CHAPTER 7
AGRICULTURAL LOANS:
THE PRE-EMINENCE OF INTERVENTIONISM

When the rains refused to fall and the land began to crack with thirst, many cultivators failed to raise a harvest and were forced to seek government loans to fund further attempts at cultivation. Without government intervention many cultivators would have been forced to abandon their fields in search of subsistence elsewhere. The Government’s land revenues would have also suffered in the absence of such a policy. The non-interventionist ideologies of Britain had exerted considerable influence over the grain trade, charity and public works policies of the Bombay administrations in the 1820s and 1830s. Yet it will be demonstrated in this chapter that the influence of non-interventionism was less evident in the policy of government loans.

The ruler’s tradition of offering loans relief during drought.

The state typically offered its cultivators takavi, or agricultural loans, for one of two purposes. First, takavi was offered to promote long-term economic development, such as through the construction of wells or the clearing and levelling of fields. Second, takavi was offered as a short-term response to drought to replenish the cultivators’ lost seed or cattle.1 Regarding the early nineteenth century, Hardiman has argued that the Company was too cost-conscious to offer significant amounts of takavi to fund long-term economic development, and instead relied on private capital.2 McAlpin has argued that British legislation in the early 1880s freed up the distribution of takavi and made it an increasingly effective famine-relief tool.3 Yet Hall-Matthews has criticised McAlpin’s position and argued that the British governments of India intentionally limited their distribution of takavi until the turn of the twentieth century.4 Furthermore, he has argued that the little takavi that was offered in the late nineteenth century was primarily intended to suit the ‘colonial agenda’, which meant to promote

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2 David Hardiman, Feeding the Baniya: Peasants and Usurers in Western India, Delhi: Oxford University Press, 1996, p. 47.
3 McAlpin, Subject to famine, p. 181.
4 Hall-Matthews, Peasants, Famine and the State, pp. 121-3.
long-term economic development along imperialist lines and not to mitigate famine.\(^5\)

The extent to which the Company attempted to use takavi to stimulate long-term economic growth is beyond the purview of this thesis. The use of the term ‘takavi’ in this chapter relates exclusively to its function as a scarcity-relief measure.

The scarcity-relief measure of providing loans to struggling cultivators had a long tradition throughout India. Rulers typically offered takavi to cultivators who would otherwise be too impoverished by drought to continue cultivating. Fukazawa has found that the Peshwa Government of western India offered cheap loans to cultivators who were struggling during droughts and famines.\(^6\) Likewise, Ahuja has noted that the Mughal rulers of eastern India typically offered takavi to keep their agriculturalists in business.\(^7\) In fact, Ahuja has asserted that the practice was common ‘in parts of the subcontinent’.\(^8\) The practice was not, however, followed by all governments. Ahuja has found that the British Government of Madras in the second half of the eighteenth century did not include loans in its repertoire of interventionist relief policies.\(^9\)

Despite the rise to influence of reformist ideology in western India in the 1810s, the British governments of Bombay continued to intervene in the agricultural capital market in the 1820s and 1830s. They offered takavi in non-drought years to promote agricultural productivity.\(^10\) They increased their loans considerably during droughts to provide relief to the considerable number of cultivators in financial need. The loans were not gifts, and were expected to be repaid. The administrations typically charged interest on their loans.\(^11\) The amount charged was minimal, however. In one case the 1838-9 administration charged six per cent.\(^12\)

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\(^5\) Ibid, p. 114.


\(^8\) Ibid, pp. 379.

\(^9\) Ibid, p. 379.

\(^10\) W. J. Lumsden, Surat Cltr, to Sec to Govt, 28 May 1823, BRP, 4 Jun 1823, pp. 5686-7, APAC; and J. Farish, Sec to Govt, to Surat Cltr, 3 Jun 1823, BRP, 4 Jun 1823, p. 5687, APAC.

\(^11\) R. Mills, Act Nthn Konkan Cltr, to Sec to Govt, 10 Mar 1825, BRP, 16 Mar 1825, No. 27, APAC; and Statement by J. H. Jackson, Act Ahmedabad Cltr, 15 Jan 1839, BRP, 29 May 1839, No. 3431, APAC.

\(^12\) L. R. Reid, Act Chief Sec to Govt, to Rev Cmr, 29 May 1839, BRP, 29 May 1839, No. 3529, APAC.
Reformist ideology and government loans as poor relief.

The loans offered by the administrations of the 1820s and 1830s were technically an intervention in the agricultural capital market. One might expect that such an interventionist policy would run counter to the teachings of the abolitionists in Britain. Indeed, some of Bombay’s officials applied general abolitionist arguments to their policy of restricting agricultural loans, which will be discussed later in this chapter. But on the matter of agricultural loans the abolitionists themselves were largely silent. Thomas Alcock made no mention of loans in his Observations on the defects of the poor laws in 1752. Similarly, Joseph Townsend did not consider this issue in his Dissertation on the poor laws in 1786.

The absence of an opinion from these early abolitionists may have been due to the fact that agricultural loans were not part of Poor Law relief in the mid eighteenth century. The abolitionists at this stage may have been more concerned with removing the Poor Law’s provision of state charity and employment to the poor. Yet starting in the late eighteenth century there were several attempts to attach a loans scheme to the Poor Law. Malachi Hitchins of Cornwall suggested the idea of loans as a form of relief to Prime Minister William Pitt in 1795. Pitt liked the idea and included it in his Poor Law Bill, which he presented to Parliament in December 1796. Pitt’s ‘cow money clause’ involved a government loan for the poor to purchase a cow and thereby improve their income. The Bill attracted so much public criticism that he was forced to withdraw it in early 1797. Yet the Bill included many clauses and was attacked for many reasons. The loans clause was unlikely to have been the central cause of the public’s fury. Yet J. Howlett attacked specifically the cow money clause on the grounds that it was unlikely to be effective. Howlett argued that loans were most effective when granted by private individuals who were discerning of their debtors.

He asserted that when parishes offered loans without security they would be

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frivolously wasted, but if they demanded security they would find no willing debtors.\textsuperscript{17}

Jeremy Bentham also attacked Pitt’s cow money clause in 1797 on the grounds of its dubious efficacy.\textsuperscript{18} Yet Bentham was not against the idea of loans relief in principle. In fact one year earlier he had included a loans scheme in his plan for the poor. He argued that the ‘industry house’, or public workhouse institution for the poor, could be empowered to offer loans to the poor outside the industry house as a means of keeping them independent. He argued that ‘preventing indigence is still better than relieving it: especially where, as here, the prevention may be altogether unattended by expense’.\textsuperscript{19} The subsequent repayment of the loans, it seems in Bentham’s eyes, rendered the prevention of indigence without cost.

The idea of granting government loans to landowners was put forth in 1816 by the Chancellor of the Exchequer, Nicholas Vansittart. He suggested the plan to his adviser Dr. Henry Beeke, the Dean of Bristol, who doubted its feasibility. Beeke stated that ‘the sound part of our commerce does not want assistance’ and ‘the most distressed of our landed proprietors’ would be unable to accept loans on any terms that Vansittart would be willing to offer.\textsuperscript{20} Beeke’s argument echoed Howlett’s arguments against the feasibility of Pitt’s Bill twenty years earlier. The Cabinet rejected Vansittart’s proposal.\textsuperscript{21} The Prime Minister, Robert Jenkinson, later confided to Lord Kenyon ‘we are satisfied that such a measure was not practicable upon any sound principle, and, if practicable, would have been productive of more evil than good’.\textsuperscript{22}

In 1817, however, the offer of government loans as a poor relief measure became an amendment to the Poor Law, embodied in the Poor Employment Act. Interestingly, this Act was recommended by the 1817 Select Committee, which had presented to

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\item J. Howlett, \textit{Examination of Mr. Pitt’s Speech, in the House of Commons. ... Relative to the Condition of the Poor}, 1796, p. 36, cited in ibid, p. 73.
\item Poynter, p. 273.
\item Liverpool to Kenyon, 27 May 1817, Liverpool Papers, B.M. Add. Ms. 38, 267, cited in Flinn, p. 87.
\end{enumerate}
\end{footnotesize}
Parliament almost every abolitionist argument against the existence of the Poor Law.\textsuperscript{23} Despite the Committee’s dogmatism, it conceded that an immediate and complete abolition of the Poor Law was impracticable.\textsuperscript{24} One of its recommended amendments was to offer government loans to fund public works and poor relief. The Committee suggested that loans as poor relief should be distributed by parish vestries or magistrates, and thereby ‘such a practice would at least be attended with the advantage of securing inquiry and discrimination’.\textsuperscript{25} The desire to exclude the frivolous relief recipient was, it will be shown, a common feature of both poor relief in general and government loans specifically.

Yet even though the provision of government loans for parish-based poor relief became law in 1817, the practice was largely ignored by the abolitionists. Flinn has noted that the 1817 Poor Employment Act ‘attracted but little attention’ from any quarter.\textsuperscript{26} Thomas Robert Malthus, the most forthright of abolitionists, did not once mention loans as a form of poor relief in either the first or sixth editions of his \textit{Essay on Population}, which were published in 1798 and 1826 respectively.\textsuperscript{27} This is despite the fact that his first edition came after Pitt’s abortive Poor Law Bill of 1796, and his sixth edition came after the Select Committee’s successful Poor Employment Act of 1817. The provision of government loans therefore seems to have avoided many of the abolitionists’ arguments against state intervention. This interpretation is bolstered by a consideration of the Act’s author. Loans offered with discernment were evidently not considered as corrosive of the recipient’s moral character as public charity or employment.

