

**CHAPTER 8**  
**LAND REVENUE DEMANDS:**  
**REMISSIONS & REDUCTIONS**

The Government's revenue demands of the ryots were based upon the expectation of a 'normal' season and harvest provided by the monsoon. Yet drought reduced and sometimes entirely destroyed the ryots' harvests upon which their livelihood largely depended. In years of drought, therefore, many ryots were unable to meet the Government's land taxes from the proceeds of the sale of their diminished crops. Unless the Government reduced its demand in light of the circumstances of the season, a portion of its ryots would be forced to make impoverishing choices that reduced their productivity in subsequent seasons. This in turn impoverished the Government's treasury in the long run. Thus the dogged pursuit of the Government's short-term revenue demand could reduce its long-term earning potential. To avoid bankrupting the peasantry, officials could offer relief from the revenue demand in two ways. They could offer a remission, which was a scarcity-relief policy that wrote-off part of the ryots' revenue obligations during the seasons of drought, but otherwise left their assessments untouched. Or they could reduce the ryots' assessments, which offered a more 'permanent' form of relief to perpetual over-assessment. *Laissez-faire* officials within the Bombay administration argued that the tax burden was impoverishing the ryots, and recommended light taxation to drive agricultural productivity. Yet they encountered significant opposition from conservative officials, who believed that any significant remissions or reductions in the revenue demand would endanger the administration's financial well-being. This chapter will consider the demands of the reform movement in Britain for lighter taxation, and its implications for western India. It will explore how conservative opposition delayed the implementation of a *laissez-faire* land revenue policy, and examine the effect of this changing land revenue policy on the Government's scarcity-relief policy of offering remissions.

*The traditional policy of the western Indian ruler.*

Prior to the rise of reformist ideology in western India, the Mughal, Maratha and British governments all offered remissions to destitute cultivators during drought.

Habib has observed that the Mughal rulers offered remissions. During the 1630-2 great famine of Gujarat and the Deccan, ‘the land revenue remission, of necessity, was considerable’.<sup>1</sup> Their successors, the Marathas, also offered remissions. Fukazawa has noted that the Peshwa government ‘remit[ted] taxes for famines and other natural disasters’.<sup>2</sup> The early British rulers followed suit. Rabitoy has noted that during the 1803-4 famine the Bombay Government granted remissions.<sup>3</sup> Sharma has found that the policy of offering remissions during drought was also practiced in other parts of India. During the 1802-4 famine of North India, the British rulers gave remissions to clamorous zamindars.<sup>4</sup> Thus, the offer of remissions was a traditional relief policy followed by interventionist rulers of India.

*Laissez-faire and British debate on taxation.*

There was significant debate in early nineteenth century Britain regarding the effect of heavy taxation on the economy, and these debates had implications for the Company’s operations in India. An important component of the British reform movement was the free traders. They were typically made up of British merchant and manufacturing interests who did not belong to the East India Company. Until 1813 the Company enjoyed a monopoly over the trade with the East Indies that excluded all other British business interests. The Company’s monopoly was, however, dependent upon the good will of the British Parliament, which renewed the Company’s trading charter every twenty years. In the parliamentary debates surrounding the 1813 renewal, the Company’s monopoly was attacked by several proponents of ‘free trade’. The Member of Parliament Robert Rickards noted that, due to wars of conquest, the Company had become a ruler as well as a trader in India. He contended that it was an

<sup>1</sup> Irfan Habib, *The Agrarian System of Mughal India, 1556-1707*, Delhi: Oxford University Press, 2nd edn., 1999, p. 116.

<sup>2</sup> H. Fukazawa, ‘Agrarian Relations, Western India’, Dharma Kumar, (ed.), *Cambridge Economic History of India*, vol. 2, Cambridge: Cambridge University Press, 1983, p. 182.

<sup>3</sup> Maharashtra State Archives, Revenue Department Diary, 40:73-4, Walker to Grant, 8 Sep 1808; A. T. Etheridge, *Report on Past Famines in the Bombay Presidency*, Bombay: Education Society’s Press, 1868, pp. 58-9, B. M. Bhatia, *Famines in India*, New York: Asia Publishing House, 1963, p. 121; all cited in 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, p. 763.

<sup>4</sup> Sanjay Sharma, *Famine, Philanthropy and the Colonial State; North India in the Early Nineteenth Century*, New Delhi: Oxford University Press, 2001, p. 42.

'injustice' to combine these two functions.<sup>5</sup> David Laurie, whom Stokes has described as a 'free merchant', also demanded the removal of the Company's monopoly.<sup>6</sup> Despite the Company's best efforts, the outcome of the debate was the opening of British trade with India in 1813.

