in order to foster the local grain supply.³⁴ Interventionist governments thus intervened in grain markets in numerous ways typically with the intention of providing immediate relief to their suffering subjects.

Ambirajan and Rabitoy have argued that *laissez-faire* ideology began influencing the policies of the British governments of India from 1806 onwards. The Madras Government first chose non-intervention during the 1806-7 famine, and the Bombay Government followed suit in the famine of 1812-3.³⁵ Interventionism did not die out entirely, but rather became the exception to the rule. Sharma has noted that the change took a little longer in the North. During the 1812-14 North Indian famine the administration prohibited grain exports, but there was some protest from dissenting officers who favoured *laissez-faire*.³⁶ Only by the 1817 scarcity did the British

³⁰ Ambirajan, 'Political Economy and Indian Famines', p. 23.

³¹ Munohur Bheorao, Khasnavis and Potnis, no date given, in Etheridge, p. 94; and Rabitoy, 'The Control of Fate and Fortune', pp. 752-3.

³² Ahuja, p. 362.

³³ Ibid, pp. 369-71.

³⁴ No name given, Deputy Broach Cltr, no day given, Oct 1867, in Etheridge, p. 55; and No name given, Deputy Surat Cltr, 30 Aug 1867, in Etheridge, p. 61.

³⁵ Ambirajan, 'Political Economy and Indian Famines', pp. 23-5; and Rabitoy, 'The Control of Fate and Fortune', pp. 737-8.

³⁶ Sharma, *Famine*, pp. 50-1.

administration of North India follow a policy of non-intervention.³⁷ Moreover, the British Government of Bombay reportedly purchased, imported and sold grain in the 1812-13 famine.³⁸

Yet interventionism did stage a temporary comeback in the second half of the nineteenth century. The Bengal and Orissa famine of 1866 took the lives of 1.5 million people. The Bengal Government intervened late in the famine. Currie has found that the Commissioners running the subsequent enquiry recommended interventionist measures in the future because free market forces had failed to avert a demographic disaster.³⁹ In the Bengal and Bihar famine that followed in 1873-4 the Bengal Government accordingly intervened in the market, which Currie has argued was effective in saving many lives. Yet it was later viewed by the Government of India as an expensive ‘philanthropic extravaganza’ to be avoided in future famines.⁴⁰ Hall-Matthews has noted that when the Madras Government intervened in the 1876 famine, the Supreme Government disapproved and sent Sir Richard Temple to cut expenses.⁴¹ Thus official policy reverted back to *laissez-faire* in the mid-1870s.

Non-interventionist theory and the grain trade.

As has been mentioned the British administration first began adhering to the dictates of *laissez-faire* during the 1806-7 Madras famine.⁴² Ambirajan has noted that dissenters against the new dominant school of the Madras administration were forbidden to intervene in the famine.⁴³ He has also noted that the Bombay Government first took a non-interventionist line toward the grain trade during the 1812-13 famine, and rejected recommendations to the contrary from dissenting

³⁷ Ibid, pp. 53-8.

³⁸ Mr. Sheppard, Act Ahmedabad Cltr, 11 Sep 1867, in Etheridge, p. 38; and Mr. Borradaile, Act Ahmedabad Cltr, 29 Feb 1868, in Etheridge, p. 42; and J. A. Grant, Sec to Govt, to Surat Cltr, 14 Jul 1803, in Etheridge, pp. 67-8.

³⁹ Report of the Commissioners Appointed to Enquire into the Famine in Bengal and Orissa, No. 6, 19 Dec. 1866, cited in Currie, ‘British Colonial Policy’, p. 31.

⁴⁰ J. Grant, *History of India*, Vol. II, London: Cassell & Co., nd, cited in Currie, ‘British Colonial Policy’, p. 31.

⁴¹ David Hall-Matthews, ‘Colonial ideologies of the market and famine policy in Ahmednagar district, Bombay Presidency, c. 1870-1884’, *Indian Economic and Social History Review*, vol. 39, no. 3, Jul-Sep, 1999, p. 327.

⁴² Ambirajan, ‘Political Economy and Indian Famines’, pp. 23-5.

⁴³ Ibid, p. 25.

officials.⁴⁴ Historians of Indian famines initially dated this shift to non-interventionism too late. Bhatia, for instance, has argued that *laissez-faire* began influencing British Indian policy only between 1835 and 1860.⁴⁵ Rabitoy, however, has correctly stated that the Bombay administration first made the shift to non-interventionism decades earlier in the 1812-13 famine.⁴⁶ Sharma, too, has found that non-interventionist ideology gradually gained ground in the British administrative circles of North India in the last years of the eighteenth century, and became dominant, but never completely supplanted interventionism, by the early nineteenth century.⁴⁷

Between 1806 and 1866 the British governments of India typically avoided intervention in the grain trade. Interventionism was dabbled with briefly in the 1866 Orissa famine and the 1873-4 Bengal and Bihar famine. But as it has been shown, the British Indian administration reverted to non-interventionism by the 1876-8 India-wide famine.⁴⁸ As Ambirajan has observed, the administration largely adhered to the dictates of *laissez-faire* for the following forty years.⁴⁹ Thus, for most of the nineteenth century the British rulers of India embraced the dictates of *laissez-faire*.

Non-interventionist governments were observers of the grain trade rather than active players. They believed that high grain prices were strictly the result of a reduced supply of grain brought about by drought.⁵⁰ To non-interventionist governments, the symptoms of scarcity were also the cure – high grain prices would induce merchants to import grain into districts suffering from scarcity, which would drop the prices to more affordable levels. Thus no remedial action was required. In fact, they believed that the interventionist measure of fixing prices at an affordable level would only aggravate the causes of suffering by removing the incentive for grain dealers to import grain and thereby reduce the overall supply.⁵¹ Similarly, prohibiting the export

⁴⁴ Ibid, p. 26.

⁴⁵ B. M. Bhatia, *Famines in India*, New York: Asia Publishing House, 1963, p. 15, cited in Rabitoy, 'The Control of Fate and Fortune', p. 752.

⁴⁶ Rabitoy, 'The Control of Fate and Fortune', pp. 737-8.

⁴⁷ Sharma, *Famine*, p. 37.

⁴⁸ Kate Currie, 'Famines in 19th Century Indian History: A Materialist Alternative to Ecological Reductionism', *Journal of Contemporary Asia*, vol. 16, no. 4, 1986, p. 483.

⁴⁹ Ambirajan, 'Political Economy and Indian Famines', pp. 27-8.

⁵⁰ Sharma, *Famine*, pp. 55-6.

⁵¹ Ambirajan, 'Political Economy and Indian Famines', p. 21.

of grain would only serve to prevent grain dealers from conducting their very important business of exporting grain from areas of relative abundance and importing into areas of relative scarcity. Likewise, the government purchase and distribution of grain amongst the public at affordable prices would only serve to scare the grain dealers out of the market. As individuals they could not compete with government, yet collectively they were far more able to supply the people's need for grain.⁵² Hence non-interventionists believed that interventionist governments were often to blame for the occurrence of famines.⁵³ They believed that removing all restrictions on grain dealers and refraining from all interference in the grain trade were the only means of mitigating, but never entirely removing, the suffering caused by drought. This was the non-interventionists' version of humanitarianism.

The rise of non-interventionism in India originated in Britain. *Laissez-faire* formed a key component of the rising reform movement. The reformers, who comprised free-traders, evangelicals and utilitarians, exerted their influence over the Company in several ways to drive broad social and economic reforms in India. In the renewal of the Company's charter in 1813, the evangelicals had gained access to India for their missionaries and the free-traders had removed the Company's monopoly over all but the China tea trade. Yet it was from 1818 that the reform movement in Britain gained momentum.⁵⁴ The evangelicals and free-traders were directly opposed to the Company's stance of preserving Indian customs and institutions. They combined to demand further social and economic concessions from the Company's operations in India, and insisted that India's people be further assimilated into the religion and commerce of the British Empire.⁵⁵ This bond between the free-traders and evangelicals in Britain cemented in the early 1820s, and was best represented by the second generation of the Clapham group and the younger Charles Grant who ultimately framed the Bill that removed the Company's commercial functions in 1833.⁵⁶ The utilitarians, such as Bentham and James Mill, allied themselves with the reform movement on the basis that free trade and inexpensive and efficient

⁵² John Stuart Mill, *Principles of Political Economy*, ed. W. J. Ashley, London, 1909, p. 709, cited in *ibid*, p. 22.

⁵³ Salim Rashid, 'The Policy of Laissez-Faire During Scarcities', *Economic Journal*, vol. 90, no. 359, 1980, p. 494.

⁵⁴ Stokes, *The English Utilitarians and India*, p. xiv.

⁵⁵ *Ibid*, pp. 37-40.

⁵⁶ *Ibid*, p. 40.

government was desirable for India's development, and that Indian society could best be elevated in the ranks of civilization through the Anglicisation of its laws.⁵⁷

The influence of the reform movement on the Bombay administration's policy toward the grain trade will be considered in this section. The Bombay Government's shift to non-interventionism took place in the 1812-13 famine, which coincided with the reformers' free-trade success in the removal of the Company's monopoly in 1813. The fates of the reform movement and non-interventionism in India were not, however, inextricably bound. Metcalf has argued that while the reform movement continued to an extent, it had lost much of its optimism and momentum by the mid-nineteenth century.⁵⁸ Non-intervention in the grain trade, on the other hand, continued to be a mainstay of British drought policy in India going into the twentieth century.⁵⁹ The *laissez-faire* ideologues of the reform movement were, however, responsible for initiating much of the change in government drought policy in the early 1800s.

Adam Smith was not himself a reformer. Yet the writings in his *Wealth of Nations* came to be a foundation of the movement. Hall-Matthews has concurred with Ambirajan's observation that throughout the nineteenth century official famine policy documents almost always referred to the ideas of Smith.⁶⁰ Smith's writings, as they related specifically to the grain trade during drought, disempowered interventionists who believed that they could prevent a famine with government policy. He wrote that 'a real scarcity cannot be remedied', it can only be 'palliated'. Government interference in the grain dealers' business would only reduce the supply of grain brought to market. Only the 'unlimited, unrestrained freedom' of the grain trade could reduce, but not entirely prevent, 'the miseries of a famine'.⁶¹ Rabitoy has found that during the 1812-13 famine the Bombay Government quoted from Smith to justify its non-interventionist policies.⁶² The grain dealer who was unshackled and allowed to

⁵⁷ Ibid, pp. 52, 56.

⁵⁸ Thomas R. Metcalf, *Ideologies of the Raj*, New Cambridge History of India, vol. 3, no. 4, Cambridge, New York: Cambridge University Press, 1994, pp. 42-3.

⁵⁹ Ambirajan, 'Political Economy and Indian Famines', pp. 27-8.

⁶⁰ Srinivasa Ambirajan, *Classical Political Economy and British Policy in India*, Cambridge, 1978, p. 100, cited in Hall-Matthews, 'Colonial ideologies', p. 327.