The fact that the Act continued to be largely ignored was no doubt aided by the rarity with which government loans were offered in practice subsequent to the passing of the Act. The parish vestries, which were made up of poor-rate payers, were reluctant to accept the financial liability of large loans. Furthermore, the security demanded by the loan commissioners effectively excluded most parishes.\textsuperscript{28}

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\item[23] See Chapters Three and Five, and Poynter, p. 245.
\item[24] Poynter, p. 245.
\item[25] Select Committee to consider the Poor Laws, Report, PP 1817 (462), p. 23.
\item[26] Flinn, p. 82.
\item[28] Flinn, pp. 88-91.
\end{footnotes}
The policy of offering government loans as a form of poor relief was endorsed by the revisers. As mentioned, Bentham was in favour of the practice. Moreover, the 1834 Royal Commission wrote approvingly of the changes wrought by the 1817 Select Committee. One of the Committee’s changes to find approval was ‘giving relief by way of loan’. The Royal Commission argued that this amendment, in conjunction with others, produced a ‘progressive diminution’ in the burden of the poor rates until 1824, when the rates began again to rise. The Royal Commission recommended that as part of the 1834 Amendment Act ‘parishes be empowered to treat any relief afforded to the able-bodied or to their families, and any expenditure in the workhouses or otherwise incurred on their account, as a loan, and recoverable’ by several means, including the attachment of wages. Harris has noted that Parliament considered this recommendation by the Royal Commission as being ‘relatively unimportant’, and it was passed without much attention.

Thus, the fiercest Poor Law debates were centred on issues like state charity and employment. The provision of poor relief as government loans was a minor policy amendment to the Poor Law. It received some criticism from the likes of Howlett, Beeke, and Prime Minister Jenkinson, the most common concern being its efficacy. But the policy was largely neglected by the most well-known abolitionists. It was warmly accepted by the revisers, but only constituted a small addition to their list of recommended changes to the Poor Law.

Bombay loans practice in the 1820s and 1830s and the pre-eminence of interventionism.

Considering the abolitionists’ lack of concern, and the revisers’ ready acceptance of government loans, albeit with little fanfare, it is perhaps unsurprising that most Bombay officials of the 1820s and 1830s preferred this interventionist policy. Unlike the issues of state charity and employment there was very little ideological opposition

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29 The Royal Commission of Inquiry into the Administration and Practical Operation of the Poor Laws, Report, PP, 1834 (44), p. 36.
to the relief measure of loans in Britain. Some Bombay officials believed that intervention in the agricultural capital market was necessary to protect the lives of the cultivators. Yet it will be demonstrated that most officials offered loans to maintain the Government’s revenues. It will be argued that the minor ideological concerns that were raised by some officials only somewhat limited the degree of intervention. The importance of the loans to the Government’s revenues forced even the most ardent of non-interventionists to concede the indispensability of the practice.

There was a degree of interventionist humanitarian motivation behind the Bombay Government’s takavi policy. A timely loan applied to cultivation could increase an impoverished ryot’s harvest to a volume that would enable him to feed his family and avoid bankruptcy, and possibly even starvation. Archibald Robertson recommended advances to the cultivators of Khandesh district in 1824 partly on the basis of the need to protect human life.\(^{32}\) This was from an official who was devoutly non-interventionist with regard to the grain trade. Yet Robertson had also recommended a government intervention in the labour market to protect human life. The policy of offering government loans was intended to offer rapid relief to impoverished cultivators. Robert Pringle provided takavi to several ‘poorer villages’ on the grounds that it would be of ‘immediate benefit to the Ryots’.\(^{33}\) Pringle had recommended government intervention in the form of state charity to protect human life, even when this was an unpopular suggestion in the 1823-5 administration. Robertson and Pringle felt that a policy of non-intervention in the agricultural capital market would have had dire consequences for hundreds of their subjects. Richard Mills agreed, and argued in 1825 that averting a ‘considerable degree of distress’ amongst the cultivators was reason enough to offer loans.\(^{34}\)

The cultivators were not the only party to benefit from the loans. Agriculture was the Government’s main source of income in India.\(^{35}\) The Government issued takavi to destitute ryots partially to ensure that they continued contributing to its revenues. Loans translated into larger harvests from which the Government took its cut as a

\(^{32}\) A. Robertson, Khandesh Cltr, to Deccan Cmr, 1 Oct 1824, BRP, 3 Nov 1824, pp. 6972-3, APAC.

\(^{33}\) R. K. Pringle, Asst Poona Cltr in Deputation, to Poona Cltr, 8 Mar 1825, BRP, 6 Apr 1825, No. 3A, APAC.

\(^{34}\) R. Mills, Act Nthn Konkan Cltr, to Sec to Govt, 10 Mar 1825, BRP, 16 Mar 1825, No. 27, APAC.

\(^{35}\) H. D. Robertson, Poona Cltr, to Deccan Cmr, 26 Jul 1825, BRP, 10 Aug 1825, No. 39, APAC.
landlord’s rent. Pringle acknowledged that in some areas takavi was essential to the revenue because without it the lands would ‘remain unproductive’. Similarly, Archibald Robertson recommended loans on the grounds that without them there would be ‘less revenue’. Agricultural loans enhanced the value of ryots to the Government.

Agriculture required a populace of largely sedentary cultivators devoted to their fields. When the monsoon failed and the land became parched many cultivators were forced to watch their crops wither and their cattle collapse under the unrelenting sun. Many ryots could not afford to purchase more seed and cattle for another attempt to grow crops, and thus severe poverty drove them to migrate or join gangs and raid villages in search of subsistence. To prevent this and keep the ryots cultivating, the Government offered loans. For instance, in 1825 George Wroughton requested permission to advance takavi on the basis that it would make destitute cultivators ‘worthy’ subjects who would otherwise ‘become worthless vagabonds and plunderers’. In 1833 Edward Mills requested permission to advance loans on the grounds that ‘without such aid, the wheat and jowaree cultivation cannot be proceeded with in this zillah [or district] for want of seed’. Similarly, in 1838 Richard Mills requested permission to advance loans to impoverished cultivators for the purpose of ‘enabling them to carry on their cultivation’. In 1839 William Andrews argued that loans were necessary in his district due to ‘the very large number of agricultural cattle that have died of starvation within the last two months, and of the general distress of the people requiring larger grants than usual for seed’.

For those cultivators who had already migrated, takavi became a means by which officials could entice them back to their fields to cultivate. In 1824 John Cherry informed the Council that impoverished cultivators had deserted their village, ‘who engage to return if an advance is made to them’. In fact, the Government used takavi

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36 R. K. Pringle, Asst Poona Cltr on Deputation, to Poona Cltr, 8 Jul 1825, BRP, 10 Aug 1825, No. 39, APAC.
37 A. Robertson, Khandesh Cltr, to Deccan Cmr, 1 Oct 1824, BRP, 3 Nov 1824, p. 6974, APAC.
38 G. C. Wroughton, 1st Asst Nthn Konkan Cltr, to Act Nthn Konkan Cltr, 31 Jan 1825, BRP, 30 Mar 1825, No. 58, APAC.
39 E. B. Mills, Ahmedabad Cltr, to Rev Cmr, 20 Sep 1833, BRP, 9 Oct 1833, No. 5503, APAC.
40 R. Mills, Poona Cltr, to Rev Cmr, 19 Nov 1838, BRP, 12 Dec 1838, No. 9298, APAC.
41 W. C. Andrews, Act Surat Cltr, to Rev Cmr, 1 Jun 1839, BRP, 26 Jun 1839, No. 3975, APAC.
42 J. H. Cherry, Ahmedabad Cltr, to Act Sec to Govt 19 Jun 1824, BRP, 7 Jul 1824, p. 4477, APAC.
issues to re-establish entire villages that had previously been abandoned.\textsuperscript{43} It also used loans to establish new hamlets on the borders of larger villages.\textsuperscript{44} Takavi therefore possessed a settling function. In 1835 the Council approved of the Commissioner’s issue of takavi to the patels of Chandpur ‘to assist them in re-establishing that deserted village’.\textsuperscript{45} These re-established villages and refinanced cultivators were once again able to contribute to the Government’s revenues. Thus, the administration’s expenditure on loans not only provided relief to the ryots. The Government was itself a beneficiary of its loans policy.