More important for the purposes of this chapter, the free traders also objected to the burden that the Company's revenue demand placed on its subjects. They argued that the Company kept its subjects so impoverished that they were unable to purchase British manufactures. In 1813 the free trader W. Lester demanded a 'mild, liberal' government in India. Lower taxes, he argued, would see the home of the common ryot 'furnished and decorated with the produce of English arts and manufactures'.<sup>7</sup> In 1813 Rickards also petitioned for lower taxes in India to benefit British manufactures.<sup>8</sup>

Interestingly, the Member of Parliament Robert Rickards was the same Robert Rickards who only a few years earlier had been a member of the Bombay Council. Rabitoy has found that in 1808 a certain 'Robert Rickards' of the Bombay Council argued that taxation in the Presidency was so heavy it was impoverishing the peasantry, and it should be reduced.<sup>9</sup> His disagreement with Governor Duncan led to his dismissal at the hands of the Court of Directors in 1811. Rickards returned to England to become an M.P. and continue his attack on the Company's interventionist practices.<sup>10</sup> Rabitoy has noted that Rickards freely admitted his indebtedness to Adam Smith for his *laissez-faire* ideas on the benefits of free trade and low taxation.<sup>11</sup>

It has been noted that Smith was not a reformer, but that his *Inquiry into the Nature and Causes of the Wealth of Nations*, published in 1776, did much to popularise the

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<sup>5</sup> Robert Rickards, *The Present System of our East India Government and Commerce Considered. In which are exposed the Fallacy, The Incompatibility and the Injustice of a Political and Despotic Power Possessing a Commercial Situation Also Within Countries Subject to its Dominion*, 1813, India Office Library Tracts, vol. 116, pp. 35-6, cited in Eric Stokes, *The English Utilitarians and India*, Oxford: Clarendon Press, 1959, p. 38.

<sup>6</sup> David Laurie, *Hints Regarding the East India Monopoly – Respectfully Submitted to the British Legislature*, Glasgow, 1813, cited in Stokes, *The English Utilitarians and India*, p. 40.

<sup>7</sup> W. Lester, *The Happy Era of One Hundred Millions of the Human Race, or the Merchant, Manufacturer, and Englishman's Recognised Right to an Unlimited Trade with India*, 1813, pp. 39-40, cited in Stokes, *The English Utilitarians and India*, pp. 38-9.

<sup>8</sup> Stokes, *The English Utilitarians and India*, p. 38.

<sup>9</sup> Maharashtra State Archives, Revenue Department Diary, 62, pp. 1646-7, 1668, Rickards' 'Essay on Taxation', July 1808, cited in Rabitoy, 'The Control of Fate and Fortune', p. 740.

<sup>10</sup> Rabitoy, 'The Control of Fate and Fortune', p. 750.

<sup>11</sup> Ibid, pp. 739, 741, 747.

*laissez-faire* case, which was a key component of the reform movement. One of the ways in which the prosperity of nations was held in check, Smith argued, was through excessive taxation. Ill-advised taxation ‘may obstruct the industry of the people, and discourage them from applying to certain branches of business which might give maintenance and unemployment to great multitudes’. Heavy taxes ‘may thus diminish, or perhaps destroy’, industries that would otherwise have provided funds for the state under lighter taxation.<sup>12</sup> Smith had himself attacked the Company’s monopoly of trade with India, and the arguments of the free traders of the early nineteenth century were often inspired by his *Wealth of Nations*.<sup>13</sup>

Soon after the removal of the Company’s monopoly, British manufactures began to dominate the Indian market. Yet the free traders believed that the Indian’s ability to purchase British goods was being restricted by the Company’s heavy taxes. Thus the call for lower taxation reached a new crescendo in the subsequent renewal of the Company’s charter in 1833. John Crawfurd, who represented the interests of the Calcutta mercantile community in Parliament, presented his case to the Select Committee of 1832, which was convened to decide the terms of the Company’s new charter. He argued that if the Company avoided ‘imposing burthensome imposts … it may very safely and confidently leave everything else to individual skill and competition’.<sup>14</sup> Thomas Fortescue, who had gained experience in Bengal and the Western Provinces, informed the same Committee that where over-assessment existed in India it was to the individual’s ‘ruin … and the public interests likewise’.<sup>15</sup> This was almost certainly a predetermined conclusion of the 1832 Select Committee, which endorsed the argument for lighter taxation wholeheartedly. The Committee’s report included a quotation from Mr. Thackeray of the Bombay administration in 1807, which summarised the Committee’s position: ‘in whatever way it be done, the settlement ought to be moderate. As long as the people are not oppressed with a heavy

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<sup>12</sup> Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, E. Cannan (ed.), 2 vols., London: Methuen, 1904, Vol. II, Book V, Chapter II, Part II, ‘Of Taxes’.