⁶¹ Adam Smith, *An Enquiry into the Nature and Causes of the Wealth of Nations*, New York: Modern Library Edition, 1937, p. 493, cited in Ambirajan, 'Political Economy and Indian Famines', p. 21.

⁶² Rabitoy, 'The Control of Fate and Fortune', p. 759,

pursue the highest grain prices and his own self-interest was now considered the people's best bet.

The shift towards *laissez-faire* ideology in Britain was driven by more than the ideas of one man. The concept of *laissez-faire* was first championed by the French intellectual school of the Physiocrats in the mid eighteenth century.⁶³ By 1800 the new doctrine had become generally accepted by the young and the intelligentsia of Britain.⁶⁴ Moreover, free-trade ideology soon found favour with the politically dominant class.⁶⁵ These ideas found expression in India as the Company replenished its ranks of retired civil servants with individuals from the 'new' Britain.

But Smith's warning against intervention in the grain trade found several specific conduits from Britain across the seas to the British administration in India. Firstly, the British Indian administrators could simply read Smith's *Wealth of Nations*, which was published in 1776. Ambirajan has noted that several significant British Indian rulers, such as Elphinstone, Ellenborough, Lytton, Bentinck and Ripon, noted having read Smith or utilitarian advocates of *laissez-faire* like Mill and Ricardo.⁶⁶ Admittedly, none of these administrators governed India as early as the 1812-13 famine when the shift to non-interventionism in the Bombay administration took place. Yet Rabitoy has argued that Governor Evan Nepean, who drove the non-interventionist policies of the Bombay Government during that famine, had been 'introduced to and convinced by *The Wealth of Nations*'.⁶⁷

Secondly, Smith's ideas were taken up and disseminated by a number of important proponents of reform who held key positions in the Company. In 1806 the Court of Directors instituted Haileybury College in Hertfordshire as the Company's training ground for the young British men aspiring for posts in the Indian civil service. Thus, from 1806 every lad who wished to join the Company's service was required to spend

⁶³ John Kenneth Galbraith, *A History of Economics: The Past as the Present*, London: Hamish Hamilton, 1987, p. 51.

⁶⁴ S. Ambirajan, 'Laissez-faire in Madras', *Indian Economic and Social History Review*, vol. 2, no. 3, 1965, p. 238.

⁶⁵ Srinivasa Ambirajan, 'Economic Ideas and Economic Policy in British India', *Indian Economic Journal*, vol. 15, no. 2, Oct-Dec, 1967, p. 191.

⁶⁶ *Ibid*, p. 201.

⁶⁷ Rabitoy, 'The Control of Fate and Fortune', p. 756.

three years at Haileybury. The first individual to fill the post of Professor of Political Economy and History between 1806 and 1834 was Thomas R. Malthus. His successor was another well known economist in Richard Jones. Both Malthus and Jones based their lectures predominantly on Smith in a wide range of economic concerns, such as production, distribution, exchange, taxation and tenure, money and credit.⁶⁸ Thus the young civil servants joining the Company's employ in the early nineteenth century had a thorough grounding in Smithian economics.

Non-interventionist ideology in general found another conduit to India through the office of the examiners. The examiners, as Stokes has argued, were 'at the very centre of power and in a position to carry into practice' their ideas on the policies they considered most suitable for India.⁶⁹ In 1819 the utilitarian James Mill entered the executive office of the Company in London, followed closely in 1823 by his son, the somewhat less devout utilitarian, John Stuart Mill. Mill the elder took the position of Assistant Examiner in 1819, and rose to Chief Examiner in 1830. His son became an Assistant Examiner himself in 1828, and Examiner in 1856. Ambirajan has argued that the examiners often issued non-interventionist instructions to the governments of India.⁷⁰ John Stuart Mill warned against the potential of government intervention to scare off the essential grain dealers, for 'though a government can do more than any one merchant, it cannot do nearly as much as all merchants'.⁷¹ Both the Mills were students of the grandfather of utilitarianism, Jeremy Bentham, who was an advocate of reform in several areas including the issue of free-trade. He recommended government non-interference in all but severe scarcities.⁷² In 1814 James Mill described himself as more 'thoroughly of the same way of thinking' as Bentham than most people were aware.⁷³ John Stuart Mill followed Bentham's lead in shying away from the full application of *laissez-faire* principles during extreme scarcities.⁷⁴ Yet both Mills certainly preached non-intervention to the governments of India. The office

⁶⁸ Ambirajan, 'Economic Ideas and Economic Policy', pp. 202-3.

⁶⁹ Stokes, *The English Utilitarians and India*, pp. 48-50.

⁷⁰ Ambirajan, 'Political Economy and Indian Famines', p. 22.

⁷¹ Mill, *Principles of Political Economy*, p. 709, cited in *ibid*, p. 22.

⁷² Currie, 'British Colonial Policy', p. 25; see also Mike Davis, *Late Victorian Holocausts: El Nino famines and the making of the third world*, London, New York: Verso, 2001, p. 31.

⁷³ James Mill to Bentham, 19 Sept 1814, *Correspondence of Jeremy Bentham*, VIII, p. 417, cited in Stephen Conway, 'Bentham and the nineteenth-century revolution in government', in Richard Bellamy, (ed.), *Victorian Liberalism: nineteenth-century political thought and practice*, London and New York: Routledge, 1990, p. 83.

⁷⁴ Davis, p. 31.

of the examiner was undoubtedly a means by which *laissez-faire* ideology entered the drought policy of the governments of India.

Yet perhaps too much emphasis can be placed on the control London had over Bombay's policies. Lawson has argued that the British Indian Army effectively ran the Company's operations in India and was beyond the control of the British Parliament and the Court of Directors in London. He has argued that the army was able to maintain this independence until the Crown dissolved the Company and assumed control over Indian affairs in 1857.⁷⁵ However, while Lawson has stressed the difficulty London had in controlling the Company's administrators in India, he has also argued that the influence of London was 'profound'. London, for instance, had the power to recall any Governor-General that ignored its instructions.⁷⁶ A similar power existed over the Bombay Council. Bombay could not afford to ignore the increasingly non-interventionist instructions it received from the office of the examiner in London.

The specific influence of Smith's writings on British Indian famine policy is evident in a communication from the Madras Government in August 1824. With both the Madras and Bombay Presidencies in the throes of drought, it informed the Bombay administration that the public and even some officials often mistakenly believed that governments had 'more efficacious means' for relieving scarcity 'than they actually possess'. Madras argued that this 'erroneous idea' encouraged government intervention in the grain trade and often made matters worse. It then directly borrowed Smith's language of remedies and palliatives in warning Bombay against intervention. It stated that 'there is no complete remedy for scarcity', and 'its chief palliatives spring from the hardships incident to it'. It reiterated Smith's argument that interfering in this process would 'run much risk of aggravating the actual and unavoidable distress'.⁷⁷ It was as if Smith was writing from Madras himself.

⁷⁵ Philip Lawson, *The East India Company: A History*, New York: Longman, 1993, pp. 128, 132-3.

⁷⁶ *Ibid*, p. 300.

⁷⁷ D. Hill, Chief Sec to Madras Govt, to Bombay Council, 31 Aug 1824, BGP, 29 Sep 1824, pp. 5272-3, APAC.

Laissez-faire in western India, 1818-39.

During the droughts of the 1820s and 1830s the Bombay Government was officially non-interventionist. The Bombay Councils of 1823-5, 1831-5 and 1838-9 were steadfast in refusing to allow their subordinates to intervene in the grain trade. The Council of 1824 stated that ‘any interference with the prices would prevent traders from bringing their Grain to Bombay’.⁷⁸ It then instructed all its Collectors to refrain from ‘all interference with the freedom’ of the grain market and ‘a free transit of grain throughout the Country’.⁷⁹ The 1831-5 Council also refused to allow any government interference in the grain trade.⁸⁰ It approved of a subordinate’s efforts to uphold ‘the system of free trade in grain, which ought never to be interrupted by interference on the part of Government’.⁸¹ Governor FitzGibbon, the Second Earl of Clare, announced in 1832 that he considered the prospect of price fixing to be ‘very unwise’.⁸² Similarly, the 1838-9 Council strictly enforced non-interventionism amongst its subordinates.⁸³ It approved of and circulated the Famine Committee’s recommendation that ‘the Collectors of land revenue be everywhere enjoined to permit no interference with the utmost freedom in the trade in grain in their several districts’.⁸⁴ The Bombay Councils that sat during the main droughts of the 1820s and 1830s did not waiver in their ideological convictions.

This is not to say, however, that individual Council members did not have their hesitations. Of all the individuals who sat as members of Council during times of drought in the 1820s and 1830s, Mountstuart Elphinstone was perhaps the least receptive to drastic changes in the manner of rule in western India. Traditionally, the governments of India had intervened in the grain trade during drought. Elphinstone, an aristocratic intellectual of shy disposition, was the Governor of Bombay between

⁷⁸ J. Farish, Sec to Govt, to Petitioners, 29 Sep 1824, BGP, 29 Sep 1824, p. 5440, APAC.

⁷⁹ J. Farish, Sec to Govt, Circular to all Cltrs, 30 Sep 1824, BGP, 6 Oct 1824, pp. 5504-5, APAC.

⁸⁰ L. R. Reid, Sec to Govt, to Rev Cmr, 22 Dec 1832, BRP, 31 Dec 1832, No. 6817, APAC; and C. Norris, Chief Sec in Attendance with the Right Hon’ble Governor, to Hyderabad Resident, 12 Dec 1832, BRP, 31 Dec 1832, No. 6813, APAC.

⁸¹ Minute by J. Sutherland, Council Member, 4 Nov 1832, BRP, 21 Nov 1832, No. 6180, APAC.

⁸² Minute by Clare, Bombay Governor, 19 Nov 1832, BRP, 5 Dec 1832, No. 6523, APAC.

⁸³ W. S. Boyd, Act Sec to Govt, Circular to all Cltrs, 20 Sep 1838, BGP, 21 Nov 1838, No. 116, APAC.

⁸⁴ Famine Cmte, to Act Sec to Govt, 10 Nov 1838, BGP, 21 Nov 1838, No. 113, APAC.

1819 and 1827.⁸⁵ He joined the Company's service in 1795 and hence did not receive reformist tutelage at Haileybury, which had yet to be established. Before accepting his Governorship in 1819 he had gained considerable high-ranking experience in India in the areas of diplomacy and the military.⁸⁶ Reform in India, Elphinstone believed, should be a gradual affair with the goal of reviving the most desirable aspects of Indian culture and institutions.⁸⁷ Thus Elphinstone was more a lingering member of the Romantic school which had passed its heyday by the reformist-dominated 1820s.⁸⁸ As such, he was not the type to accept the incursion of non-interventionist ideology from Britain without question. Yet Elphinstone was wading against the tide. As Varma has noted he became increasingly frustrated since 1823 as his policies found less and less approval in Bombay and London.⁸⁹ The words that Elphinstone's successor, Sir John Malcolm, used to describe himself were perhaps equally applicable to Elphinstone. He wrote in 1830, 'I am not a new era man'.⁹⁰ When high grain prices and drought afflicted western India in mid-1824, Elphinstone proposed the interventionist relief measure of subsidising the importation of grain into Bombay from other parts of India.⁹¹ It was not well received.