This intertwining of the ryots’ interest in remaining solvent and the Government’s interest in protecting its revenues was reflected in the terminology used by officials. They frequently referred to the Government’s income as ‘public revenues’.\textsuperscript{46} Similarly, John Dunlop referred to takavi advances in 1825 as being in ‘the public interest’.\textsuperscript{47} A number of Bombay’s officials were aware of this symbiotic relationship. Pringle recommended takavi advances on the grounds that in addition to benefiting the ryots they would ‘tend to the security of the revenue and at some future period perhaps to its increase’.\textsuperscript{48} Similarly, Richard Mills recommended a distribution of loans both to alleviate suffering and because the Government’s revenue ‘depends entirely on the crops coming to perfection’.\textsuperscript{49} In 1833 Thomas Williamson handed up to the Council a subordinate’s request for permission to distribute takavi to assist cultivators in repairing their wells. Williamson supported the request on the grounds that the loans would ‘not only be a great and immediate relief to the people’, but

\textsuperscript{43} G. More, Act Sec to Govt, to Ahmedabad Cltr, 21 Jun 1824, BRP, 23 Jun 1824, p. 4258, APAC.
\textsuperscript{44} J. H. Cherry, Ahmedabad Cltr, to Sec to Govt, 19 Jun 1824, BRP, 7 Jul 1824, p. 4472, APAC; and G. More, Act Sec to Govt, to Ahmedabad Cltr, 2 Jul 1824, BRP, 7 Jul 1824, p. 4472, APAC.
\textsuperscript{45} C. Norris, Chief Sec to Govt, to Rev Cmr, 26 May 1835, BRP, 27 May 1835, No. 2347, APAC.
\textsuperscript{46} J. Pyne, 1\textsuperscript{st} Asst Broach Cltr in Charge, to Sec to Govt, 14 Jun 1823, BRP, 8 Jul 1823, p. 6199, APAC; and G. More, Kaira Cltr, to Sec to Govt, 13 Aug 1823, BRP, 3 Sep 1823, p. 7150, APAC; and W. Lumsden, Surat Cltr, to Sec to Govt, 29 Mar 1824, BRP, 6 Apr 1825, No. 16, APAC; and G. More, Act Sec to Govt, to Broach Cltr, 5 May 1824, BRP, 5 May 1824, p. 2617, APAC; and E. B. Mills, Asst Kaira Cltr in Charge, to Sec to Govt, 24 May 1824, BRP, 6 Apr 1825, No. 14, APAC; and John A. Dunlop, Sthn Konkan Cltr, to Sec to Govt, 15 Aug 1824, BRP, 12 Jan 1825, No. 44, APAC; and R. K. Pringle, Asst Poona Cltr in Deputation, to Poona Cltr, 8 Mar 1825, BRP, 6 Apr 1825, No. 3A, APAC; and W. Chaplin, Deccan Cmr, to Sec to Govt, 9 May 1825, BRP, 15 June 1825, No. 54, APAC; and J. A. Dunlop, Ahmednagar Cltr, to Deccan Cmr, 25 May 1825, BRP, 15 Jun 1825, No. 63, APAC.
\textsuperscript{47} John A. Dunlop, Ahmednagar Cltr, to Deccan Cmr, 16 Jul 1825, BRP, 27 Jul 1825, No. 64, APAC.
\textsuperscript{48} R. K. Pringle, Asst Poona Cltr in Deputation, to Poona Cltr, 8 Mar 1825, BRP, 6 Apr 1825, No. 3A, APAC.
\textsuperscript{49} R. Mills, Act Nthn Konkan Cltr, to Sec to Govt, 10 Mar 1825, BRP, 16 Mar 1825, No. 27, APAC.
because ‘a considerable portion of the revenue depends, in this district, on well irrigation’.  

Yet the Government did not intervene in the agricultural capital market primarily for humanitarian purposes, though this was often an ancillary benefit for the loan recipients. Its main motivation to intervene was financial. The decisions made by the Councils of the 1820s and 1830s about when and where to offer loans, and how much to offer, were not based on the extent of suffering experienced by the cultivators. Instead, they conducted cost-benefit analyses by comparing the cost of the proposed loans to their likely repayment and beneficial effect on the revenues. When J. Thackeray at Dharwar requested permission to issue loans, he expressed them as a percentage of the ‘expected revenue’.  

Henry Pottinger’s request to distribute takavi in 1824 included a table that compared the amount of each taluka’s requested loan to its estimated revenues for the following year. The 1823-5 Council responded to a request for takavi from John Cherry in Ahmedabad by asking him to explain why ‘so large an amount of Tuccavee in comparison with the amount of revenue is required’. The most influential Council members during the 1823-5 drought were Mountstuart Elphinstone and Francis Warden. Warden was devoutly non-interventionist on most matters concerning drought relief policy. Elphinstone’s instincts were typically to intervene to provide relief, though he was sometimes later convinced by Warden that non-intervention was preferable. Yet with regard to government loans, the consensus of the Council was typically to intervene, and was less frequently not to intervene. These decisions were not based on theoretical principle, but rather on a case-by-case cost-benefit analysis. In fact, the 1823-5 Council seems to have demanded that revenue information be included in all the Collectors’ requests for loans. Saville Marriott requested permission to lend Rs. 18,500, which he compared to the previous year’s revenues of Rs. 320,000. The Council approved the loans. Marriott later

50 T. Williamson, Rev Cmr, to Sec to Govt, 30 Mar 1833, BRP, 17 Apr 1833, No. 2068, APAC.
51 J. Thackeray, Dharwar Clnr, to Deccan Cmr, 27 Oct 1823, BRP, 12 Nov 1823, pp. 9074-5, APAC.
52 Henry Pottinger, Ahmednagar Clnr, to Deccan Cmr, 9 Jun 1824, BRP, 23 Jun 1824, p. 4265, APAC.
53 G. More, Act Sec to Govt, to Ahmedabad Clnr, 4 May 1824, BRP, 5 May 1824, p. 2592, APAC; and G. More, Sec to Govt, to Ahmedabad Clnr, 10 May 1824, BRP, 12 May 1824, pp. 2741-2, APAC.
54 Saville Marriott, Nthn Konkan Clnr, to Sec to Govt, 31 Dec 1823, BRP, 7 Jan 1824, pp. 14-40, APAC.
55 James Farish, Sec to Govt, to Nthn Konkan Clnr, 5 Jan 1824, BRP, 7 Jan 1824, pp. 40-1, APAC.
requested permission to distribute a further Rs. 50,000, and he compared the advances to the ‘total Jumma’, or total revenue assessment.\footnote{J. H. Cherry, Nthn Konkan Cltr, to Act Sec to Govt, 17 Oct 1824, BRP, 27 Oct 1824, pp. 6735-86, APAC.} The Council once again authorized the issue of takavi on the strength of Marriott’s financial report.\footnote{G. More, Act Sec to Govt, to Nthn Konkan Cltr, 26 Oct 1824, BRP, 27 Oct 1824, pp. 6786-7, APAC.} Robert Boyd also compared his loans request to the district’s revenues from the previous season, and he received the Council’s authorization.\footnote{R. Boyd, Broach Cltr, to Sec to Govt, 13 Jul 1825, BRP, 3 Aug 1825, No. 16, APAC; and J. Farish, Sec to Govt, to Broach Cltr, 30 Jul 1825, BRP, 3 Aug 1825, No. 17, APAC.}

Both the 1831-5 and 1838-9 Councils followed the same cost-benefit analysis. The 1831-5 Council was headed by Governor FitzGibbon, who had a policy of non-intervention toward the grain trade. He was content to intervene in offering charity and public works employment to his own subjects, whilst following a policy of non-intervention toward foreign migrants. His Council consistently intervened in the agricultural capital market when it was presented with a promising ratio between the amount of the loan versus the likely effect on the revenues.\footnote{L. R. Reid, Sec to Govt, to Rev Cmr, 13 May 1833, BRP, 15 May 1833, No. 2874, APAC; and Statement by J. Vibart, Ahmedabad Cltr, 24 Jun 1833, BRP, 17 Jul 1833, No. 3913, APAC; and C. Norris, Chief Sec to Govt, to Rev Cmr, 11 Jul 1833, BRP, 17 Jul 1833, No. 3914, APAC; and J. Vibart, Surat Cltr, to Rev Cmr, 22 Feb 1834, BRP, 12 Mar 1834, No. 1251, APAC; and L. R. Reid, Sec to Govt, to Rev Cmr, 11 Mar 1834, BRP, 12 Mar 1834, No. 1252, APAC; and Statement by J. Nisbet, Dharwar Cltr, 23 Jun 1834, BRP, 9 Jul 1834, No. 3476, APAC; and C. Norris, Chief Sec to Govt, to Dharwar Cltr, 4 Jul 1834, BRP, 9 Jul 1834, No. 3477, APAC; and R. Chambers, 1st Asst Surat Cltr in Charge, to Rev Cmr, 20 Feb 1835, BRP, 11 Mar 1835, No. 984, APAC; and L. R. Reid, Sec to Govt, to Rev Cmr, 3 Mar 1835, BRP, 11 Mar 1835, No. 985, APAC; and Statement by W. C. Andrews, Act Tannah Cltr, 14 Feb 1835, BRP, 11 Mar 1835, No. 1041, APAC; and L. R. Reid, Sec to Govt, to Rev Cmr, 5 Mar 1835, BRP, 11 Mar 1835, No. 1042, APAC.} The 1838-9 Council was headed by the interim Governor James Farish. Like FitzGibbon, Farish chose non-intervention in the grain trade and preferred to intervene in offering charity and employment to the poor. Yet Farish went one step further than FitzGibbon by including foreign migrants as recipients of his interventionist relief measures. Like the Councils before it, the 1838-9 Council based most of its decisions on whether to offer takavi on cost-benefit analyses.\footnote{J. H. Jackson, Asst Ahmedabad Cltr, to Rev Cmr, 5 Jul 1838, BRP, 15 Aug 1838, No. 6162, APAC; and Statement by J. H. Jackson, Asst Ahmedabad Cltr, 5 Jul 1838, BRP, 15 Aug 1838, No. 6162, APAC; and L. R. Reid, Act Chief Sec to Govt, to Rev Cmr, 10 Aug 1838, BRP, 15 Aug 1838, No. 6163, APAC; and R. K. Arbuthnot, Nasik Sub-Cltr, to Ahmednagar Cltr, 25 Jul 1838, BRP, 29 Aug 1838, No. 6499, APAC; and L. R. Reid, Act Chief Sec to Govt, to Rev Cmr, 24 Aug 1838, BRP, 29 Aug 1838, No. 6500, APAC; and Statement by R. Mills, Poona Cltr, 5 Jan 1839, BRP, 10 Apr 1839, No. 2280, APAC; and A. Elphinston, Ratnagiri Cltr, to Act Chief Sec to Govt, 9 May 1839, BRP, 29 May 1839, No. 3309, APAC; and L. R. Reid, Act Chief Sec to Govt, to Ratnagiri Cltr, 21 May 1839,
Throughout the 1820s and 1830s, the loans offered by the Bombay Government typically ranged from three to seven per cent of either the received revenues of the previous season or of the estimated revenues of the following season. Less commonly, the Council received and granted requests for takavi ranging from ten to thirty per cent of the revenues, but such cases were rare and always involved the Council’s cost-benefit analysis of takavi versus revenues. Thus, throughout the 1820s and 1830s the Government’s loans scheme was more a business venture than a humanitarian effort.