<sup>13</sup> Stokes, *The English Utilitarians and India*, p. xii.

<sup>14</sup> Written Evidence of John Crawfurd to Queries of Select Committee, Select Committee on the Affairs of the East India Company, Revenue Appendix, PP 1831-2 (735-III), p. 588, cited in Stokes, *The English Utilitarians and India*, pp. 41-2.

<sup>15</sup> Thomas Fortescue to T. Hyde Villiers, 29 Feb 1832, Select Committee on the Affairs of the East India Company, Revenue Appendix, PP 1831-2 (735-III), p. 288.

land tax, it little signifies how it is collected. ... Under any system, a light land revenue will produce improvement and prosperity'.<sup>16</sup>

Stokes has noted that the free traders were not alone in their demand for lighter taxation; they were joined by the Evangelical and utilitarian branches of the reform movement.<sup>17</sup> Perhaps the most influential proponent of light taxation in India from amongst the ranks of the utilitarians was James Mill. He took the post of Assistant Examiner in 1819, and later became a Chief Examiner. This role gave him a considerable degree of influence over policy in India; it allowed him to shape the instructions emanating from the Court of Directors. Only one year before entering the Company's service Mill had published his *History of British India*, in which he claimed that Indian society was on the lowest scale in civilization. He argued that India suffered from a 'hideous state of society', the cause of which was India's poverty. Metcalf has argued that the solution offered by Mill, as a utilitarian, was 'in good Benthamite fashion'. Mill proposed that 'light taxes and good laws' alone would ensure 'national and individual prosperity' and civilise India.<sup>18</sup> He later submitted his opinion to the 1832 Select Committee, which listed his name first among the distinguished individuals called upon to give evidence. Mill argued that 'any encroachment upon the full remuneration of the cultivator, impedes agricultural improvement, by impeding the accumulation of capital in the hands of the cultivator'.<sup>19</sup> Mill's argument that lower taxes had the capacity to civilise a people found expression in the Bombay administration. Thomas Williamson, the Revenue Commissioner, argued that the 'Kala Purej' people of Surat district would benefit from the new lighter taxes, 'by which means it is to be hoped that this peaceable, but ignorant, and degraded race, may become more settled, and the people themselves ultimately raised in the scale of humanity'.<sup>20</sup>

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<sup>16</sup> J. Thackeray, letter of August 1807, in Select Committee on the Affairs of the East India Company, Report, PP 1831-2 (734), p. 68.

<sup>17</sup> Stokes, *The English Utilitarians and India*, p. 52.

<sup>18</sup> James Mill, *The History of British India*, reprinted Chicago, 1975, no page number given, cited in Thomas R. Metcalf, *Ideologies of the Raj*, New Cambridge History of India, vol. 3, no. 4, Cambridge, New York: Cambridge University Press, 1994, p. 30.

<sup>19</sup> James Mill to T. Hyde Villiers, no date given, Select Committee on the Affairs of the East India Company, Revenue Appendix, PP 1831-2 (735-III), p. 278.

<sup>20</sup> T. Williamson, Rev Cmr, to Act Chief Sec to Govt, 23 Nov 1838, BRP, 30 Jan 1839, No. 493, APAC.

*Utilitarian rent theory and the debate on taxation.*

The utilitarians were a separate branch of the reform movement who, like the free traders, also believed in the virtues of light taxation. Yet their special contribution to the debate on taxation was their economic theory of rent. The theory was first devised by Malthus in 1815, and later developed by Ricardo and Say. They argued that the most valuable land of a country would, in theory, be cultivated first, and as the population increased less valuable land would be brought under the plough. This process would stop when the last scrap of land was cultivated that could promise a return on the capital at the ordinary rate. This last scrap of land became the benchmark for measuring rent. All lands of higher quality soil enjoyed returns on invested labour and capital that were surplus to this base level. This surplus was defined as rent. Thus, briefly stated, rent was the surplus returns on invested labour and capital that went to all lands with soil quality that was superior to the least valuable land under cultivation. Mill, who believed that light taxes were the key to prosperity and a civilized society, grasped the applicability of this rent theory to taxation in India in his *History of British India* of 1818. In India the state, and not the peasant, was the owner of the peasant's land. Here was a way in which the Company could sate its hunger for revenues without impoverishing the Indian people. If rent could be accurately defined in India, all surplus returns could be captured by the state without fear of encroaching upon the just returns to labour and capital. The land revenues would supply the needs of the state and its subjects. Moreover, commerce could be freed from the shackles of taxation.<sup>21</sup> In short, the Company could have its cake and eat it too.