Elphinstone's main opponent at the Council was Francis Warden. As Ballhatchet has argued, Warden was most certainly a 'new era man' in terms of his outlook and convictions. He, too, had missed Haileybury training as he joined the Company's payroll in 1793.⁹² Yet he was Anglocentric to the bone and wanted to introduce rapid Western reforms to India.⁹³ Unlike Elphinstone Warden had no interest in, and little contact with, Indian culture. He had served his entire career exclusively in Bombay

⁸⁵ Kenneth Ballhatchet, *Social policy and social change in Western India, 1817-1830*, London: Oxford University Press, 1957, p. 292; and S. Varma, *Mountstuart Elphinstone in Maharashtra, 1801-1827. A Study of the Territories Conquered from the Peshwas*, Calcutta: K P Bagchi, 1981, pp. 181, 268.

⁸⁶ C. E. Buckland, *Dictionary of Indian Biography*, London: Swan Sonnenschein, 1906, pp. 137-8.

⁸⁷ Ravinder Kumar, *Western India in the nineteenth century: a study in the social history of Maharashtra*, London: Routledge & K. Paul, 1968, pp. 46-7.

⁸⁸ Stokes, *The English Utilitarians and India*, pp. 8, 19.

⁸⁹ Varma, p. 262.

⁹⁰ Malcolm to Sir S. Beckwith, 21.1.1830, Home Miscellaneous Series, p. 794 f., cited in Ballhatchet, p. 292.

⁹¹ Draft Proclamation circulated by the Sec to Govt, 30 Sep 1824, BGP, 27 Oct 1824, pp. 6100-1, APAC; and Minute by M. Elphinstone, Bombay Governor, 27 Oct 1824, BGP, 27 Oct 1824, p. 6105, APAC.

⁹² *The East India Register and Directory for 1821*, A. W. Mason, G. Owen and G. H. Brown (eds.), 2nd edn., London, 1821, p. 281.

⁹³ Ballhatchet, p. 295.

city and had never accepted a post in the districts.⁹⁴ He became chief Secretary to the Bombay Council in 1811.⁹⁵ He thus had considerable experience in the workings of government in Bombay by the time Elphinstone became Governor in 1819. Warden joined the Council as a fully fledged member in 1823.⁹⁶ This, perhaps not surprisingly, was the year in which Elphinstone complained of an increased difficulty in pushing through his policies. Warden was a devout convert to non-interventionism. As Rabbitoy has noted, Warden was the architect of the Government memorandum that forbade any intervention in the grain trade during the Bombay famine of 1812-13.⁹⁷

When Elphinstone recommended grain import subsidies as a relief measure in 1824, Warden protested strongly. He stated, ‘I have not the slightest confidence in the ... proposed bounty’. He argued that ‘the bounty will neither create a more abundant supply nor lower the price to the consumer’, but would rather go directly into the pocket of the grain dealers. He cautioned Elphinstone that the cost of his proposed bounty would amount to Rs. 100,000 if 100,000 bags of rice were imported. Like a good *laissez-faire* ideologue, Warden argued that a sufficient amount of rice would be imported purely by ‘the powerful encouragement naturally arising out of a scarcity price’.⁹⁸

Warden’s arguments were well heeded by his fellow Council member, Richard Thomas Goodwin. Goodwin joined the Company’s service in 1795 and rose to join the Council in 1823.⁹⁹ He stated that he was ‘not satisfied that such a measure will at all lessen the price of grain in market’ and recommended that the issue ‘be left for further consideration’.¹⁰⁰ This effectively blocked Elphinstone’s proposal. Elphinstone responded: ‘I must confess I think there is a great deal of truth in Mr. Warden’s anticipations’. Yet being of the Romantic ilk, Elphinstone believed that

⁹⁴ Ibid, p. 139.

⁹⁵ *The East India Register and Directory for 1811*, John Mathison and Alexander Way Mason, (eds.), 2nd edn., London, 1811, p. 256.

⁹⁶ Ballhatchet, pp. 200-1.

⁹⁷ Rabbitoy, ‘The Control of Fate and Fortune’, p. 759, n. 100,

⁹⁸ Minute by F. Warden, Bombay Council Member, 27 Oct 1824, BGP, 27 Oct 1824, pp. 6101-2, APAC.

⁹⁹ Ballhatchet, pp. 200-1.

¹⁰⁰ Minute by R. T. Goodwin, Bombay Council Member, 27 Oct 1824, BGP, 27 Oct 1824, p. 6104, APAC.

government should be more experiential than theoretical in approach.¹⁰¹ With this conviction he explained that he had been ‘led to propose the measure from the example of Madras (which we had just been informed by that Government was perfectly successful) rather than by any examination of the subject of general principles’. He diffused the conflict by noting that during their correspondence the potential of famine had abated due to a recent rainfall. Yet he asserted that if the threat of famine were to return he would propose an alternative, albeit still interventionist, measure: ‘that Government should guarantee a certain price to all importers of grain’.¹⁰² Warden immediately responded: ‘I still question the policy of the plan suggested by the Governor and am persuaded that a scarcity price constitutes a sufficient stimulus to the import of Grain into Bombay’.¹⁰³ Ultimately, neither of Elphinstone’s interventionist proposals was implemented during the 1823-5 drought. The 1823-5 Council adhered to the dictates of the new ideology.

The Haileybury influence.

Ambirajan has made much of the fact that Malthus taught *laissez-faire* economics at Haileybury College. He argued that it was ‘no wonder to see’ Malthus’ lessons ‘transplanted in the famine policies of India throughout the nineteenth century’.¹⁰⁴ This section will examine the degree to which training at Haileybury College influenced Bombay officials into implementing non-interventionist policies. The Councils that sat during each of the three main droughts of the 1820s and 1830s preached non-interference to their subordinates, amongst whom they found many willing disciples. The training offered at Haileybury almost certainly influenced many young officers before they joined the Bombay civil service. For instance, Robert Boyd had attended Haileybury from 1811.¹⁰⁵ As the Collector of Broach in 1824, he was quick to inform the Council that ‘no interference’ had been ‘allowed in respect of the trade in Grain’ in his district.¹⁰⁶ Similarly, John Burnett attended Haileybury from 1821 to 1823.¹⁰⁷ By 1831, and perhaps earlier, he was assigned as the Assistant

¹⁰¹ Stokes, *The English Utilitarians and India*, p. 23.

¹⁰² Minute by M. Elphinstone, Bombay Governor, 27 Oct 1824, BGP, 27 Oct 1824, pp. 6105-6, APAC.

¹⁰³ Minute by F. Warden, Bombay Council Member, 27 Oct 1824, BGP, 27 Oct 1824, p. 6108, APAC.

¹⁰⁴ Ambirajan, ‘Political Economy and Indian Famines’, p. 22

¹⁰⁵ *The East India Register and Directory for 1811*, p. xxxii.

¹⁰⁶ Robert Boyd, Broach Cltr, to Sec to Govt, 23 Aug 1824, BGP, 15 Sep 1824, p. 5185, APAC.

¹⁰⁷ *The East India Register and Directory for 1821*, p. lxxv.

Superintendent of the revenue survey and assessment in the Deccan.¹⁰⁸ In this position Burnett's immediate superior was the ardent utilitarian R. K. Pringle, who may have been another *laissez-faire* influence regarding the grain trade. By November 1832 Burnett found himself in the midst of severe drought as the Acting Collector in charge of Poona district. He informed the Council that he was 'perfectly aware of the pernicious consequences likely to follow any attempt to interfere in the grain market, in a time of anticipated scarcity'.¹⁰⁹ Likewise, Gregor Grant joined the Company's service in 1820 and therefore received training at Haileybury.¹¹⁰ As the Assistant Judge in Charge in Surat town in 1833, he had received a request from petitioners that he prohibit grain exports from the region as a scarcity-relief measure. He responded by expounding the 'pernicious consequences which would, in all probability result from the wished for prohibition'.¹¹¹

However, by the 1830s virtually all officers in Bombay had received training at Haileybury and yet some of these officers protested against the Council's non-interventionist policies. Thomas Williamson, for instance, joined the Company's service in 1815, and therefore certainly received training at Haileybury.¹¹² Yet despite his training, as Kumar has observed, Williamson was 'an enlightened conservative in the tradition of Elphinstone'. Williamson argued from the Romantic position that there were no policies which 'have proved so successful as those directed at the support and restoration of local institutions, and none so unfortunate as those which have a contrary direction'.¹¹³ Perhaps not surprisingly Williamson was willing to consider interventionist measures in response to drought. He argued in 1832 that if the drought were to worsen in Khandesh district the grain exports should be prohibited. He also observed that the neighbouring Nizam ruler was prohibiting grain exports from his state into British territory. He stated that 'if that measure does not justify retaliation on our part for the protection of our ryots, it would at least add weight to

¹⁰⁸ *The East India Register and Directory for 1831: Bombay*, G. H. Brown and F. Clark (eds.), London, 1831, p. 6.

¹⁰⁹ J. Burnett, Act 1st Asst Poona Cltr in Charge, to Sec to Govt, 8 Nov 1832, BRP, 21 Nov 1832, No. 6178, APAC.

¹¹⁰ *The East India Register and Directory for 1831*, p. 5.

¹¹¹ G. Grant, Asst Snr Surat Judge in Charge, to Sec to Govt, 13 Nov 1833, BRP, 27 Nov 1833, No. 6541, APAC.

¹¹² *The East India Register and Directory for 1821*, p. 283.

¹¹³ T. Williamson, to Govt of Bombay, 30 Jul 1834: Home Department, Revenue Branch, Consultation No. 3, 30 Jul 1834, National Archives of India, cited in Kumar, pp. 112-3.

the other reasons [the] Government might hereafter have for prohibiting exportation'.¹¹⁴ Yet the Council responded that it considered 'any prohibition of the export of grain would be highly inexpedient and impolitic', and that it would urge the Nizam to change his policy.¹¹⁵ Attendance at Haileybury, therefore, did not guarantee devotion to the new ideology.