Further evidence that the Government’s loan scheme was fuelled primarily by financial necessity is found in an examination of the loan recipients. As noted, the Government derived its chief source of income from agriculture. Takavi loans were by definition agricultural loans; this excluded all non-agriculturalists from accessing this type of financial support during drought. The Government’s concern for the impoverished ryot vastly overshadowed its concern for occupational groups from the secondary sector. For example, it entirely neglected the plight of spinners and weavers. A Government that was driven primarily by humanitarian concern would pay at least some attention to their circumstances because they were increasingly experiencing hardship. In the mid-eighteenth century British manufactured goods began arriving in western Indian trading centres and competing with local manufactures. They began to undersell local manufactures by the end of the 1820s. This started a gradual displacement and impoverishment of many spinners and weavers. By the 1831-5 drought British manufactures were devastating local industry. Harry Borradaile, the Acting Collector of Customs in Gujarat, observed in 1832 that the Government’s policy of charging minimal customs duties on British imports had brought ‘ruin … upon the [local] manufacturing classes’. Gregor Grant, the Assistant Senior Surat Judge, confirmed in 1833 that ‘many thousands of the

BRP, 29 May 1839, No. 3311, APAC; and L. R. Reid, Act Chief Sec to Govt, to Belgaum Cltr, 28 May 1839, BRP, 29 May 1839, No. 3485, APAC.
61 They received no mention in either the Bombay Revenue Proceedings or the Bombay General Proceedings for 1823-5.
63 H. Borradaile, Act Cltr of Customs in Gujarat, to Rev Cmr, 1 Dec 1832, BRP, 22 May 1833, No. 2972, APAC.
classes formerly employed in the fabrication of cloths’ had been ‘undersold by [the] English manufacturer’. 64

Furthermore, spinners and weavers were often the first to suffer from the effects of drought. 65 As Grant noted, even in recent years of plenty they could ‘barely gain a livelihood’, and ‘in times of scarcity their condition is truly deplorable’. 66 Ryots might be fortunate enough to have produced a partial crop to subsist on, but spinners’ and weavers’ only access to food was through the sale of their wares. The demand for food increased during drought and pushed up grain prices. But, as Harnetty has noted, the demand for clothing waned during drought and effectively reduced the spinners’ and weavers’ income at the worst possible time. 67 The Government’s loan scheme made no provisions for any industrial loans to destitute spinners and weavers. They were forced to rely on their own means for survival.

While proceeds from the ryots’ harvests contributed vast sums to the Government’s coffers, weavers and spinners and other secondary sector occupational groups contributed a much smaller sum. In 1823/4 the Government demanded Rs. 7.1 million in total revenues from four districts. Rs. 5.9 million of this, or 83 per cent, came from land revenues. 68 The remaining 17 per cent, referred to typically as sayer, constituted ‘a variety of imposts’, such as ‘customs, transit duties, licences fees’, house taxes and market taxes. 69 Sayer largely comprised the secondary sector’s contribution to the Government’s coffers, of which spinners and weavers provided only one portion. The plight of the suffering ryot, who provided the Government with over eighty per cent of its revenues, was of far greater concern. Cultivators therefore had exclusive access to government intervention in the form of loans. Spinners and weavers could offer

64 G. Grant, Asst Snr Surat Judge in Charge, to Sec to Govt, 13 Nov 1833, BRP, 27 Nov 1833, No. 6541, APAC.
65 R. Barniwall, Kattywar Political Agent, to Sec to Govt, 29 Sep 1824, BGP, 20 Oct 1824, pp. 5915-6, APAC.
66 G. Grant, Asst Snr Surat Judge in Charge, to Sec to Govt, 13 Nov 1833, BRP, 27 Nov 1833, No. 6541, APAC.
68 W. Chaplin, Deccan Cmr, to Sec to Govt, 10 Oct 1825, BRP, 2 Nov 1825, No. 1, APAC.
little directly to the Government’s treasury. Consequently, in their case, there were no financial objections within the administration to implementing a policy of non-intervention.

However, the administrations of the 1820s and 1830s did not only exclude non-agriculturalists from its loans scheme. The poorest ryots who hovered on the brink of bankruptcy and consistently struggled to meet the Government’s revenue demands were also denied loans. They represented the greatest risk to the Government’s investment, and were excluded to increase the profitability of the loans. Thus, the cultivators who had the most pressing humanitarian need for assistance were excluded from the Government’s loans scheme. Fukazawa has found that a similar loans policy was pursued during the famines that struck western India at the close of the nineteenth century. The Bombay Government of the time gave loans disproportionately to richer cultivators, ‘whom it identified with industry and enterprise’, and also gave ‘more generously to the richer districts’.  

The administrations of the 1820s and 1830s were much the same. They usually offered loans to cultivators on the terms of ‘Soucar’ security. This involved a soucar, or moneylender, standing as security for the ryot. If the ryot was unable to repay his loan to the Government when demanded, the soucar would pay, to whom the ryot would then be indebted at an exorbitant interest rate. In 1825 the loans policy of Richard Mills, the Northern Konkan Collector, was that ‘every ryot who receives an advance is obliged to give’ soucar security. This was a means by which the Government could pass down some of the risk involved in its loans scheme to its subjects, and thereby make it a more profitable venture. However, the soucars would not stand as security for the poorest ryots whose meagre financial means made them too risky an investment. Mills noted that the most impoverished ryots therefore found it ‘impossible’ to offer soucar security to the Government. Under these

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70 Fukazawa, pp. 199-200.
71 The arrangement was similar to the ryot’s repayment of Government revenues, in which the ‘usurious and rapacious’ soucar met the ryot’s revenue obligations who was unable to do so when Government demanded, and then the soucar charged him high interest rates in the private loan repayment. Henry Pottinger, Ahmednagar Cltr, to Sholapur Sub-Cltr, 20 Nov 1824, BRP, 15 Dec 1824, p. 7987, APAC.
72 R. Mills, Act Nthn Konkan Cltr, to Sec to Govt, 18 Mar 1825, BRP, 30 Mar 1825, No. 58, APAC.
73 R. Mills, Act Nthn Konkan Cltr, to Sec to Govt, 18 Mar 1825, BRP, 30 Mar 1825, No. 58, APAC.
circumstances many destitute ryots were denied humanitarian relief in the form of government loans.