But the free traders did not believe that the Company could maintain heavy demands without impoverishing its subjects. John Crawfurd objected 'to a tax which aims at the entire absorption by the State of all that it can seize of the rent of a country, nearly the whole industry of which is rural'. He opposed 'a tax, therefore, which makes it

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<sup>21</sup> Stokes, *The English Utilitarians and India*, pp. 76-7, 87-8; see also Neil Charlesworth, *Peasants and Imperial Rule : agriculture and agrarian society in the Bombay Presidency, 1850-1935*, Cambridge South Asian Studies, vol. 32, Cambridge, New York: Cambridge University Press, 1985, p. 41.

impossible that capital should accumulate, and a people advance in prosperity'.<sup>22</sup> The free traders' branch of the reform movement preferred the more intuitive argument of Smith that to lower taxes was to enrich a country. Yet despite different methods the free traders and the utilitarians shared the same desire to see a prosperous India.

*Distinguishing between the reformist and the conservative official.*

The conceptual boundaries between the taxation policy of the conservative interventionist official and his non-interventionist *laissez-faire* counterpart are not always easily discernible as they existed in Bombay practice. Taxes were a form of government intervention. An extreme position of non-intervention therefore would be to abolish Government. An equally extreme interventionist position would be to eliminate the role of the market. But no officials campaigned for either of these extremes. No official wanted to overtax the ryots to the point of bankruptcy. This would have been a very short-term revenue policy indeed. The question was: How much should each ryot pay? It will be shown that there were a variety of opinions on this matter within the Bombay administrations of the 1820s and 1830s. The Councils of the 1820s and 1830s did not enforce a well-defined taxation policy the same way they, for instance, steadfastly prohibited intervention in the grain trade. The Councils allowed a degree of autonomy in their Collectors' decisions, and thus 'policy' varied on some tax issues depending on the perspective and preference of the Collector. No specific amount of tax or remission could distinguish an interventionist from a non-interventionist policy. Defining taxation policies as conservative or *laissez-faire*-inspired is therefore either a matter of comparison between the position of one official and the status quo, or of comparing the positions of two opposed officials. This makes for an analysis dealing with greater uncertainty than previous chapters.

Fortunately there were several debates between Bombay's officials on the matters of remission and assessment reduction, and many officials stated the reasons behind their policies. *Laissez-faire* officials prescribed large remissions or reductions to allow a surplus return to labour and capital and thereby encourage economic prosperity. They

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<sup>22</sup> John Crawfurd, *An Appeal from the Inhabitants of British India to the Justice of the People of England. A Popular Inquiry into the Operation of the System of Taxation in British India* (1839), pp. 34-5, cited in Stokes, *The English Utilitarians and India*, p. 62.

wanted to increase agricultural productivity. This was often considered adequate reason in itself, but some *laissez-faire* officials also pointed out that the Government's revenues would also benefit from fostering a prosperous society. This could be defined as a long-term revenue policy. Conservative officials, however, did not believe the promises of their *laissez-faire* colleagues. They preferred the more intuitive reasoning that to reduce the Government's rates or offer large remissions was merely to reduce the Government's revenues. Theirs was more a short-term revenue policy. They were as eager as *laissez-faire* officials to avoid over-taxation that would reduce long-term agricultural productivity. But they did not want to reduce the taxes so much as to allow for an increase in productivity. They were content to take as much as possible from the ryots in taxes each year without reducing long-term productivity. Thus conservative officials wanted to maintain but not improve production.

Measuring the influence of reformist ideology on Bombay policy also requires differentiating between the interventionism of the conservatives and that of the utilitarians. High assessments could be retained from the conservatives' desire to maintain the Government's revenues, or from the utilitarians' belief that the rates, while high, were not exceeding the land's economic rent. Thus, despite the shared goal of promoting economic prosperity pursued by the *laissez-faire* and utilitarian officials, opposition to *laissez-faire* tax policies could come from either conservative or utilitarian officials. Fortunately, in the process of debate, the officials were often explicit about the reasons for their interventionist policies. This allows an assessment of the influence of both branches of the reform movement on taxation policies in western India.