Moreover, many officers of the early 1820s had no training at Haileybury and yet still proclaimed their support for the non-interventionist cause. By the 1823-5 drought, many of the Collectors of the newly conquered Deccan were ex-army officers who had been appointed by Elphinstone. None of these individuals had received reformist training at Haileybury, and yet many supported their Council's call for non-interventionism. Henry Pottinger, for instance, had joined the army in Bombay in 1806 and soon earned a name for himself as a courageous explorer in his mission through Persia in 1810.¹¹⁶ As the Collector of Ahmednagar, he stated his conviction in 1824 that he was 'very averse' to the 'Government having any thing to do with the purchase and resale at reduced prices' of grain.¹¹⁷ Similarly, Archibald Robertson initially joined the Company's service as a soldier in 1801 and two decades later became a skilled administrator as the Collector of Khandesh.¹¹⁸ Robertson reported in 1824 that 'no interference whatever has taken place with the grain trade here, in any way'. He stated his 'perfect conviction' of 'the evil consequences' that would 'follow such an injudicious line of procedure'.¹¹⁹

William Chaplin, too, had joined the Company's service before the establishment of Haileybury.¹²⁰ He was also appointed by Elphinstone but not from the ranks of the Bombay army. He was rather transferred from Madras, having come highly recommended by Governor Munro who considered him "the fittest person in the Madras Civil Service".¹²¹ Chaplin, too, took a non-interventionist line during the

¹¹⁴ T. Williamson, Rev Cmr, to Sec to Govt, 10 Nov 1832, BRP, 31 Dec 1832, No. 6814, APAC.

¹¹⁵ L. R. Reid, Sec to Govt, to Rev Cmr, 22 Dec 1832, BRP, 31 Dec 1832, No. 6817, APAC.

¹¹⁶ Buckland, *Dictionary of Indian Biography*, p. 341.

¹¹⁷ H. Pottinger, Ahmednagar Cltr, to Deccan Cmr, 24 Sep 1824, BGP, 13 Oct 1824, p. 5780, APAC.

¹¹⁸ Buckland, *Dictionary of Indian Biography*, p. 360; and Ballhatchet, p. 140.

¹¹⁹ A. Robertson, Khandesh Cltr, to Deccan Cmr, 28 Aug 1824, BGP, 15 Sep 1824, pp. 5167-8, APAC.

¹²⁰ *The East India Register and Directory for 1811*, p. 161.

¹²¹ Munro to M.E., 26.4.1818, in G. R. Gleig, *The Life of Major-General Sir Thomas Munro, Bart. and K.C.B., Late Governor of Madras, with Extracts from his Correspondence and Private Papers*, 3 vols., London, 1830, vol. iii, p. 250, cited in Ballhatchet, pp. 15-6.

1823-5 drought. In 1824 he reminded a Collector that government interference in the grain trade would ‘disturb the usual course of competition’ and ‘deter’ grain dealers. The market should therefore ‘be left to itself’.¹²²

Ambirajan was right to argue that Haileybury influenced many young officers in favour of non-interventionism. Yet attendance at the College was evidently not the only factor in determining whether the district officials willingly supported their Council’s non-interventionist instructions. *Laissez-faire*, as mentioned, had become widely accepted in British society by 1800.¹²³ Thus, whether they attended Haileybury or not, many of Bombay’s officials were exposed to non-interventionist thinking before leaving home for India. Once in India, interaction with other officials of the administration no doubt contributed to a general consensus in favour of *laissez-faire*.

The career influence.

There is a further explanation for why most Bombay officials supported their Council’s refusal to intervene in the grain trade during the 1823-5 drought – they wished to preserve and promote their careers. As Rabitoy has noted, the drive for promotion was the one fundamental restriction on the actions of the district officials.¹²⁴

The fate of Thomas Keate served as an example to all officials who disagreed with their Council on the issue of non-intervention in the grain trade during drought. The Kaira district Judge made a one-man stand for intervention during the 1812-13 Bombay famine, and entered into considerable debate with the Bombay Council on the matter. For several years he continued to resist the orders of his superiors that he found unpalatable, until he was finally demoted in 1819.¹²⁵ Thus, many officers serving in the Bombay administration by the 1823-5 drought would have observed the lesson of Keate’s demotion. By 1824 most district officials, it seems, already felt that *laissez-faire* sat well with their personal convictions. But for those who found non-

¹²² W. Chaplin, Deccan Cmr, to Khandesh Cltr, 7 Oct 1824, BRP, 3 Nov 1824, pp. 6996-7, APAC.

¹²³ Ambirajan, ‘Laissez-faire in Madras’, p. 238.

¹²⁴ Rabitoy, ‘System v. Expediency’, p. 545.

¹²⁵ Rabitoy, ‘The Control of Fate and Fortune’, pp. 758-60, 762.

interventionism disagreeable there was the added pressure to conform to the wishes of their superiors.

Yet some officials did question their superiors' new principles. James DeVitre joined the service of the Company in 1806.¹²⁶ It is uncertain whether he attended Haileybury. As an officer in the Bombay administration in 1824 he recommended a mixture of non-interventionist and interventionist policies to combat the prevailing scarcity in his district. He proposed the removal of import duties on grain and 'an additional export duty'. He also suggested that the local Collector 'buy up all the grain' he could obtain to protect the people from the speculation of grain merchants.¹²⁷ The Council rejected his recommendations on all counts.¹²⁸ The Government typically charged a duty on the import of grain into any of its districts as a source of customs revenue in normal years. This policy constituted an ongoing intervention in the grain trade. Thus, the following month DeVitre sent another letter to the Council, but this time only requesting permission to temporarily remove the grain import duties as a relief measure.¹²⁹ The Council accepted DeVitre's non-interventionist recommendation and authorised the district Collector 'to dispense with the import duties on Grain'.¹³⁰ Thus, DeVitre had swiftly learned to recommend only non-interventionist policies to the Council. Interestingly, DeVitre's position was that of the Kaira district Judge. His predecessor was therefore the demoted maverick Thomas Keate. Admittedly, DeVitre was unlikely to have been posted in Kaira at the time of Keate's demotion in 1819. In 1821 DeVitre was serving as the Collector of Bombay, and hence he only assumed the position of Kaira Judge sometime thereafter.¹³¹ Yet he, perhaps more than most, should have known the fate that awaited dissenters in the Bombay administration. Regardless, DeVitre was sensible enough to know how to foster his career. He quickly retracted his interventionist recommendations and toed the Council's line.

¹²⁶ *The East India Register and Directory for 1821*, p. 282.

¹²⁷ J. D. DeVitre, Kaira Judge, to Sec to Govt, 20 Jul 1824, BGP, 4 Aug 1824, p. 4229, APAC.

¹²⁸ J. Farish, Sec to Govt, to J. D. DeVitre, Kaira Judge, 31 Jul 1824, BGP, 4 Aug 1824, pp. 4233-4, APAC.

¹²⁹ J. D. DeVitre, Kaira Judge, to Sec to Govt, 16 Aug 1824, BGP, 1 Sep 1824, pp. 4792-3, APAC.

¹³⁰ J. Farish, Sec to Govt, to Act Kaira Cltr, 27 Aug 1824, BGP, 1 Sep 1824, p. 4794, APAC.

¹³¹ *The East India Register and Directory for 1821*, p. 282.

The fiscal influence.

The Council's readier conversion to the new ideology, relative to that of its subordinates, may have been due to its greater administrative proximity to the executive pressures coming from Calcutta and London. This may have been so for two reasons. Firstly, Bombay came under pressure specifically to adhere to non-interventionist policies. The influence of James Mill on Company policy through his position at the office of the examiner has already been described. Increasingly, correspondence from London included instruction, in Kumar's words, on 'the virtues of the new political economy of Ricardo and Smith'.¹³²

Secondly, Bombay came under pressure from Calcutta and London to cut costs, which may have been an indirect pressure toward non-interventionist policies. Bombay was consistently a deficit Presidency – each year between 1818 and 1840 it cost the Company money.¹³³ Cutting costs became a preferred remedy. Elphinstone was initially reluctant to accept his posting at Bombay because he considered the administration to be 'narrow and greedy'.¹³⁴ Governor General Lord Hastings complained from Calcutta that Elphinstone's settlement of the newly conquered territories in 1818 was too generous. Hastings instructed him to make some financial improvements 'both speedy and considerable, for the court will never tolerate such a prospect and ... I should incur merited reprobation were I to acquiesce in it'.¹³⁵ Elphinstone assured Calcutta that he would cut costs.¹³⁶ Calcutta, in turn, was receiving pressure from London to improve the Company's finances in India. In 1824 the issue of town duties spurred the Court to instruct Calcutta to 'abstain from carrying into effect ... any important measures tending either to diminish our

¹³² Kumar, pp. 87-8.

¹³³ East India Budget for 1818/9-1819/20-1820/1, L/AG/11/1/4, pp. 14-5, 19, APAC; and East India Budget for 1821/2-1822/3-1823/4, L/AG/11/1/4, pp. 14-5, 19, APAC; and East India Budget for 1824/5-1825/6, in PP, V/4/Session 1828 Vol. 23, p. 19, APAC; and East India Budget for 1826/7-1827/8, in PP, V/4/Session 1831 Vol. 19, pp. 14-5, 19, APAC; and East India Budget for 1829/30-1830/1-1831/2, L/AG/11/1/5 [which also gives figures for 1828/9], pp. 12-3, APAC; and East India Budget for 1832/3-1833/4-1834/5, L/AG/11/1/5, pp. 16-7, APAC; and East India Budget for 1835/6-1836/7-1837/8, L/AG/11/1/5, pp. 14-5, APAC; and East India Budget for 1838/9-1839/40-1840/1, L/AG/11/1/5, pp. 22-3, APAC.

¹³⁴ Mountstuart Elphinstone to J. Adam, 15 Aug 1818, The Mountstuart Elphinstone Papers, cited in Ballhatchet, p. 138.

¹³⁵ Hastings to Elphinstone, 13 May 1820, European Manuscripts, F88, Box 7E, vol. 8, APAC, cited in Varma, pp. 181-2.

¹³⁶ Elphinstone to Metcalfe, 17 Jun 1820, Hak Files. English Rulam No. 33 File No. 7, cited in *ibid*, p. 137.

resources or to augment our expenditure, and we must also add that any failure in future with compliance ... will call forth our severe displeasure'.¹³⁷ The Councils of Bombay and Calcutta were therefore pressured to reduce their expenditure.

Some historians have argued that the governments of India pursued non-interventionist measures to cut costs. Hall-Matthews has agreed with Bhatia's conclusion that *laissez-faire* ideology was used to justify the unwillingness of the governments of India to shoulder the costly financial burden of intervening in the famines of the late nineteenth century.¹³⁸ Rabitoy, too, has paid some credence to the argument that the governments of India followed non-interventionist measures to reduce costs.¹³⁹ Indeed, it has already been noted that the Government of India's commitment to *laissez-faire* in the 1870s was strengthened by what it saw as the costly 'philanthropic extravaganza' of the Bengal Government's interventions during the 1873-4 famine.¹⁴⁰ Furthermore, part of Warden's argument against the interventionist measures proposed by Elphinstone in 1824 was the likely cost involved.¹⁴¹ Non-intervention was therefore often perceived as the cheaper option, and the Bombay Council members were administratively closer than their subordinates to Calcutta's and London's demands for increased profitability.