Thomas Williamson stated in 1833 that his policy was also to demand security on government loans.\(^74\) Once again it was Richard Mills, now as the Collector of Ahmednagar, who argued in 1833 that some ryots were excluded from government loans relief because of their ‘difficulty of finding security’.\(^75\) William Andrews also noted in 1833 that some of the ryots in his sub-district of Nasik were ‘unable to furnish the requisite security for repayment’, and that their ‘applications were not therefore forwarded’.\(^76\) The 1838-9 administration followed the same policy. John Vibart, as the Revenue Commissioner, supported a subordinate’s request for takavi on the grounds that he would take ‘due precaution for its subsequent recovery’.\(^77\) The Council itself stressed in 1839 that security was to be taken on all loans to be offered in Nasik sub-district.\(^78\)

Richard Mills suggested a solution in 1825 of offering loans to the impoverished ryots on terms of ‘sankel zameen’, which enabled a poor ryot to sidestep the moneylender and group together with other ryots in offering the Government a kind of collective security on its investment. If one ryot failed to pay his revenues the others in his group would make good the difference. Mills stated that he would issue loans on such terms only when it could ‘be done without incurring too great a risk’. This implied the exclusion of the most destitute ryots. Moreover, he believed that the poorest ryots would be excluded anyway because all the cultivators would be ‘cautious for whom they stand security’. A ‘failure of any one of the members to perform his agreement’ would ‘subject the rest to have their crops attached, and ultimately to pay the amount due’. He argued that the Government’s terms and conditions would therefore ‘effectually exclude the very lowest from the benefit of the liberality of [the] Government’.\(^79\)

\(^74\) T. Williamson, Rev Cmr, to Sec to Govt, 30 Mar 1833, BRP, 17 Apr 1833, No. 2068, APAC.
\(^75\) R. Mills, Ahmednagar Cltr, to Rev Cmr, 14 Aug 1833, BRP, 4 Sep 1833, No. 4868, APAC.
\(^76\) W. C. Andrews, 1\(^{st}\) Asst Nasik Sub-Cltr, to Ahmednagar Cltr, 24 Jul 1833, BRP, 4 Sep 1833, No. 4868, APAC.
\(^77\) J. Vibart, Rev Cmr, to Act Sec to Govt, 16 Apr 1839, BGP, 1 May 1839, No. 360, APAC.
\(^78\) L. R. Reid, Act Chief Sec to Govt, to Rev Cmr, 29 May 1839, BRP, 29 May 1839, No. 3529, APAC.
\(^79\) R. Mills, Act Nthn Konkan Cltr, to Sec to Govt, 18 Mar 1825, BRP, 30 Mar 1825, No. 58, APAC.
Mills was not concerned by this outcome. His public works policy had been to withhold government support until relief was absolutely required. His takavi policy had a similar hint of non-intervention. He found it preferable that the ‘lowest ryots’ should be excluded from the Government’s loans by its terms and conditions. He expected that they would naturally sink ‘to the level of servants’ of the local elite, which would be of ‘more advantage to the Government and of benefit to themselves’ than if they were to unnaturally ‘drag on a miserable existence as poor landlords’.

Similarly, Archibald Robertson reported that he had organised public works and takavi relief. He noted that some people would be excluded from this relief, but ‘I trust that the greater and more valuable portion of the population will be provided for.’ Archibald’s brother Henry argued that it was important to exclude the poorest ryots from loans relief. He stated in 1831 that ‘when those who receive the advances entirely depend upon them for success, it is better not to make them’.

Officials of the 1838-9 administration similarly had few qualms in excluding the poorest cultivators from relief. George Wingate was later to become a successful Revenue Survey Commissioner in western India. As the Assistant Sholapur Collector in 1838, he requested permission to advance takavi to the ‘deserving cultivators’. He assured his superior that ‘careful enquiries will be made into the circumstances and character of every applicant before giving him any advance, so that I think Government will incur very little risk of loss by the grant while it would be found of the greatest service, in the present impoverished condition of the peasantry’.

Wingate’s assessment of the ‘service’ rendered by the Government evidently did not include the ‘impoverished condition’ of those who were excluded from relief. John Vibart, the Revenue Commissioner, approved of Wingate’s policy. He concurred in Wingate’s belief that ‘the indiscriminate advances now made to absolute paupers by the mamludars for the avowed purpose of extending the cultivation produces a slovenly and imperfect state of husbandry which neither tends to the interest of

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80 R. Mills, Act Nthn Konkan Cltr, to Sec to Govt, 18 Mar 1825, BRP, 30 Mar 1825, No. 58, APAC.
81 A. Robertson, Khandesh Cltr, to Deccan Cmr, 1 Oct 1824, BRP, 3 Nov 1824, p. 6978, APAC.
82 H. D. Robertson, Ahmednagar Cltr, to Rev Cmr, 5 Aug 1831, BRP, 17 Apr 1832, No. 1841, APAC.
83 G. Wingate, Asst Sholapur Cltr in Charge of Mohole and Marah, to Act Sholapur Cltr, 12 Nov 1838, BRP, 28 Nov 1838, No. 8960, APAC.
Government, or agriculture’. The exclusion of the poorest ryots from loans relief was thus a conscious policy.

For non-ryotwari villages, the Government also sometimes passed risk down to the patel. The patel invested the Government’s loans in the village’s productivity and accepted responsibility for repayment. In this way the Government was able to provide scarcity-relief to the destitute in the form of employment on the patels’ works, but without shouldering all the risk that the works might not prove productive and profitable.

The Government’s adversity to risk was evident in its focus on the likelihood of loan recovery. Archibald Robertson stated that over an unspecified time period he had issued over Rs. 100,000 in loans. He reported that 85 per cent had either been repaid, or he expected would be repaid, which left only 15 per cent that he believed would be irrecoverable. Moreover, loan repayments were also relatively prompt. Throughout the season of 1824/5, Robertson lent Rs. 70,217 as takavi to his ryots. By 11 June 1825 Rs. 35,458 was still outstanding. This demonstrates that roughly half the repayments were made within the year of issue. Irrecoverable loans were the outcome of bad investments – that is, cultivators who were too impoverished to repay the loan. The Government ensured a high loan repayment rate by typically offering loans to those ryots who were suitably destitute and in need of assistance, yet not as destitute as to be unlikely to make good their loan repayments. The officials of the 1820s and 1830s were primarily driven by the need to protect the Government’s revenues. This necessitated an intervention in the agricultural capital market to protect the solvency of a large portion of the ryots who were impoverished by drought. Yet this also necessitated a policy of non-intervention toward the more destitute of ryots, whose relief represented an unacceptable financial risk.

84 J. Vibart, Rev Cmr, to Act Chief Sec to Govt, 15 Jan 1839, BRP, 10 Apr 1839, No. 2279, APAC.
85 R. K. Pringle, Asst Poona Cltr in Deputation, to Poona Cltr, 8 Mar 1825, BRP, 6 Apr 1825, No. 3A, APAC.
86 A. Robertson, Khandesh Cltr, to Deccan Cmr, 27 Apr 1824, BRP, 19 May 1824, pp. 2799-2801, APAC.
87 A. Robertson, Khandesh Cltr, to Deccan Cmr, 11 Jun 1825, BRP, 29 Jun 1825, No. 75, APAC.
Bombay’s officials typically intended their loans to be spent on the means of cultivation. On rare occasion, however, officials loaned needy cultivators funds for the purchase of food. This was a special case intended to keep them near their fields by tiding them over until the rains returned the next season. It was hoped that this would stop them from migrating or turning to crime to survive. The offer of funds for food averted considerable hardship for the recipients. Yet once again the humanitarian benefits were primarily a means to an end for the Government. The subsistence loans were only ever offered within a few weeks of the sowing season in June. Closer to the time a second round of loans was made to facilitate cultivation. Both sets of loans were to be repaid from the cultivators’ ensuing harvest, which otherwise would be non-existent.

Subsistence loans were offered only on two occasions during the 1823-5 drought. In May 1825 James Simson, the Northern Konkan Collector, recommended a distribution of grain ‘where cultivators are needy’. This excluded non-agriculturalists and targeted the loans to people who contributed most to the Government’s revenues. The loans were to be ‘confined scrupulously to their actual wants for consumption, and for seed, given in small quantities, and repeated where there is occasion’. This minimized the expense and the risk of the loan to the Government. The Council authorized the Collector to issue the grain on the proviso that he would take ‘similar security for repayment as is done with respect to Tuccavie’. This protected the Government’s investment by excluding from relief the poorest ryots, who were to look to their own efforts for survival. Similarly, in late April 1824 Archibald Robertson, the Collector of Khandesh, requested permission to offer ‘small advances for food and for seed’ to ‘many poor ryots’ in his district. He stated that he would take ‘the greatest care’ to ensure that the subsistence loans were not ‘misapplied or given without security’, and that they be repaid ‘as soon … as possible’. On this basis the Council sanctioned his recommendations.

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88 J. B. Simson, Nthn Konkan Cltr, to Sec to Govt, 6 May 1825, BRP, 18 May 1825, No. 24, APAC.
89 James Farish, Sec to Govt, to Nthn Konkan Cltr, 14 May 1825, BRP, 18 May 1825, No. 25, APAC.
90 A. Robertson, Khandesh Cltr, to Deccan Cmr, 27 Apr 1824, BRP, 19 May 1824, pp. 2801-2, APAC.
91 G. More, Act Sec to Govt, to Deccan Cmr, 15 May 1824, BRP, 19 May 1824, p. 2805, APAC.
In both cases, the Government minimised its risk and expenditure by issuing loans to provide subsistence for only a short period of time. Most of the crops grown in western India were kharif crops, which required the monsoon rains that fell heavily from June to August, and lightly in September. The Council authorised both requests for subsistence loans in the month of May, which was only a matter of weeks before the rains were due to fall in June. Hence, the subsistence loans kept many of the destitute ryots at home at a point in time that was crucial to the Government’s revenues and at a minimal cost for their subsistence. Evidently this was considered preferable to establishing public works schemes in the area for such a short period of time.