#### *Bombay practice from 1818 to 1832: assumptions and realisations.*

When the British assumed uncontested supremacy over western India in 1818, they found a land devastated by war and over-assessment. In 1819 Governor Elphinstone described Khandesh district as 'scattered with the ruins of former villages'.<sup>23</sup> The

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<sup>23</sup> Mountstuart Elphinstone, *Report on the Territories Conquered from the Paishwa*, 2nd ed., Calcutta, 1821, reprinted Bombay, 1838, p. 3, cited in Kenneth Ballhatchet, *Social policy and social change in Western India, 1817-1830*, London: Oxford University Press, 1957, p. 25.

farming revenue system had been enforced throughout much of the Peshwa's territories. In 1805 Baji Rao II farmed out the office of the mamlatdar to the highest bidder. The mamlatdars then farmed out their talukas at a higher rate to others, who did the same until the process reached the village patels. Choksey has found that this impoverished the Konkan peasantry.<sup>24</sup> Varma has observed that throughout the Peshwa's territories 'every individual from the mamlatdar to the Patil was interested only in the amount of revenue that could be squeezed out of the ryot, irrespective of the actual state of the cultivation'. This ruined the economy on the eve of the British ascendancy.<sup>25</sup>

On taking power, Elphinstone immediately set about reducing the land revenue assessment. His intention was to ensure political acceptance of British rule by lightening the ryots' burdens.<sup>26</sup> The revenue farming system was abolished, and replaced in many areas with a mixture of ryotwari and maujewar settlements.<sup>27</sup> Heavy cesses that had been added to the rates under the previous regime were abolished, and the Government's demand was consolidated into one moderate tax.<sup>28</sup> Elphinstone instructed his Collectors that 'great care must be taken to avoid over-assessment'.<sup>29</sup> As Ballhatchet has noted, 'everything possible was to be done to reassure people concerning the new government'.<sup>30</sup>

Thus Elphinstone's ultimate goal was to gain political acceptance of British rule. Yet his means to achieving this end was to reduce the rates and thereby improve the economic condition of the ryots. This was something akin to the reformers' goal of reducing the rates to promote economic prosperity. Yet Elphinstone was more a conservative than a *laissez-faire* ideologue. His reduction of the rates was from the very high starting level inherited from the previous regime. His plan to promote a

<sup>24</sup> R. D. Choksey, *Economic Life in the Bombay Konkan, 1818-1939*, Bombay: Asia Publishing House, 1960, p. 46.

<sup>25</sup> S. Varma, *Mountstuart Elphinstone in Maharashtra, 1801-1827. A Study of the Territories Conquered from the Peshwas*, Calcutta: K P Bagchi, 1981, pp. 29, 144-5.

<sup>26</sup> *Ibid*, p. 2.

<sup>27</sup> Ballhatchet, pp. 10, 28.

<sup>28</sup> Choksey, *Economic Life in the Bombay Konkan*, p. 50.

<sup>29</sup> Mountstuart Elphinstone to Collectors, 10 Jul 1818, R. D. Choksey, *The Aftermath (Based on Original Records), 1818-1826, With Select Documents from the Deccan Commissioner's files, Peshwa Dafter, on the Administrative and Judicial Organisation of Maharashtra by the British*, Bombay, 1950, p. 239 ff., cited in Ballhatchet, pp. 115-6.

<sup>30</sup> Ballhatchet, p. 10.

'prosperous' peasantry was therefore probably only relative to the abject poverty that the ryots had suffered under Baji Rao II. Thus his reduction in the rates was not necessarily intended to leave a surplus return for labour and capital. Rather his reduction was more likely intended to secure only an ordinary return, which was still an improvement on the positive loss experienced under the previous regime. *Laissez-faire* arguments almost certainly had not influenced Elphinstone's decision.

The new rates were certainly lower than under Baji Rao II. For a time most officials of the Bombay administration believed that this had achieved the desired effect of reducing the weight of the ryots' revenue obligations. In February 1825 Henry Robertson, the Poona Collector, argued that the Maratha rulers had extorted the peasants and failed to protect them from greedy revenue intermediaries. He proudly outlined the recent elimination of numerous extra exactions, and how the corruption of village officers had been curbed. Under the British, he argued, 'the ryots have devised great benefit'.<sup>31</sup> In 1824 John Dunlop, the Southern Konkan Collector, stated that 'under our Government ... the situation of the lower classes is unquestionably improved. Some of the most oppressive and unpopular cesses and taxes have ... been remitted'.<sup>32</sup> Varma has taken the comments of Bombay's officials at face value and assumed that the assessments were light.<sup>33</sup>

Yet there was a growing realisation among Bombay's officials that, despite the reduced rates, the ryots were still suffering. William Chaplin, the Deccan Commissioner, noted that between 1821 and 1822 nearly one quarter of cultivated land in Khandesh district had been abandoned.<sup>34</sup> Abandoned land was an indicator of distress and over-assessment. Archibald Robertson reported from Khandesh in 1825 that, in his opinion, most western Indians were 'very poor' and 'living in general from hand to mouth', and marvelled that 'it is really such a population who even now pay a great proportion of the land revenue realized'.<sup>35</sup> Chaplin also noted in 1824 that over-assessment in Poona district had 'been injurious to the prosperity of the cultivating classes, by compelling them to sell their ploughing cattle and has occasioned some

<sup>31</sup> H. D. Robertson, Poona Cltr, to Deccan Cmr, 1 Feb 1825, BRP, 2 Nov 1825, No. 5, APAC.