However, Hastings' pressure on the Bombay administration to cut its costs in the early 1820s, it has been shown, was placed first and foremost on Elphinstone's shoulders and not his fellow Council members. Yet of all the members of Council throughout the 1820s and 1830s it was only Elphinstone who recommended costly interventionist measures in 1824. Moreover, there were numerous alternatives to grain trade policy open to Elphinstone in reducing the expenditure incurred by his Presidency. Granted, both Governor FitzGibbon and Farish, who presided during the subsequent droughts of the 1830s, did adhere to the dictates of *laissez-faire*.¹⁴² Still,

¹³⁷ Extract from letter from Court of Directors, to Govt of India, 24 Feb 1824, BRP, 14 Aug 1839, No. 5169, APAC.

¹³⁸ Hall-Matthews, 'Colonial ideologies', pp. 327, 332-3.

¹³⁹ Rabitoy, 'The Control of Fate and Fortune', pp. 762-3.

¹⁴⁰ J. Grant, *History of India*, Vol. II, London: Cassell & Co., nd, cited in Currie, 'British Colonial Policy', p. 31.

¹⁴¹ Minute by F. Warden, Bombay Council Member, 27 Oct 1824, BGP, 27 Oct 1824, p. 6102, APAC.

¹⁴² For FitzGibbon's statement in favour of *laissez-faire*, see Minute by Clare, Bombay Governor, 19 Nov 1832, BRP, 5 Dec 1832, No. 6523, APAC. Farish was the interim Governor between the death of Governor Grant in July 1838 and the appointment of Governor Rivett-Carnac in December 1838.

Elphinstone's example shows that non-interventionism was not necessarily followed by all those who wished to cut costs.

Furthermore, some forms of intervention offered a financial return. The grain import bounties that Elphinstone recommended would certainly have come at a cost to the Government. Yet governments sometimes stood to gain from buying and selling grain on the market, particularly from the heightened prices of drought. Rabitoy has tempered Bhatia's argument with the observation that the Bombay Government benefited financially from its sale of grain during the 1803-4 famine.¹⁴³ This phenomenon was not new. Habib has noted that the Mughal government gained handsomely from grain sales in the Deccan during the 1630-2 famine.¹⁴⁴ Moreover, Ahuja has argued that the Madras Government of the late eighteenth century intervened to protect its long-term revenues by reducing migration and mortality.¹⁴⁵ Thus interventionist measures could also be profitable to government.

But these instances of administrators intervening with the intention of benefiting the state coffers came before the rise to prominence of *laissez-faire* ideology in India. The same intentions of protecting the Company's finances brought forth differing policies in the new ideological context of the 1820s and 1830s. In such a context, relief measures like buying grain to be sold at a cheaper price were naturally seen as 'philanthropic extravaganzas'. Hence, for instance, the Bombay Council of 1824 swiftly rejected DeVitre's recommendation that the Government 'buy up all the grain' and sell it at a more affordable price.¹⁴⁶ To those who believed in *laissez-faire*, the most cost-effective response in the long run was not to intervene.

However, it must also be noted that the pressures faced by the Council to cut costs were passed down to their subordinates. Guha has noted that the district officials of

Farish was in the chair when his Acting Secretary announced the Council's adherence to *laissez-faire* principles regarding the grain trade. See Minute by Council, 11 Jul 1838, BGP, 11 Jul 1838, No. 1, APAC; Notification by W. S. Boyd, Act Sec to Govt, 20 Feb 1839, BGP, 20 Feb 1839, No. 162, APAC; and W. S. Boyd, Act Sec to Govt, Circular to all Cltrs, 20 Sep 1838, BGP, 21 Nov 1838, No. 116, APAC.

¹⁴³ Rabitoy, 'The Control of Fate and Fortune', pp. 762-3.

¹⁴⁴ Irfan Habib, *The Agrarian System of Mughal India, 1556-1707*, Delhi: Oxford University Press, 2nd edn., 1999, p. 116.

¹⁴⁵ Ahuja, p. 379, see also pp. 364-6.

¹⁴⁶ J. D. DeVitre, Kaira Judge, to Sec to Govt, 20 Jul 1824, BGP, 4 Aug 1824, p. 4229, APAC; and J. Farish, Sec to Govt, to J. D. DeVitre, Kaira Judge, 31 Jul 1824, BGP, 4 Aug 1824, pp. 4233-4, APAC.

Bombay Presidency were pressured in this way in the early years of British rule.¹⁴⁷ Similarly, Rabitoy has argued that the maximisation of the revenue was the administration's primary goal, and that a Collector's future hinged on his ability to do so without inciting unrest.¹⁴⁸ Thus the similar financial pressure at both the Council and district level does not provide an explanation for the Councils' ready acceptance of the new ideology and the more mixed response of its subordinates.

It must therefore be argued that the Council had already largely accepted *laissez-faire* ideology, and that the pressure to cut costs merely added to its already strongly held conviction that non-interventionist policies were the best response to drought. Thus the pressure to cut costs was a reinforcing rather than a causative factor. The search for causative factors requires looking elsewhere.

The humanitarian influence.

Arguably, dissent against the dominant discourse of non-interventionism was more likely amongst those officials who were stationed in the districts than those in the Bombay Council because they were closer to the suffering of their subjects. Both interventionists and non-interventionists claimed that their school of thought was the most humanitarian. Yet non-interventionists expected results in the longer term, and thus true believers were willing to be patient in awaiting the fruits of their policies. Interventionists, on the other hand, promised more immediate results and perhaps, for this reason, intervention posed a greater temptation for district officials who were struck by the distress around them. William Jones, for instance, was stationed in Ahmedabad as the district Judge when the prevailing drought worsened in 1824. He predicted a sharp increase in grain prices and cautioned that 'the sufferings of the poorer classes' would be 'consequently greatly increased'. He therefore asked permission to prohibit grain exports from Ahmedabad city, which were already 'likely

¹⁴⁷ Sumit Guha, 'Society and Economy in the Deccan, 1818-50', *Indian Economic and Social History Review*, vol. 20, no. 4, 1983, p. 391.

¹⁴⁸ Rabitoy, 'System v. Expediency', pp. 544-5.

to press hard upon the inhabitants'.¹⁴⁹ In response the Council simply ignored the Judge's interventionist recommendation.¹⁵⁰

Furthermore, Robert Boyd, who only a month earlier had boasted to Council of his non-interventionist policy, took an about-turn in September 1824 after experiencing 'the greatest apprehensions ... in respect of the probable miseries and sufferings of the people'. He noted a shortage of grain in his district and that this was being compounded by exports to Kathiawar. He stated that he had hitherto 'carefully avoided' interference in the grain trade: 'but I trust I shall not fall under the displeasure of the Honorable Board when I ... entreat a reconsideration' of that policy.¹⁵¹ The Council replied that it did 'not concur' with Boyd and that it rejected his recommendations.¹⁵²

Similarly, Assistant Collector E. H. Briggs reported from Kaira district during the severe drought of 1833 that the grain dealers were causing 'unnecessary distress' amongst the people by combining and forestalling to artificially push the price of grain up to 'the famine price'. He noted that in England the price of bread was fixed by law, and expressed his hope that the Bombay Government would provide some legislation to allow the local magistrate 'to exercise some wholesome control over these dealers'.¹⁵³ The Council replied that 'the Regulations admit no right of interference with the prices' of grain and rejected his recommendation.¹⁵⁴ Thus some officials, despite their evident angst in calling down reprimands, felt compelled by the suffering around them to plead an interventionist case to the Council. Moreover, non-interventionism was firmly enforced by the Councils, whose members did not witness first-hand the suffering in these districts.

To consider the argument from the Councils' perspective, it has already been shown that none of the three Councils that presided during the droughts of the 1820s and

¹⁴⁹ W. A. Jones, Ahmedabad Criminal Judge, to Sec to Govt, 14 Sep 1824, BGP, 29 Sep 1824, pp. 5320-1, APAC.

¹⁵⁰ J. Farish, Sec to Govt, to Ahmedabad Criminal Judge, 25 Sep 1824, BGP, 29 Sep 1824, pp. 5323-4, APAC.

¹⁵¹ Robert Boyd, Broach Cltr, to Sec to Govt, 24 Sep 1824, BGP, 6 Oct 1824, pp. 5527-8, APAC.

¹⁵² J. Farish, Sec to Gov, to Broach Cltr, 1 Oct 1824, BGP, 6 Oct 1824, pp. 5529-30, APAC.

¹⁵³ E. H. Briggs, Asst Kaira Cltr, to Kaira Cltr, 23 Aug 1833, BRP, 18 Sep 1833, No. 5140, APAC.

¹⁵⁴ L. R. Reid, Sec to Govt, to 1st Asst Kaira Cltr in Charge, 12 Sep 1833, BRP, 18 Sep 1833, No. 5141, APAC.

1830s intervened in the grain trade. The only Bombay officials who recommended intervention, except one, were the Council's subordinates in the districts. Sharma has found a similar situation in the early colonial history of North India, whereby higher British officials in particular readily accepted the new ideas and rebuked their subordinates' pleas for intervention.¹⁵⁵ This similarity suggests that Council members may fundamentally have been relatively sheltered from the suffering of their subjects by the nature of both their rank and location.

The factor of administrative rank will first be considered. District-level officials, and in particular their subordinates such as the Assistant Collectors, witnessed the conditions of their subjects firsthand and reported their findings to the Council. Conversely, most face-to-face interaction experienced by the Council members in the pursuit of their duties was with each other in Bombay. The way in which the suffering of their subjects typically came to their knowledge was not through witnessing the sights with their own eyes, but rather through reading their subordinates' reports. This may have facilitated their taking a longer term perspective on the problem. Yet the district-level officials, such as the Collectors, admittedly experienced a similar administrative sheltering. They often based their reports on the reports of their subordinates in the talukas. It was typically their subordinates, such as the Assistant Collectors and sub-Collectors, who alone witnessed the suffering of their subjects and who often initiated the requests for interventionist measures.¹⁵⁶ Hardship was not restricted to its extreme form of starvation, but six of the nine reports of starvation in the 1820s and 1830s were made by Assistant Collectors, sub-Collectors or mamlatdars.¹⁵⁷ Thus the lower one was in rank in the administration, the more interaction one typically had with the Presidency's common subjects and the less

¹⁵⁵ Sharma, *Famine*, p. 37.

¹⁵⁶ For example, see the descriptive report of R. K. Pringle, Asst Poona Cltr, to Poona Cltr, 2 Apr 1825, BRP, 13 Apr 1825, No. 78, APAC.