Not all subsistence takavi requests were sanctioned. The Council rejected all requests that were made several months before the commencement of the main sowing season in June. It could not accept the greater cost and financial risk of providing subsistence to the destitute ryots for so long. During the 1823-5 drought, H. F. Dent handed up a petition from ryots of the Jullode taluka, who requested Rs. 21,350 in takavi ‘merely to support them in food till the next rains’. The request came in mid November well before the rains in June. Dent tried to ‘encourage them to work and attempt to alleviate their distress themselves’. He concluded that it was neither ‘advisable nor requisite’ to offer so much assistance, and that public works employment should be offered instead. His superiors Archibald Robertson and the Council agreed. Archibald Robertson, as mentioned, had been rejected several times...

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92 J. C. Munro, Dharwar Sub-Cltr, to Principal Cltr and Political Agent, 31 Jul 1824, BRP, 1 Sep 1824, p. 5565, APAC; and B. Noten, Clerk to His Majesty's Justices of the Peace, to Sec to Govt, 21 Aug 1824, BGP, 25 Aug 1824, p. 4727, APAC.
93 Subsistence takavi was, however, also rejected during the rabi sowing season of October in favour of offering cultivators subsistence through employment on works. However, this does not refute the proposed argument because before sowing could commence on rabi fields, the public works were first required to repair and construct wells and thereby bring lands into cultivation that would otherwise have remained waste. The much more common sowing of crops in the kharif season, which relied upon the rains and not artificial irrigation, required no works before sowing. The Government therefore had no need to offer subsistence loans in October because the employment of the poor on the necessary public works provided sufficient subsistence. For takavi issues during the rabi sowing season, see A. Robertson, Khandesh Cltr, to Deccan Cmr, 1 Oct 1824, BRP, 3 Nov 1824, pp. 6975-8, APAC; and A. Robertson, Khandesh Cltr, to Asst Khandesh Cltr, 17 Nov 1824, BRP, 15 Dec 1824, pp. 8025-6, APAC.
94 H. F. Dent, Asst Khandesh Cltr, to Khandesh Cltr, 15 Nov 1824, BRP, 15 Dec 1824, pp. 8019-21, APAC.
95 A. Robertson, Khandesh Cltr, to Asst Khandesh Cltr, 17 Nov 1824, BRP, 15 Dec 1824, pp. 8024-6, APAC; and G. More, Act Sec to Govt, to Deccan Cmr, 15 Dec 1824, BRP, 15 Dec 1824, pp. 8027-8, APAC.
months earlier by the Council in his untimely request to offer takavi in the month of April. By the time of Dent’s request in November he had evidently accepted the Council’s policy against premature offers of takavi. Likewise, during the 1838-9 drought George Coles recommended that subsistence takavi be distributed to keep the ryots from migrating away from their homes and to protect the Government’s revenues. But Coles was making his recommendations in March, several months before the sowing season. Coles’ superior, William Andrews, ‘doubted that the loan would be recovered’. The Council resolved that if there were a better chance of repayment the plan would be ‘less objectionable’, but as it stood public works were preferred.

Similarly, in late January 1825, George Wroughton submitted a plan to relieve impoverished ryots by issuing Rs. 30,000 in takavi purely for their subsistence until June. This would constitute several months of subsistence. His superior, Richard Mills, forwarded the plan to the Council. He expressed his doubts about the advisability of ‘advancing money to the ryots for the express purpose of maintaining them’, particularly ‘at this early period’. The Council dealt with other issues raised in the correspondence and ignored Wroughton’s request for subsistence takavi. But Wroughton persisted and repeated his request. In mid-April, still almost two months from the main sowing season of early- to mid-June, Mills suggested an alternative to the Council. Rather than incurring the cost of offering subsistence for no return, the destitute ryots might be employed on public works and thereby also be of benefit to the Government. Ironically, by the time the Council authorized the Mills’ public works in early May – more than three months since Wroughton reported the destitute ryots’ need for assistance – there was only one month remaining until the main sowing season was due to commence. By then the possibility of offering

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96 G. Coles, Act Broach Sub-Cltr, to Act Surat Cltr, 22 Mar 1839, BGP, 10 Apr 1839, No. 19, APAC.
97 W. C. Andrews, Act Surat Cltr, to Act Sec to Govt, 27 Mar 1839, BGP, 10 Apr 1839, No. 19, APAC.
98 Minute by J. Farish, Bombay Governor, 2 Apr 1839, BGP, 10 Apr 1839, Nos. 20&21, APAC.
99 G. C. Wroughton, 1st Asst Nthn Konkan Cltr, to Act Nthn Konkan Cltr, 31 Jan 1825, BRP, 30 Mar 1825, No. 58, APAC.
100 R. Mills, Act Nthn Konkan Cltr, to Sec to Govt, 18 Mar 1825, BRP, 30 Mar 1825, No. 58, APAC.
101 J. Farish, Sec to Govt, to Act Nthn Konkan Cltr, 29 Mar 1825, BRP, 30 Mar 1825, No. 59, APAC.
103 J. B. Simson, Nthn Konkan Cltr, to Sec to Govt, 19 Apr 1825, BRP, 11 May 1825, No. 14, APAC.
104 James Farish, Sec to Govt, to Nthn Konkan Cltr, 5 May 1825, BRP, 11 May 1825, No. 15, APAC.
subsistence takavi might otherwise have been considered, but the wheels of government had already been set in motion.

Revealingly, the 1823-5 Council was very slothful in its response to Wroughton’s initial request in January 1825. This sluggishness contrasted sharply with the Government’s typical urgency in authorizing loans intended for the purchase of cattle and seed during the sowing season. These agricultural loans were less risky and more likely to generate revenues for the Government. To ensure that the issue of agricultural loans reached the recipients while the rains continued to fall, the Collectors were often expected to break protocol by urgently issuing takavi on their own authority. They then sought the Council’s sanction after the fact, which as a matter of course was always granted. Financial self-interest propelled the Government into speedily distributing agricultural loans in the sowing season. It also induced lethargy in the Government’s deliberations as to whether to offer subsistence loans in the long months before June.

*The restriction of loan amounts in Bombay in the 1820s and 1830s.*

It has so far been argued that the Bombay administrations of the 1820s and 1830s were compelled to intervene in the agricultural capital market to protect the Government’s main source of income. This excluded some people from loans relief. Yet even when loans were issued, officials typically also felt the need to restrict the amount offered. When the Councils and Collectors sanctioned loans to be distributed by their subordinates they frequently and intentionally limited the lump sum. Moreover, the Collectors often stated their intention to restrict to a minimal advance the amount offered to each individual. This restriction of loans was a common feature of the Government’s takavi policy throughout the 1820s and 1830s.

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105 J. H. Cherry, Ahmedabad Cltr, to Act Sec to Govt, 28 Jun 1824, BRP, 14 Jul 1824, p. 4632, APAC; and G. More, Act Sec to Govt, to Ahmedabad Cltr, 12 Jul 1824, BRP, 14 Jul 1824, pp. 4632-3, APAC; and H. D. Robertson, Poona Cltr, to Deccan Cmr, 1 Sep 1825, BRP, 21 Sep 1825, No. 34, APAC; and W. Chaplin, Deccan Cmr, to Sec to Govt, 7 Sep 1825, BRP, 21 Sep 1825, No. 33, APAC; and J. Farish, Sec to Govt, to Deccan Cmr, 16 Sep 1825, BRP, 21 Sep 1825, No. 35, APAC; and J. H. Cherry, Ahmedabad Cltr, to Act Sec to Govt, 20 Jul 1824, BRP, 4 Aug 1824, pp. 5140-1, APAC; and G. More, Act Sec to Govt, to Ahmedabad Cltr, 2 Aug 1824, BRP, 4 Aug 1824, p. 5141, APAC.
The Councils’ and Collectors’ policy of restricting the lump sum values of the loans will first be considered. The occurrence of drought forced the Government to increase its flow of loans to the cultivators, because the failure of the monsoon brought many more cultivators to the brink of bankruptcy. The loans were much larger during drought than in normal years, but the officials tried to restrict this increase. Robert Boyd received requests from numerous village headmen in 1824 for agricultural loans to enable the ryots to keep cultivating. He granted most of the loans, but he offered only one-third to one-half of the requested amounts.106 Pringle requested permission to issue takavi solely for the ryots to purchase seed and not for their replacement of dead cattle because ‘such advances offer a more distant prospect of return’. He stated that providing for the dead cattle would ‘raise the estimate to an amount which [the] Government might hardly deem it expedient to sanction’.107

As the drought increased the flow of loans passing from the Government to the cultivators, it increased the opportunities for corrupt revenue intermediaries to siphon a portion into their own pockets. The Council assumed that the smaller the outlay the easier it was to supervise its distribution. In 1825 Richard Mills, the Northern Konkan Collector, handed up a request for takavi from his subordinate George Wroughton. Wroughton knew how to appeal to the Council’s expectations regarding the careful issue of loans. He stated that he was ‘aware that strict vigilance and attention will be required’ from his mamlatdars over its distribution in the villages. Moreover, he acknowledged the need for his own ‘active superintendence’ over the mamlatdars. Corrupt officials not only stole part of the loan from the Government, but in so doing also reduced the intended effect of the loan on the Government’s revenues. Thus, ensuring the effectiveness of the loan depended largely on preventing its embezzlement. Wroughton assured his superiors in requesting the loan that ‘the utmost of my exertions shall not be wanted to render it effective’.108 But the Council took its own steps to ensure that the loans reached their intended recipients in full. It sanctioned only half of the total amount requested by Mills. The Council explained that this was because of the ‘habits of carelessness to which too large advances of