<sup>32</sup> John A. Dunlop, Sthn Konkan Cltr, to Sec to Govt, 15 Aug 1824, BRP, 12 Jan 1825, No. 44, APAC.

<sup>33</sup> Varma, p. 174.

<sup>34</sup> W. Chaplin, Deccan Cmr, to Act Sec to Govt, 26 Jul 1824, BRP, 10 Nov 1824, pp. 7074-5, APAC.

<sup>35</sup> A. Robertson, Khandesh Cltr, to Deccan Cmr, 24 May 1825, BRP, 15 Jun 1825, No. 62, APAC.

emigration, and some loss of revenue'.<sup>36</sup> Dunlop reported from the Southern Konkan that his calculations of the ryots' standard of living left 'the cultivator without the means of subsisting. ... This fact seemed so extraordinary, that I was slow to credit it, but I find it to be absolutely the case with a great number of cultivators in this zillah'.<sup>37</sup> These officials had good reason to be concerned. Divekar has noted that the reduction of acres under cultivation under the Peshwa continued for the first 15 years of British rule.<sup>38</sup>

*The cause of the continued distress.*

Despite Elphinstone's efforts to the contrary, much of western India continued to be over-assessed and impoverished in the early 1820s because of falling grain prices, which by the 1822/3 season had assumed a grain price depression 'unprecedented during the last 40 years'.<sup>39</sup> In 1823 Dunlop reported a 'low price of grain this season all over the country'.<sup>40</sup> The principal means by which the ryots met their revenue obligation was by selling their produce. The considerable drop in the price of grain therefore forced the ryots to sell a greater portion of their harvest to meet their rent obligations. Some ryots found that their entire harvest would not fetch enough money at the market to pay the Government its dues.<sup>41</sup> Thus despite the British reduction of the rates, the heavy revenue burden on the ryots continued unabated. Henry Pottinger reported from Ahmednagar in 1824 that 'the extreme cheapness of grain for the last three years' had compelled many ryots 'to exhaust the very last rea in their possession'.<sup>42</sup> In 1824 Chaplin recognised that the grain price depression had 'aggravated the distresses of the agricultural classes'.<sup>43</sup> Arthur Crawford reported from Sholapur in 1823 that the 'excessive cheapness of grain last year' had forced the poorest ryots to 'sell some of their cattle to enable them to pay their Rent'.

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<sup>36</sup> W. Chaplin, Deccan Cmr, to Act Sec to Govt, 26 Jul 1824, BRP, 10 Nov 1824, p. 7086, APAC.

<sup>37</sup> John A. Dunlop, Sthn Konkan Cltr, to Sec to Govt, 15 Aug 1824, BRP, 12 Jan 1825, No. 44, APAC.

<sup>38</sup> V. D. Divekar, 'Regional Economy 1757-1857, Western India', Dharma Kumar, (ed.), *Cambridge Economic History of India*, vol. 2, Cambridge: Cambridge University Press, 1983, pp. 332-3.

<sup>39</sup> W. Chaplin, Deccan Cmr, to Sec to Govt, 29 Sep 1823, BRP, 22 Oct 1823, p. 8136, APAC.

<sup>40</sup> J. A. Dunlop, Sthn Konkan Cltr, to Sec to Govt, 13 Jun 1823, BRP, 2 Jul 1823, pp. 6028-9, APAC.

<sup>41</sup> Divekar, p. 345.

<sup>42</sup> Henry Pottinger, Ahmednagar Cltr, to Act Sec to Govt, 29 Nov 1824, BRP, 15 Dec 1824, p. 7956, APAC.

<sup>43</sup> W. Chaplin, Deccan Cmr, to Act Sec to Govt, 26 Jul 1824, BRP, 10 Nov 1824, p. 7072, APAC; and Henry Pottinger, Ahmednagar Cltr, to Sholapur Sub-Cltr, 20 Nov 1824, BRP, 15 Dec 1824, pp. 7980-1, APAC.