¹⁵⁷ R. K. Pringle, Asst Poona Cltr, to Poona Cltr, 2 Apr 1825, BRP, 13 Apr 1825, No. 78, APAC; and J. A. R. Stevenson, Dharwar Cltr, to Principal Dharwar Cltr and Political Agent, 12 Aug 1824, BRP, 1 Sep 1824, p. 5572, APAC; and G. W. Anderson, Act Dharwar Cltr, to Sec to Govt, 17 Jun 1833, BRP, 10 Jul 1833, No. 3793, APAC; and R. K. Arbuthnot, Bagulcotah Sub-Cltr, to Act Dharwar Cltr, 3 Jul 1833, BRP, 31 Jul 1833, No. 4329, APAC; and Translation of a Letter from Indee Mamlutdar, 29 Jun 1833, BRP, 31 Jul 1833, No. 4329, APAC; and Translation of a Letter from Modeebhall Mamlutdar, 5 Jul 1833, BRP, 31 Jul 1833, No. 4329, APAC; and R. K. Pringle, Sholapur Sub-Cltr, to Poona Cltr, 9 Jul 1833, BRP, 31 Jul 1833, No. 4206, APAC; and R. K. Pringle, Sholapur Sub-Cltr, to Poona Cltr, 12 Jul 1833, BRP, 31 Jul 1833, No. 4208, APAC; and R. V. Goodhuleykur, and 10 Other Ratnagiri Petitioners, to Act Chief Sec to Govt, 9 Mar 1839, BRP, 11 Sep 1839, No. 5716, APAC.

sheltered one was from witnessing firsthand the effects of drought. By virtue of their rank the Council members were furthest from the suffering of their subjects.

Regarding the factor of the Council members' location, it must be conceded that suffering did not take place exclusively in the districts – the effects of drought were often apparent in Bombay city, too. Migrants, in particular, typically flocked to Bombay from throughout the entire region in search of food during drought.¹⁵⁸ Yet the argument does not hinge on the Council members never witnessing suffering. Rather, the issue is whether they beheld less suffering than their subordinates. The degree of suffering was probably more extreme in the districts. Bombay city was considerably removed from the famine belt of the Deccan. Not one of the nine reports of starvation in the 1820s and 1830s related to Bombay city. Eight of the nine reports related to the Deccan districts of Poona, Sholapur, and Dharwar. The one remaining report pertained to Ratnagiri, which was still several days' travel from Bombay city. Thus administrative rank and location removed the Bombay Council members from direct contact with the most extreme suffering of their subjects. This remoteness may have facilitated their quicker acceptance of non-interventionist principles, which promised humanitarian benefits only in the long run and thus required a steely patience in the interim.

The preceding discussion has illustrated the dominance of the Council in the administration's policy formation. It is true, as stated earlier, that the Council often deferred to the opinions of its Collectors as these officials were more informed about the particulars of their districts. Yet it has also been demonstrated that when Collectors made interventionist recommendations that militated against the Council's ruling philosophies, the Council either ignored or admonished the 'wayward' officials. Only Elphinstone presented an interesting counterexample. As the Bombay Governor he was at the apex of the Bombay administration, and yet his interventionist recommendations were blocked by his fellow Council members. It must be concluded, however, that rank-pulling settled most of the debates between the administration's interventionists and non-interventionists, and it did so in favour of the latter.

¹⁵⁸ R. Snell, Bombay Snr Mgst of Police, to Sec to Govt, 5 Oct 1824, BGP, 13 Oct 1824, pp. 5716-7, APAC.

A departure from the traditional 'moral economy'.

The discussion of grain trade policy will now be shifted to the expectations of the governed. The poor of England traditionally expected that bread should always be available at a 'reasonable price'.¹⁵⁹ They believed that the manufacturers and distributors of bread should not be permitted to profiteer during scarcities.¹⁶⁰ Such expectations and beliefs formed what E. P. Thompson has termed the English poor's 'moral economy'.¹⁶¹ A breach of these expectations was often the cause of crowd actions against grain dealers.¹⁶² The governments of England intervened in the grain trade during most scarcities of the eighteenth century. They considered the grain dealers 'legally suspect' and legislated to ensure they were 'severely restricted'.¹⁶³ Such interventionist policies were in line with the expectations of the general public.

However, in the early 1770s English governments gradually began adhering to non-interventionist policies. Parliament, for instance, abolished its legislation against merchant forestalling in 1772.¹⁶⁴ England's rulers began enforcing their new line with greater confidence by the time of the Napoleonic wars when their military capacity allowed for meeting the crowd 'not with parley and concession, but with repression', and when the new ideology of *laissez-faire* gained momentum.¹⁶⁵ In Thompson's words, 'the breakthrough of the new political economy of the free market was also the breakdown of the old moral economy of provision'.¹⁶⁶ Despite the authorities' change of policy, public venom continued to be directed largely toward those seen to be profiteering in the grain trade and not toward the government authorities.¹⁶⁷ In fact, as Hardiman has noted, the rioters often shouted 'God save the King!' to 'stress what

¹⁵⁹ E. P. Thompson, 'The Moral Economy of the English Crowd in the Eighteenth Century', *Past and Present*, vol. 50, February, 1971, p. 135.

¹⁶⁰ *Ibid.*, pp. 131-2.

¹⁶¹ *Ibid.*, *passim*.

¹⁶² *Ibid.*, pp. 78-9.

¹⁶³ *Ibid.*, p. 83.

¹⁶⁴ *Ibid.*, pp. 89, 99.

¹⁶⁵ *Ibid.*, pp. 121, 126-9.

¹⁶⁶ *Ibid.*, pp. 79, 121, 126-9, 136.

¹⁶⁷ *Ibid.*, p. 79.

they considered to be the legitimacy of their action'.¹⁶⁸ The governments' policies had changed but the poor's conception of the traditional 'moral economy' remained.

A similar traditional 'moral economy' prevailed throughout much of India well beyond the British introduction of non-interventionist policies in the early 1800s. Sharma has found that a 'moral economy' existed amongst poor people during the 1837-8 famine of North India.¹⁶⁹ Arnold has found a similar 'moral economy' in the 1860s in South India.¹⁷⁰ A 'moral economy' also prevailed in western India during the droughts of the 1820s and 1830s. Hardiman has found that the western Indian peasantry generally believed in what Scott has described as their 'right to subsistence'.¹⁷¹ Moreover, Hardiman has argued that because the grain dealers/moneylenders stood to gain from drought, they were often blamed for the lack of rain. It was a popular belief throughout western India that they could stop the rain with supernatural powers. This belief sometimes meant that peasants, during drought, would blame them and take direct action against them.¹⁷² The suspicion of the poor toward the grain dealers was deep-seated. From a devastating famine of the late eighteenth century emerged a popular phrase that was still in use in the 1860s in Ahmedabad district. The phrase 'surtala no kal', which meant 'the season 47', referred to Sumvut 1847 or A.D. 1790-1. It implied 'scarcity' and was uttered as a curse to the grain dealer when he charged 'high prices'.¹⁷³ Thus, a deep distrust of grain dealers was prevalent in the populace of western India.

The onset of drought brought fears of famine. As grain became scarce some people panicked and attacked grain dealers in particular. It could conceivably be argued that grain dealers were attacked simply because they owned most of the grain. Currie has noted that grain stores were looted during the 1896 famine of the North Western Provinces.¹⁷⁴ Such occurrences also took place in western India. Pringle reported from Sholapur in 1832 that owing to widespread crop failures a 'spirit of resistance' had

¹⁶⁸ Hardiman, 'Usury, dearth and famine', pp. 143-4.

¹⁶⁹ Sharma, *Famine*, pp. 122-4.

¹⁷⁰ David Arnold, 'Looting, Grain Riots, and Government Policy in South India, 1918', *Past and Present*, no. 84, August, 1979, pp. 111-45, cited in Hardiman, 'Usury, dearth and famine', p. 116.

¹⁷¹ Hardiman, 'Usury, dearth and famine', p. 116.

¹⁷² *Ibid.*, pp. 136-40.

¹⁷³ Mr. Sheppard, Act Ahmedabad Ctr, 11 Sep 1867, in Etheridge, pp. 37-8.

¹⁷⁴ Currie, 'British Colonial Policy', p. 50.

recently been shown against the exportation of grain from certain villages. Some villages had been plundered at night by large gangs, ‘occasionally attended with bloodshed, and directed especially against those villages where grain is known to be deposited’.¹⁷⁵

However, many lootings were not committed against the grain dealers simply because they possessed grain and the attackers were hungry. In addition, the attackers believed that they were morally entitled to subsistence, that they were putting a wrong right. When the monsoon failed and grain prices skyrocketed, many believed that the grain dealers/moneylenders were unfairly profiteering from the hard times of others. Grain dealers thus became targets of ‘moral economic’ violence. This was the case in both North and South India. Sharma has found that during the 1837-8 famine of North India, grain dealers usually bore the brunt of popular dissatisfaction, as scenes of violence typically took place near grain stores and grain boats. The poor labelled any dealers who hoarded grain to push up prices as ‘immoral’ profiteers.¹⁷⁶ Arnold has also observed that, at least initially, the criminal activity during the 1876-8 famine of the Madras Deccan took the form of moral economic group actions against moneylenders and grain dealers.¹⁷⁷

The western Indian grain dealer of the 1820s and 1830s, too, was a popular target of moral outrage during drought. William Lumsden reported from Surat in 1824 that the ‘popular feeling’ in his district was that the high grain prices were caused by the grain dealers’ exports. He reported that as an expression of their ‘market dissatisfaction’ ‘the people at Bulsaur’ had ransacked a grain boat due for export.¹⁷⁸ Similarly, Archibald Robertson reported high grain prices in Khandesh in 1824 and that ‘much clamour’ amongst the people ‘is already raised against the grain dealers’.¹⁷⁹ T. H. Townsend reported from Ahmednagar in 1832 that ‘the people are open mouthed against the Marwarees’, or grain dealers, ‘who have they say a supply laid by for

¹⁷⁵ R. K. Pringle, Sholapur Sub-Cltr, to Rev Cmr, 7 Nov 1832, BRP, 28 Nov 1832, No. 6427, APAC.

¹⁷⁶ Sanjay Sharma, ‘The 1837-38 Famine in U.P.: Some Dimensions of Popular Action’, *Indian Economic and Social History Review*, vol. 30, no. 3, 1993, pp. 342-3.

¹⁷⁷ David Arnold, ‘Famine in Peasant Consciousness and Peasant Action: Madras, 1876-78’, *Subaltern Studies* 3, 1984, pp. 86-7 and 93; and ‘Dacoity and Rural Crime in Madras, 1860-1940’, *The Journal of Peasant Studies*, vol. 6, no. 2, 1979, p. 163, both cited in Davis, pp. 48-9.

¹⁷⁸ W. J. Lumsden, Surat Cltr, to Sec to Govt, 21 Sep 1824, BGP, 29 Sep 1824, pp. 5430-1, APAC.

¹⁷⁹ A. Robertson, Khandesh Cltr, to Deccan Cmr, 1 Oct 1824, BRP, 3 Nov 1824, pp. 6969-70, APAC.

many years, and who yet sell as if the land were suffering from a scarcity'.¹⁸⁰ Burnett also observed public malice toward the grain dealers. He reported in 1832 that a serious riot took place in Poona town due to a 'great and rapid rise in the price of grain within the few last days'. He stated that recent price rises had received 'constant and numerous' complaints. On the morning of the incident, several thousand people assembled and attacked the grain merchants' shops, stealing their grain and in some cases beating them. After the riot, the dealers convened and decided they could 'sell the grain some what cheaper'.¹⁸¹ The attackers had succeeded in making their point.