106 Robert Boyd, Broach Cltr, to Sec to Govt, 2 Apr 1824, BRP, 21 Apr 1824, pp. 2340-58, APAC.
107 R. K. Pringle, Asst Poona Cltr on Deputation, to Poona Cltr, 8 Jul 1825, BRP, 10 Aug 1825, No. 39, APAC.
108 G. C. Wroughton, 1st Asst Nthn Konkan Cltr, to Act Nthn Konkan Cltr, 31 Jan 1825, BRP, 30 Mar 1825, No. 58, APAC.
tucavie are apt to give rise’.\textsuperscript{109} Henry Robertson also explained in 1831 that he had restricted the offer of loans to avoid tempting his Indian subordinates into corrupt practices. He considered heavy loans to be ‘injurious from the temptation they offer village officers to acquire sums of money under false pretences, and sometimes to pocket them altogether’.\textsuperscript{110}

British innovations in the revenue system may have exacerbated the problem of loans embezzlement. When the British assumed control of western India in 1818 they inherited an administrative system that had been rife with corruption under the Peshwas.\textsuperscript{111} To combat this corruption the British introduced the ryotwari settlement to many villages in the Presidency. This provided a more direct revenue link between the Government and the ryots and reduced the power of the revenue intermediaries.\textsuperscript{112}

A more detailed description of this process is to be found in the introduction chapter. Guha has asserted that the British officials did not trust their Indian subordinates. There was a ‘staunch belief in the omnicompetence and incorruptibility of European officials and its converse, a belief in the near universal venality of Indians’.\textsuperscript{113} The ryotwari system was preferred by some Collectors as a solution to the problem of widespread corruption.

Yet ironically the British innovation may have actually exacerbated corruption. Guha has noted that the ryotwari settlement greatly increased the amount of revenue information that needed to be processed in the Collector’s office. Consequently the Collector was forced to rely on his mamlatdars in their respective talukas. The revenue intermediaries in villages under non-ryotwari settlements were more dependent on the goodwill of their cultivators than the mamlatdar who managed hundreds of villages. Consequently the intermediaries were somewhat restricted in the

\textsuperscript{109} J. Farish, Sec to Govt, to Act Nthn Konkan Cltr, 29 Mar 1825, BRP, 30 Mar 1825, No. 59, APAC.
\textsuperscript{110} H. D. Robertson, Ahmednagar Cltr, to Rev Cmr, 5 Aug 1831, BRP, 17 Apr 1832, No. 1841, APAC.
\textsuperscript{113} Guha, ‘Society and Economy’, pp. 396-7.
amount they could embezzle under non-ryotwari settlements. The mamlatdars, however, were largely given a free hand under the ryotwari system.  

Moreover, the administrations of the 1820s and 1830s may have been forced to assume greater responsibility for the solvency of those of its subjects who cultivated under the ryotwari settlement. In villages of non-ryotwari settlement, the intermediaries shared a degree of risk with the Government. If the rains failed, they accepted some financial liability for their villages’ losses. They were often obliged to meet the Government’s revenue demands despite their villages’ reduced harvests.  

Furthermore, as has been demonstrated in the introduction chapter, the intermediaries had a vested interest in maintaining the productivity of their villages to ensure they rendered a profit in the future. The introduction of the ryotwari settlement removed the vested interest of the intermediaries when it removed their power. Thus, to protect the Government’s revenues in these villages, officials soon found that they were forced to become more directly involved in maintaining the ryots’ productivity. Henry Robertson, for instance, complained from Poona in 1825 that the need to give loans was to a degree ‘forced on [the] Government by the nature of the Ryotwar Settlement’. He disliked the policy of offering takavi, but conceded that ‘in ryotwari settlements they cannot perhaps be altogether dispensed with’.  

Similarly, in 1839 the Council was reluctant to authorise a Collector to distribute takavi in his district, and particularly so in villages that were still run by khoti intermediaries. But it stated that in the villages for ‘which the management has fallen to Government, so that Government is in fact the Khote of them, and obliged to conduct the details as a Khote would do, of course some advances might be requisite’.

The Bombay officials that chose to implement the ryotwari settlement did so with the intention of gaining greater control over the flow of government funds. Yet the added workload effectively gave greater control to the mamlatdars, who had less reason than the village intermediaries to fear upsetting villagers. The onset of drought increased the need for the Government to intervene in the agricultural capital market to prop up

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115 W. Chaplin, Deccan Cmr, to Sec to Govt, 4 Nov 1823, BRP, 3 Dec 1823, pp. 9450-4, APAC.  
116 H. D. Robertson, Poona Cltr, to Deccan Cmr, 26 Jul 1825, BRP, 10 Aug 1825, No. 39, APAC.  
117 L. R. Reid, Act Chief Sec to Govt, to Ratnagiri Cltr, 21 May 1839, BRP, 29 May 1839, No. 3311, APAC.
the failing finances of its agriculturalists. The flow of funds was therefore greatly increased. Yet the officials of the 1820s and 1830s also tried to reduce the opportunities for corruption by restricting the increase to within manageable limits. But they were less able to restrict their loans to ryotwari villages because they had previously removed an important source of private capital in the intermediaries. The officials were compelled to protect the Government’s revenues by providing sufficient loans to these villages. Consequently they found themselves in the unenviable situation of having to channel a greater portion of government loans into streams that were more likely to be siphoned off by corrupt officials.

**Frugality and the restriction of loans to the individual.**

Despite the fact that the abolitionists in Britain had little or nothing to say about the concept of loans as a form of relief, this did not stop some of Bombay’s officials applying general abolitionist assumptions about the effect of government intervention on the moral character of the relief recipient. The case for non-intervention in Britain stressed the importance of self-reliance in the poor. Self-reliance required hard work to maximise a meagre income, and frugality to limit expenditure to the basic necessities. Frivolous expenditure on luxuries was frowned upon. The abolitionist Thomas Chalmers spoke of the ‘four fountains’ of subsistence for the poor. He argued that ‘the first, and by far the most productive of these fountains, is situated among the habits and economies of the people themselves’. He contended that the Poor Law’s provision of relief ‘must induce a great relaxation on the frugality and provident habits of our labouring classes’. They would rely on the state for that which would otherwise have been ‘secured by the effects of their own prudence and their own carefulness’.

Similarly, the abolitionist Thomas Alcock argued that ‘the fear of one day coming to want, is a strong motive for most people to be industrious, careful and sober’. Yet the Poor Law guaranteed the subsistence of the poor. ‘Upon this presumption’, Alcock argued, ‘the sluggard … is tempted to continue in sloth; the glutton, as he receives his gains, eats them, and the drunkard drinks them. In short, men labour less and spend

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more; and the very law that provides for the poor, makes poor’. 119 Joseph Townsend claimed that ‘hope and fear are the springs of industry’. He asked, ‘what cause have they to fear, when they are assured, that if by their indolence and extravagance, by their drunkenness and vices, they should be reduced to want, they shall be abundantly supplied?’ He argued that Britain should remove the Poor Laws to ‘make a better provision for the frugal, the sober and the industrious’. 120 Malthus also argued that only the poor could save themselves from misery through their efforts to be ‘industrious and frugal’. 121 This message was taken up by the 1817 Select Committee, which presented to Parliament its intention ‘to revive, with habits of industry and frugality, those moral feelings in the people which are intimately connected with their self-support and independence’. 122

The emphasis on self-reliance amongst the poor, and its corollaries frugality and industriousness, may have originated with the abolitionist movement, but they were not exclusive to it. Those who would prefer to keep but revise the Poor Law were also persuaded by the need to promote self-reliance amongst the poor. Brundage has argued that the Evangelical movement which grew in the latter half of the eighteenth century was determined to ‘create a more godly society as well as reform individual character’. The Evangelicals’ fear of revolution, fuelled by observing events in France from 1789, spurred an interest in improving the lives of the poor. Their charities provided an opportunity to teach ‘discipline, thrift, [and] sobriety’. 123 Brundage has agreed with Kidd that Evangelicalism ‘infused charity with a pious, even sacred obligation to make sure that one’s giving promoted the moral elevation of the recipient’. 124 For instance, Hannah More wrote her ‘Village Politics’ in the 1790s to engage personally with the poor and remind them of the benefits of living in a society with Poor Law support, particularly ‘if ’twas but a little better managed’. She wrote

119 Alcock, pp. 10-11.
120 Townsend, pp. 13, 27.
122 Select Committee to consider the Poor Laws, Report, PP 1817 (462), p. 5.
with the intention of improving the moral character of the poor.\textsuperscript{125} Revisers of a more secular persuasion were also convinced by the need to teach frugality and industriousness to the poor. James Mill for example stressed in \textit{Elements of Political Economy}, first published in 1821, the importance of promoting frugality amongst the poor.\textsuperscript{126}