Consequently they lacked the ‘means this year of cultivating as much ground as they did last year’. Moreover, he stated that other ryots were reluctant to cultivate to the same extent as they previously had because of the difficulty they had experienced in finding a market for their crop. For these reasons, Crawford reported that many ryots had abandoned their fields.<sup>44</sup>

The grain price depression was in fact caused by British rule, which the Collector of Ahmednagar, John Dunlop, realised in 1825. He proposed that by defeating Baji Rao II in 1818/9, emptying his court and disbanding his army, the British had released a large number of people into the agricultural labour market. They took to growing crops for subsistence and thus converted from net grain consumers to net grain producers. The resulting increased supply and decreased demand for grain drove down its price.<sup>45</sup> Divekar has agreed that this dissolution of the Maratha army contributed to the depression. Yet he has also noted that the British closed many of the private mints in the Presidency, which reduced the amount of money in circulation and thereby further depressed prices. Both Divekar and Stokes have also noted that the British innovation of demanding that the revenues be paid in money and not in kind forced the ryots to sell at almost any price.<sup>46</sup> Indeed, the depression was not restricted to Bombay Presidency. Charlesworth has agreed with Siddiqi that the depression was ‘an all-Indian phenomenon’ brought about by the ‘British conquests and monetary contraction in the wake of India’s new balance of payments obligations’.<sup>47</sup> Guha has noted that the depression was felt in Madras from the 1820s through to the 1840s.<sup>48</sup> Sharma has also observed that north India was hit by the depression by the 1820s, which he argued was ‘inextricably linked to the political economy of colonialism’.<sup>49</sup>

Yet the depression initially did not extend to Gujarat, which was the most prosperous of divisions in the northwest of the Presidency. While the ryots of the Deccan were

<sup>44</sup> A. Crawford, Sholapur Sub-Cltr, to Ahmednagar Cltr and Mgst, 4 Dec 1823, BRP, 14 Jan 1824, p. 218, APAC.

<sup>45</sup> J. A. Dunlop, Ahmednagar Cltr, to Deccan Cmr, 25 May 1825, BRP, 15 Jun 1825, No. 63, APAC.

<sup>46</sup> Divekar, p. 345; and Stokes, *The English Utilitarians and India*, p. 134.

<sup>47</sup> Asiya Siddiqi, *Agrarian Change in a Northern Indian State. Uttar Pradesh 1819-1833*, Oxford, 1973, p. 186, cited in Charlesworth, p. 17.

<sup>48</sup> Sumit Guha, ‘Society and Economy in the Deccan, 1818-50’, *Indian Economic and Social History Review*, vol. 20, no. 4, 1983, pp. 391, 402.

<sup>49</sup> Sharma, *Famine*, p. 26.

struggling to meet their revenue obligations, the villages of Gujarat prospered under British rule. In 1825 the Council noted the widespread ‘increase of the revenue in the villages composing the collectorates in Guzerat … since they came into possession of the Honorable Company’.<sup>50</sup> This indicates that the dissolution of the Peshwa’s army, which was stationed in the Konkan and Deccan, was an important factor, at least early on, in depressing prices.

By 1829, however, the depression had reached the Gujarat districts of Ahmedabad and Kaira. John Vibart reported in 1832 that both these districts had suffered from a ‘very low market for all kinds of grain during the three preceding years’, which had made it ‘impossible for the ryots to discharge the Government revenue’.<sup>51</sup> The depression reached Surat district around the same time. William Stubbs, the Surat Collector, reported in 1831 ‘it is a notorious fact that the profit of agriculture of late years have been too small to offer any inducements to persons to cultivate beyond the extent of their own domestic wants’ and therefore much land had fallen out of cultivation.<sup>52</sup> Neither was Broach district spared. Richard Mills, the Broach sub-Collector, reported in 1832 that ‘there are very general complaints of the inability of the ryots to procure purchasers for their grain and that consequently the collections of the revenue are much retarded’.<sup>53</sup> Sure enough, the district of Broach later posted a 12 per cent decline in revenues for the 1831/2 season due to ‘low prices’.<sup>54</sup> Thus by the early 1830s the depression had engulfed the entire Presidency. The Acting Revenue Commissioner, Lestock Reid, stated in 1832 that the complaint of low prices was ‘universal’ amongst the Collectors of the administration.<sup>55</sup>

#### *The 1823-5 drought: remissions of demand.*

The grain price depression remained an unwanted guest throughout the 1820s and 1830s, and the depressed prices hurt the grain producer, or ryot. The three droughts

<sup>50</sup> G. More, Act Sec to Govt, to Act Kaira Cltr, 28 Feb 1825, BRP, 6 Apr 1825, No. 3D, APAC.

<sup>51</sup> J. Vibart, Ahmedabad Cltr, to Chief Sec to Govt, 21 Feb 1832, BRP, 14 Mar 1832, No. 1447, APAC.

<sup>52</sup> W. Stubbs, Surat Cltr, to Rev Cmr, 31 Aug 1831, BRP, 23 May 1832, No. 2935, APAC.

<sup>53</sup> R. Mills, Broach Sub-Cltr, to Act 1<sup>st</sup> Asst Surat Cltr in Charge, 30 Jan 1832, BRP, 28 Mar 1832, No. 1535, APAC.