The moral perspective of the attackers was shared by a broader section of the public than merely those who did the looting. Sharma has observed that in the 1837-8 North-Western Provinces famine, entire villages often supported the criminal acts of a few by refusing to give evidence against them.¹⁸² A similar situation occurred in the 1823-5 drought of western India. Crawford reported in 1824 that some people were looting outside of British territory and then returning to their village for refuge. The patels of the village were protecting the looters by refusing entrance to the police.¹⁸³ This broad support offered by the general populace highlights the moral context in which the looters' actions were perceived.

Many people expected the Government to rein in the grain dealers. This was traditionally the role of the ruler during drought. Yet the new ideology of *laissez-faire* compelled the British rulers of the 1820s and 1830s to break with that tradition. This called forth numerous petitions from members of the public who tried to reason with the Government. In September 1824 'Balloo Muccadam', a local headman,¹⁸⁴ submitted a petition with 4,000 signatures from the inhabitants of Bombay city urging the Government to intervene in the grain market and reduce prices to tolerable

¹⁸⁰ T. H. Townsend, Act Ahmednagar Cltr, to Sec to Govt, 20 Nov 1832, BRP, 31 Dec 1832, No. 6803, APAC.

¹⁸¹ J. Burnett, Act 1st Asst Poona Cltr in Charge, to Sec to Govt, 8 Nov 1832, BRP, 21 Nov 1832, No. 6178, APAC.

¹⁸² Sharma, 'The 1837-38 Famine', p. 353.

¹⁸³ A. Crawford, Ahmedabad Cltr, to Sec to Govt, 16 Sep 1824, BGP, 6 Oct 1824, pp. 5494-6, APAC.

¹⁸⁴ Mocuddum/makoddam: Headman of a village, responsible for revenue (see Lumberdar); local head of a caste (see Chowdry); headman of a body of peons, or of a gang of labourers (see Mate)'. Ivor Lewis, *Sahibs, Nabobs and Boxwallahs*, Bombay: Oxford University Press, 1991, pp. 165-6.

levels.¹⁸⁵ The Council replied that it was committed to the principles of *laissez-faire* and would not intervene.¹⁸⁶ Boyd informed the Council that many people in his district had come to expect government intervention in times of drought. He stated that ‘policy has long since sanctioned a Governmental controul [sic] over the trade in Grain’, and it would be seen by ‘our native subjects’ as ‘a great benefit conferred’.¹⁸⁷ Yet the Council rejected Boyd’s suggestion.¹⁸⁸

Similar expectations were expressed by ‘Ramchunder Condoolia’ and other inhabitants of Bombay city in 1833. They informed the Council that they trusted it would ‘be so gracious to take an immediate measure to cause this fraudulence, practiced by the grain dealers, to be prohibited, and an accurate rate of price to all sorts of corn should be ordered’.¹⁸⁹ The Council simply responded that ‘Government cannot interfere in regulating the price of grain’.¹⁹⁰ In 1838 a number of Bombay petitioners stressed the morality of their position against that of the grain dealers. They compared the ‘honest life’ that they themselves were trying to lead with the ‘evil’ that was being practiced by profiteering grain dealers who had doubled prices ‘and even sometimes more if they think it right’. They then emphasised the effects of the Government’s non-interference. They stated that the grain dealers were unfairly raising prices, ‘not conceiving that they have any rulers over them to check the evil’.¹⁹¹ The Bombay Council responded that ‘Government cannot interfere in settling the price of grain, as solicited’.¹⁹²

Yet in 1839 a group of petitioners tried a different approach. A number of Broach taluka petitioners requested numerous scarcity-relief measures that conformed to the Government’s non-interventionist policies. They did not request price controls or

¹⁸⁵ Balloo Muccadam and Others, Petitioners, to Sec to Govt, 29 Sep 1824, BGP, 29 Sep 1824, pp. 5438-40, APAC.

¹⁸⁶ J. Farish, Sec to Govt, to Balloo Muccadam and Others, Petitioners, 29 Sep 1824, BGP, 29 Sep 1824, p. 5440, APAC.

¹⁸⁷ Robert Boyd, Broach Cltr, to Sec to Govt, 24 Sep 1824, BGP, 6 Oct 1824, pp. 5527-8, APAC.

¹⁸⁸ J. Farish, Sec to Govt, to Broach Cltr, 1 Oct 1824, BGP, 6 Oct 1824, pp. 5529-30, APAC.

¹⁸⁹ Ramchunder Condoolia, and 66 Other Bombay Petitioners, to Sec to Govt, 1 Aug 1833, BGP, 14 Aug 1833, No. 27, APAC.

¹⁹⁰ J. Bax, Sec to Govt, to Bombay Petitioners, 9 Aug 1833, BGP, 14 Aug 1833, No. 28, APAC.

¹⁹¹ Nursoo Havildar and 295 other Bombay Petitioners, to Act Sec to Govt, 5 Oct 1838, BGP, 24 Oct 1838, No. 20, APAC.

¹⁹² W. S. Boyd, Act Sec to Govt, to Bombay Petitioners, 18 Oct 1838, BGP, 24 Oct 1838, No. 21, APAC.

export bans.¹⁹³ This suggests that some Indian subjects had learned from the experience of previous droughts of what they could and could not expect from the Government. But the case is a completely isolated one. The traditional expectations of a ‘moral economy’ persisted amongst many members of the public in spite of the new non-interventionist era of government.

Some historians have argued that the grain riots of the nineteenth century were caused by the British free-trade policies that ran roughshod over unchanged popular expectations. Scott has argued that this was the case in South-East Asia, while Arnold has argued the same for South India, and Rogers for Sri Lanka.¹⁹⁴ Hardiman has argued that grain riots broke out in 1832 in parts of western India because grain dealers were hoarding and exporting grain and the British officials would not intervene on the ryots’ behalf.¹⁹⁵ These riots were public efforts to attain a degree of justice that the rioters considered to be neglected by the authorities.

Moreover, the grain dealers may have felt emboldened by the new Government policy of non-intervention and begun profiteering with even less restraint. The grain dealers may have felt further emboldened by the physical protection offered by the authorities. In 1824 the Council felt compelled to issue a circular to all its Collectors with instructions to provide ‘protection to dealers in grain against popular violence’.¹⁹⁶ Likewise, in 1832 William Sprott Boyd at Khandesh offered the grain dealers protection from popular scorn.¹⁹⁷ One could conceivably wonder whether this policy was *laissez-faire* or intervention. The answer is that non-interventionists of the late eighteenth and early nineteenth centuries allowed for, and even insisted on, state protection of the grain merchant.¹⁹⁸ The western Indian grain merchants certainly made use of the security offered by their new allies. DeVitre reported in 1824 that the

¹⁹³ Dessaie Houkoomutroy Dowlutroy Muzmoodar and 372 Other Broach Petitioners, to Act Chief Sec to Govt, no date given, BRP, 20 Feb 1839, No. 1076, APAC.

¹⁹⁴ James Scott, *The Moral Economy of the Peasant: Rebellion and Subsistence in Southeast Asia*, New Haven, 1976; and David Arnold, ‘Looting, Grain Riots, and Government Policy in South India, 1918’, *Past and Present*, no. 84, August, 1979, pp. 111-45; and John D. Rogers, ‘The 1866 Grain Riots in Sri Lanka’, *Comparative Studies in Society and History*, vol. 29, 1987, pp. 495-513; all cited in Hardiman, ‘Usury, dearth and famine’, p. 116.

¹⁹⁵ Hardiman, ‘Usury, dearth and famine’, p. 145.

¹⁹⁶ J. Farish, Sec to Govt, Circular to all Cltrs, 30 Sep 1824, BGP, 6 Oct 1824, pp. 5504-5, APAC.

¹⁹⁷ W. S. Boyd, Khandesh Cltr, to Sec to Govt, 24 Nov 1832, BRP, 31 Dec 1832, No. 6818, APAC.

¹⁹⁸ Adam Smith, *The Wealth of Nations*, vol. 1, pp. 524-43, cited in David Hardiman, *Feeding the Baniya: Peasants and Usurers in Western India*, Delhi: Oxford University Press, 1996, pp. 54-5.

small grain dealers in the localities of Kaira district were sending their grain to the larger towns and villages to benefit from the ‘public protection’ offered by the Government.¹⁹⁹ Similarly, many people with property relocated from the villages to the towns in order to escape lootings during the droughts of the 1830s.²⁰⁰

The new policies of the Government may have encouraged the grain merchants to push their luck, which may have led to an increased frequency of grain riots under British rule. But once the riots had taken place, the Government’s offer of protection to the grain dealers did encourage them to reopen their shops, which they otherwise might not have done so readily. A riot in Poona in 1832 forced the merchants and moneylenders to shut up shop for several days. Only once the district Collector had stationed troops at the marketplace were the shops reopened.²⁰¹ Thus, while the new British policies may have indirectly provoked a greater frequency of grain riots, they also facilitated the reestablishment of vital grain sales after an enforced law and order dissipated the riots.

Ahuja has argued that the British adhered to or diverged from the traditional ‘moral economy’ depending on their degree of military supremacy. The early colonial Madras Government was in competition with a number of Indian and European powers in the region. Thus, Ahuja has argued, proving the administration’s legitimacy to its subjects was a matter of ‘immediate political survival’, and this situation demanded an adherence to the traditional ‘moral economy’. Only once the British had attained uncontested military supremacy in the region, Ahuja has argued, were they able to apply *laissez-faire* principles to grain trade policy.²⁰² Yet Rabitoy has demonstrated that in western India the Bombay Government began adhering to *laissez-faire* policies during the 1812-13 famine.²⁰³ This was before the British had fully secured their hegemony over the region in the 1818 Anglo-Mahratta war. Furthermore, Ahuja’s period of study did not extend to the ‘Mutiny’ of 1857, which

¹⁹⁹ J. D. DeVitre, Kaira Judge, to Sec to Govt, 20 Jul 1824, BGP, 4 Aug 1824, p. 4229, APAC.

²⁰⁰ E. B. Mills, Kaira Cltr, to Rev Cmr, 15 Aug 1833, BRP, 4 Sep 1833, No. 4890, APAC; and Dessaie Houkoomutroy Dowlutroy Muzmoodar and 372 Other Broach Petitioners, to Act Chief Sec to Govt, no date given, BRP, 20 Feb 1839, No. 1076, APAC.

²⁰¹ J. Burnett, Act 1st Asst Poona Cltr in Charge, to Sec to Govt, 8 Nov 1832, BRP, 21 Nov 1832, No. 6178, APAC.

²⁰² Ahuja, pp. 354-5.

²⁰³ Neil Rabitoy, ‘The Control of Fate and Fortune : The Origins of the Market Mentality in British Administrative Thought in South Asia’, *Modern Asian Studies*, vol. 25, no. 4, 1991, pp. 737-8.

shook British confidence in the strength of their grip on India but did not trigger a return to policies that enforced the traditional ‘moral economy’. Ahuja has therefore probably understated the influence that *laissez-faire* ideology could exert itself, independent of the military situation. The British administrators who accepted non-interventionist theory genuinely felt that by enforcing *laissez-faire* famine policies they were doing best by their Indian subjects, who would ultimately realise this and approve of British rule. The implementation of *laissez-faire* famine policies was probably an easier commitment for the British when they felt secure in their rule. But their belief in the ultimate fruits of non-interventionist policies dictated a continued commitment to *laissez-faire* even when their rule in India was less certain.