The Bombay officials of the 1820s and 1830s restricted their offer of government loans to individuals at least partially on this reformist basis. They too were concerned by the effect that state relief might have on the self-reliance and frugality of the recipient. Henry Robertson reported from Poona in 1825 that he limited the distribution of takavi in his district because he considered its ‘good effects very questionable’. He believed that loans produced an ‘indolence and a carelessness in the ryots’ and stopped them from ‘depending on their own exertions’.\textsuperscript{127} Archibald Robertson reported from Khandesh in 1824 that he, like his brother, would apply his ‘strictest attention’ in limiting the advances of takavi ‘in all cases as much as possible’. He stated that he was ‘strongly convinced that this is for the advantage of the parties themselves’.\textsuperscript{128} William Chaplin recommended that a subordinate restrict his distribution of loans in 1824. He argued that ‘indulgence’ of all the cultivators’ needs would encourage state dependence and undermine their ability to depend on ‘their own exertions’. His use of the term ‘indulgence’ highlights the British perception that the poorer cultivators were susceptible to immoral idleness. He argued that takavi had its ‘advantages’, but loans should not be distributed ‘beyond their just limits’.\textsuperscript{129} The Council shared the Commissioner’s views, and informed him that it ‘concurs in the sentiments expressed … in regard to the Tuccavie advances’.\textsuperscript{130}

This concern continued to inform official loans policy in the 1830s. Henry Robertson’s disquietude over the potentially harmful effects of state loans on the moral character of the recipient had not abated by the 1831-5 drought. He stated that

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  \item \textsuperscript{126} James Mill, \textit{Elements of Political Economy}, 1821, cited in Poynter, p. 302.
  \item \textsuperscript{127} H. D. Robertson, Poona Cltr, to Deccan Cmr, 26 Jul 1825, BRP, 10 Aug 1825, No. 39, APAC.
  \item \textsuperscript{128} A. Robertson, Khandesh Cltr, to Deccan Cmr, 27 Apr 1824, BRP, 19 May 1824, p. 2802, APAC.
  \item \textsuperscript{129} W. Chaplin, Deccan Cmr, to Ahmednagar Cltr, 21 Jul 1824, BRP, 4 Aug 1824, pp. 5138-9, APAC.
  \item \textsuperscript{130} G. More, Act Sec to Govt, to Deccan Cmr, 2 Aug 1824, BRP, 4 Aug 1824, p. 5140, APAC.
\end{itemize}
he had ‘endeavoured to repress’ the ‘system of advancing money to poor cultivators … chiefly because it leads to a thriftless management’. Governor FitzGibbon agreed with Robertson’s policy. His Secretary, Lestock Reid, stressed the ‘necessity that exists in many instances of assisting the ryots in their cultivation’. Some loans were necessary to protect the revenues. Yet Reid also noted that the Governor ‘considers it an object of much importance to prevent their dependence on the aid of Government which a systematic and annual grant of advances is calculated … to encourage’. Fiscal expediency was therefore not the only reason for the Government to restrict its distribution of loans. The reformist fear of encouraging state dependence and frivolous expenditure in the cultivators who were already experiencing hardship provided further motivation for loans restriction.

An indispensable policy.

The need to reduce the potential for corruption and state dependence informed the official policy of restricting the issue of government loans. However, even amongst those officials who were the most outspoken of the potentially harmful effects of takavi, few went so far as to suggest its entire abolition. There was only one official, in fact, who made this suggestion. In 1825 Henry Robertson strongly questioned the Government’s logic of using takavi to encourage cultivators to remain in the business of agriculture. This was not necessarily due to a lack of humanitarian concern. During the 1823-5 drought he had supported Pringle in his unfashionable request to offer charity to starving people. However, with regard to government loans Robertson argued that they diverted funds and resources away from the potential development of the secondary sector. He contended that the ‘prosperity of the people and the country’ would be attained by ‘allowing things to find their own level’ rather than by artificially ‘encouraging everybody to try agricultural speculations’.

Yet his non-interventionist argument fell on deaf ears. The Company purposefully geared the Indian economy to suit the needs of the Lancashire cotton goods manufacturers, and not India’s spinners and weavers. As Gallagher and Robinson

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131 H. D. Robertson, Ahmednagar Cltr, to Rev Cmr, 5 Aug 1831, BRP, 17 Apr 1832, No. 1841, APAC.
132 L. R. Reid, Act Sec to Govt, to Act Rev Cmr, 12 May 1832, BRP, 16 May 1832, No. 2732, APAC.
133 H. D. Robertson, Poona Cltr, to Deccan Cmr, 26 Jul 1825, BRP, 10 Aug 1825, No. 39, APAC.
have argued, the Company moulded the Indian economy into a producer and exporter of raw materials and an importer of British manufactures. It bolstered the Indian agricultural sector with takavi and by minimising tariff duties on the export of cotton to Britain. It discouraged the Indian industrial sector by refusing to offer industrial loans, by erecting high tariff walls in Britain against the import of Indian cotton manufactures, and by lowering the tariffs charged on British manufactures entering India. As Harnetty has argued, ‘the age of free trade was indeed an era of imperialism’. Moreover, the fate of the Government’s land revenues was tied to the agricultural economy. The offer of loans to cultivators was considered an indispensable means of protecting the Government’s coffers. Even Robertson conceded that the loans ‘cannot perhaps be altogether dispensed with’. His tirade against takavi was prompted by a request from his subordinate for Rs. 19,000 to distribute as loans. The administration’s policy in 1823-5 was clear. The Deccan Commissioner, William Chaplin, recommended that the loans be sanctioned. The Council concurred and approved of their distribution.

Of all the Councils, that of the 1838-9 drought was the most reluctant to offer loans. It regretted the increases in takavi from previous years, and instructed that takavi should be ‘confined within the narrowest limits’. It will be demonstrated in the following chapter that the Government committed to a sizeable reduction in revenue assessments throughout much of the Presidency in the mid 1830s. It was hoped that the reductions would give the cultivators a greater degree of financial independence from the Government’s loans and remissions schemes. The 1838-9 administration stated that it found the practice of offering loans ‘objectionable in its nature’, and believed that particularly in regions with revised and reduced assessments the need for

135 Harnetty, Imperialism and Free Trade, p. 7.
137 H. D. Robertson, Poona Cltr, to Deccan Cmr, 26 Jul 1825, BRP, 10 Aug 1825, No. 39, APAC.
138 W. Chaplin, Deccan Cmr, to Poona Cltr, 28 Jul 1825, BRP, 10 Aug 1825, No. 39, APAC.
139 J. Farish, Sec to Govt, to Deccan Cmr, 9 Aug 1825, BRP, 10 Aug 1825, No. 40, APAC.
140 L. R. Reid, Act Chief Sec to Govt, to Dharwar Cltr, 27 May 1839, BRP, 29 May 1839 APAC, No. 3467; and L. R. Reid, Act Chief Sec to Govt, to Belgaum Cltr, 28 May 1839, BRP, 29 May 1839, No. 3485, APAC.
offering loans should be ‘considerably reduced’. Yet it conceded that it was unrealistic to expect that takavi could ‘ever be set aside’ with ‘an impoverished peasantry and fluctuating and uncertain seasons’, even where ‘a moderate assessment prevails’. Despite their concerns, the officials of the 1820s and 1830s were compelled to protect the solvency of a large portion of their cultivating subjects.

Conclusion.

The concept of using loans as a means of poor relief in Britain received little attention in parliamentary debates. The abolitionists offered no *laissez-faire* arguments specifically against it. The more interventionist-inclined revisers accepted it as one of many alterations to be made to the Poor Law. In western India, however, the frequent failure of the monsoon made the provision of agricultural loans essential. The offer of takavi provided relief for thousands of cultivators during the droughts of the 1820s and 1830s. In this sense takavi was a scarcity-relief measure. Indeed, some officials argued in favour of takavi on the basis of the need to save lives. Yet the Government’s exclusion of non-agriculturalists and the most destitute of cultivators from its loans scheme demonstrated that humanitarian relief was not the principal reason behind the scheme. In fact, the extent to which humanitarian relief was provided was more a means to an end for the Government. The administrations of the 1820s and 1830s were primarily compelled to offer takavi to keep a greater portion of their subjects cultivating fields than would otherwise have been the case. This protected the Government’s main source of income in the land revenues. Yet there were widespread concerns within the Government that excessive loans would encourage corrupt practices amongst the Indian district and village officers. Moreover, despite the lack of concern from the abolitionists of Britain, some of Bombay’s officials had ideological apprehensions. They believed that large loans would degrade the individual recipient’s moral character and encourage frivolous expenditure. But even those officials who were most apprehensive about the potentially harmful effects of takavi had to concede that it was an indispensable

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141 L. R. Reid, Act Chief Sec to Govt, to Ratnagiri Ctr, 21 May 1839, BRP, 29 May 1839, No. 3311, APAC; and L. R. Reid, Act Chief Sec to Govt, to Rev Cmr, 27 Nov 1838, BRP, 28 Nov 1838, No. 8961, APAC.

142 L. R. Reid, Act Chief Sec to Govt, to Rev Cmr, 29 May 1839, BRP, 29 May 1839, No. 3529, APAC.
policy. The administrations of the 1820s and 1830s considered it financially and ideologically prudent to restrict the degree of state intervention in the agricultural capital market. Yet the scheme was too closely linked with the Government’s revenues for it to be abolished or severely restricted.