Indeed, many administrators within the British governments of India were convinced that there was a strong scientific rationale underlying their new policies. In 1824 the Madras Council stressed to their Bombay counterparts the irrationality of interventionism versus the calm rationality of non-interventionism. Madras argued that interventionist policies were based on ‘highly excited’ ‘humane feelings’. Non-interventionist policies, however, were based on ‘sound and enlarged views of the whole bearings of the subject’.²⁰⁴ The reformers in the British Indian administration of the 1820s and 1830s were by their nature already convinced of British cultural superiority. But the issue of government drought policy toward the grain trade fuelled their prejudices. Their policies were based squarely upon the arguments of British and European political economists such as Adam Smith and the French Physiocrats. Lumsden reported from Surat that the previous Maratha governments had always intervened in the grain trade, and that only under the British Government had the ‘enlightened principles’ of non-interventionism been enacted.²⁰⁵ He was concerned that the neighbouring Gaekwad ruler would gain an unfair advantage for the inhabitants of his district by prohibiting grain exports while Lumsden himself continued to allow exports from Surat. He feared that ‘all the evils’ of the Indian ruler’s ‘erroneous policy’ might undermine the British ‘enlightened system’.²⁰⁶

²⁰⁴ D. Hill, Chief Sec to Madras Govt, to Bombay Council, 31 Aug 1824, BGP, 29 Sep 1824, pp. 5272-3, APAC.

²⁰⁵ W. J. Lumsden, Surat Cltr, to Sec to Govt, 21 Sep 1824, BGP, 29 Sep 1824, p. 5431, APAC.

²⁰⁶ W. J. Lumsden, Surat Cltr, to Sec to Govt, 21 Sep 1824, BGP, 29 Sep 1824, p. 5433, APAC.

Yet despite the rationality of non-interventionism that was apparent to the British administrators, the concept of the traditional ‘moral economy’ persisted amongst the Indian public and the remaining Indian rulers. Thus the reformist officials within the administration considered the Indian preference for interventionism to be evidence of their ignorance of scientific knowledge and their inferiority in matters of government. Archibald Robertson argued from Khandesh in 1824 that the Indian rulers of nearby territories would probably intervene in the grain market. He concluded that ‘our Native neighbours’ have a ‘limited knowledge of the Science of Political economy’.²⁰⁷ Several months later he reiterated that ‘the native states’ did not make ‘the subject of political economy a study’, and that this was evident in their interventionist policies. He argued that such policies were ‘contrary to every principle suggested by’ the ‘science’ of *laissez-faire*.²⁰⁸

Indian rulers were not the only targets of reformist scorn. Robertson remarked that ‘the wisdom of our policy’ of non-interventionism ‘is by no means acknowledged by the mass of the people’. He argued that they were unable to ‘look ... beyond the present moment’ and were ‘ignorant of the principles which dictate ... non-interference’.²⁰⁹ Several Bombay officials believed that the science of political economy was beyond the comprehension of most Indians. They believed that the continuing prevalence of the traditional ‘moral economy’ in Indian society demonstrated Indian backwardness and British cultural superiority.

Yet as it has been demonstrated, there were doubters within the administration regarding non-interventionist policies, particularly at the district-level. A fundamental tenet of official *laissez-faire* ideology was that the grain dealer mitigated the effects of drought by exporting grain from surplus districts and importing it into deficit districts. This formed the basis for the Bombay Government’s stand against prohibiting grain exports and fixing grain prices the way previous Indian rulers had done. Yet many Bombay officials in the 1820s and 1830s suspected that the grain dealers were artificially pushing up prices beyond their natural level by combining and partially

²⁰⁷ A. Robertson, Khandesh Cltr, to Deccan Cmr, 28 Aug 1824, BGP, 15 Sep 1824, p. 5167, APAC.

²⁰⁸ A. Robertson, Khandesh Cltr, to Deccan Cmr, 24 May 1825, BRP, 15 Jun 1825, No. 62, APAC.

²⁰⁹ A. Robertson, Khandesh Cltr, to Deccan Cmr, 1 Oct 1824, BRP, 3 Nov 1824, pp. 6969-70, APAC.

hoarding their stocks.²¹⁰ This explanation for the high grain prices went against the typical *laissez-faire* perspective that the grain dealer was the saviour of the people. Instead, some officials saw the grain dealers as contributors to widespread suffering. Yet while this provided sufficient evidence to challenge *laissez-faire* preconceptions for the likes of DeVitre, Williamson and Briggs, it did not for others. Burnett, for instance, recognised that the sharply increased grain prices ‘within the last few days can only be accounted for by a combination among the dealers’. Yet he was also quick to offer physical protection to the local grain dealers and inform the Council that he had no intention whatsoever of interfering in the grain market.²¹¹ Even the Bombay Governor, John FitzGibbon, conceded in 1832 that in some areas ‘the grain dealers combine to keep up the price of grain’. Yet he stated that ultimately he was entirely against government price fixing.²¹² Thus individuals, like government, could simultaneously ascribe to conflicting views. Yet officially the Bombay Government was solid in its conviction that non-intervention was the best medicine for those who were suffering from high prices, despite their uneducated protests against its bitter taste.

Conclusion.

The uniform implementation of policy, which for Rabitoy was the tell-tale sign of ideological influence, was characteristic of the early nineteenth century Bombay administration’s policy toward the grain trade. Throughout the 1820s and 1830s the administration refrained from intervening in the grain trade on any occasion and in

²¹⁰ J. D. DeVitre, Kaira Judge, to Sec to Govt, 16 Aug 1824, BGP, 1 Sep 1824, pp. 4792-3, APAC; and R. Barniwall, Kathiawar Political Agent, to Sec to Govt, 29 Sep 1824, BGP, 20 Oct 1824, pp. 5915-6, APAC; and A. Crawford, Ahmedabad Cltr, to Sec to Govt, 30 Sep 1824, BGP, 30 Oct 1824, p. 5740, APAC; and J. B. Simson, Sholapur Sub-Cltr, to Ahmednagar Cltr, 22 Jan 1825, BRP, 23 Feb 1825, No. 69, APAC; and J. Burnett, Act 1st Asst Poona Cltr in Charge, to Sec to Govt, 8 Nov 1832, BRP, 21 Nov 1832, No. 6178, APAC; and T. Williamson, Rev Cmr, to Sec to Govt, 19 Dec 1832, BRP, 9 Jan 1833, No. 79, APAC; and G. W. Anderson, Act Dharwar Cltr, to Sec to Govt, 27 Dec 1832, BRP, 23 Jan 1833, No. 270, APAC; and R. Mills, Act Poona Cltr, to Rev Cmr, 30 Dec 1832, BRP, 6 Feb 1833, No. 610, APAC; and G. W. Anderson, Act Dharwar Cltr, to Sec to Govt, 4 Jan 1833, BRP, 23 Jan 1833, No. 297, APAC; and R. Mills, Ahmednagar Cltr, to Sec to Govt, 3 May 1833, BRP, 22 May 1833, No. 3062, APAC; and E. H. Briggs, Asst Kaira Cltr, to Kaira Cltr, 23 Aug 1833, BRP, 18 Sep 1833, No. 5140, APAC; and T. Williamson, Rev Cmr, to Sec to Govt, 26 Aug 1833, BRP, 4 Sep 1833, No. 4982, APAC; and C. Prescott, 1st Asst Kaira Cltr in Charge, to Chief Sec to Govt, 3 Sep 1833, BRP, 18 Sep 1833, No. 5139, APAC.

²¹¹ J. Burnett, Act 1st Asst Poona Cltr in Charge, to Sec to Govt, 8 Nov 1832, BRP, 21 Nov 1832, No. 6178, APAC.

²¹² Minute by Clare, Bombay Governor, 19 Nov 1832, BRP, 5 Dec 1832, No. 6523, APAC.

any district. Although the policy was implemented uniformly, this is not to say that there was a uniformity of opinion on the matter. The conservatives within the administration, such as Elphinstone, Williamson and DeVitre, argued that the interventionist measures that were traditionally followed by western Indian rulers were better suited to immediately reduce the suffering of their subjects and thereby protect the Government's revenues. Yet their arguments had fallen out of favour by the early 1820s and continued to be out of favour in the 1830s. Most officials within the administration were by this stage convinced that government intervention only made matters worse. They held grain dealers in much higher esteem than their predecessors had done or their diminishing conservative colleagues did. The grain dealers were no longer a potential cause of suffering. Their propensity to conspire with other merchants to restrict the flow of grain and push up prices was largely forgotten. Under the new laws of political economy the grain dealers had become the people's best chance for survival. For those conservatives who had considerable power, such as Elphinstone, their interventionist policies were blocked by an unwilling Council. For those who were of lesser stature in the administration, such as DeVitre, their interventionist recommendations were either ignored or admonished, which forced compliance. Once *laissez-faire* gained dominance in the administration, those who disagreed were forced to tag along. *Laissez-faire* ideology may not have found uniform acceptance in the Bombay administration of the 1820s and 1830s, but it did find uniform expression in the administration's policy.

There were numerous conduits along which the new reformist ideology travelled from Britain to western India. Smith's message may simply have reached Bombay most effectively through the administration's recruitment of officers from British society, which by 1800 had largely accepted the new ideology. Yet other means of dissemination likely played their part, particularly the office of the examiners. Granted, Haileybury certainly influenced some officials to favour the new school of thought, but attendance did not guarantee devotion. Moreover, some ex-army district-level officials who had no training at Haileybury joined the cause for non-intervention. *Laissez-faire* ideology received a mixed response from the district-level officials. Only at the Council level of the administration was non-interventionist policy almost universally accepted. This near universal acceptance indicates that the office of the examiners in London was a stronger conduit of ideology than Haileybury

in Hertfordshire. Moreover, the relative remoteness of the Council members from the suffering of their subjects probably contributed to their readier acceptance of the new ideology. To revisit the words of the Madras Council and place them in this context, it was easier to avoid the 'highly excited' 'humane feelings' that influenced the recommendation of policy when one was far enough removed to be able to take 'sound and enlarged views of the whole bearings of the subject'. This did not mean that the Council members were less humanitarian. Rather, it was easier for them to accept the idea that non-intervention was the more humane policy in the long run. While some of the officials in the districts disagreed, their desire to protect and foster their careers contributed to the uniform implementation of the new ideology in western India. Many of their subjects also disagreed, and attacked the profiteering grain dealer to restore the justice that they felt was being neglected by the authorities. Yet most officials felt assured that their policy was the most enlightened means of reducing suffering in the long run, and that their subjects' protests were based on ignorance. Despite resistance from numerous quarters, the new ideology was implemented uniformly.