<sup>54</sup> T. Williamson, Rev Cmr, to Sec to Govt, 19 Mar 1833, BRP, 15 May 1833, No. 2544, APAC.

<sup>55</sup> R. Mills, Broach Sub-Cltr, to Act 1<sup>st</sup> Asst Surat Cltr in Charge, 30 Jan 1832, BRP, 28 Mar 1832, No. 1535, APAC.

that struck the Presidency during these years temporarily forced up the grain prices, but to such an extent that hurt it the consumer, sparking crime and migration. Moreover, such high prices provided little relief for the producer. In fact, the ryots who lost most or all of their harvest to the drought typically made no gains at the market. After the first crop failure, many ryots were forced to take on debt to purchase seed for a second attempt at cultivation.<sup>56</sup> More debt was required to replace the cattle lost to the drought.<sup>57</sup> With financial insolvency looming for these ryots, the Government was forced to offer remissions on its revenue demand during the drought.

The long-term interests of the Government and the ryots were intertwined. A government that demanded too much from the ryots one year would suffer in unison with the ryots in the subsequent years of reduced cultivation and revenues. Before the onset of the 1823-5 drought the Deccan Commissioner, William Chaplin, proposed that the prevailing grain price depression necessitated ‘great abatements’ in the revenue demands lest they be ‘ruinous’ to the peasantry and thus the Government’s long-term revenues.<sup>58</sup> He argued that ‘whatever the temporary loss may be’ in offering remissions, the ‘Government will, I am assured, readily submit to it as indispensable for the purpose of preventing the permanent injury to its resources which always results from any attempt to realize more than the country can easily afford to discharge’.<sup>59</sup> The Council agreed and informed Chaplin that it was prepared to offer remissions to avoid the ‘circumstances from bearing hard on the people’.<sup>60</sup>

Many Collectors were of a similar opinion to their superiors Chaplin and the Council that it was essential to avoid over-assessment. During the drought Thomas Williamson, the Acting Kaira Collector, wrote that ‘due consideration towards the people will be taken to realize these sums’ of revenue demands.<sup>61</sup> The First Assistant Broach Collector, John Pyne, expressed his belief that without remissions many ryots would be forced ‘to borrow of Baneyas who will not fail to take advantage of the

<sup>56</sup> Statement by A. Freese, no date given, attached to J. Thackeray, Principal Dharwar Cltr, to Deccan Cmr, 15 Sep 1824, BRP, 6 Oct 1824, p. 6302, APAC; and R. K. Pringle, Asst Poona Cltr on Deputation, to Poona Cltr, 8 Jul 1825, BRP, 10 Aug 1825, No. 39, APAC.

<sup>57</sup> For a detailed description of the implications of peasant indebtedness, see Chapter One.

<sup>58</sup> W. Chaplin, Deccan Cmr, to Sec to Govt, 29 Sep 1823, BRP, 22 Oct 1823, p. 8136, APAC.

<sup>59</sup> W. Chaplin, Deccan Cmr, to Sec to Govt, 29 Sep 1823, BRP, 22 Oct 1823, pp. 8225-6, APAC.

<sup>60</sup> J. Farish, Sec to Govt, to Deccan Cmr, 17 Oct 1823, BRP, 22 Oct 1823, pp. 8619-20, APAC.

<sup>61</sup> T. Williamson, Act Kaira Cltr, to Act Sec to Govt, 20 Nov 1824, BRP, 8 Dec 1824, pp. 7869-71, APAC.

urgency of their case'.<sup>62</sup> Robert Pringle, the Assistant Poona Collector, also recommended remissions 'in cases where a rigorous enforcement of the demands might reduce the individual to bankruptcy and seriously injure the future value of the farm'.<sup>63</sup> The Collector of Ahmednagar, Henry Pottinger, informed a subordinate in 1824 that he should postpone some revenue demands. He argued that if the crops were to 'fail it is far better that Government should bear the loss of its revenue for a season than its subjects be plunged into deeper debt and misery by our proceedings'.<sup>64</sup> In response to the drought the Council proclaimed that 'policy and humanity equally require the greatest moderation in levying the revenue during such a season'.<sup>65</sup> Thus in the policy of remissions, humanitarian and long-term financial considerations were combined.

Yet the question remained: how much should be demanded? The Bombay Council that presided in the early 1820s was under pressure from Calcutta to augment the revenues. Governor-General Hastings had reproved Elphinstone in 1820 for his supposedly light assessments. The British Government of Bombay was earning less than its Peshwa predecessor, despite the latter's gross mismanagement. From the *laissez-faire* perspective, if Elphinstone's revenue policy was conservative, then Hastings' was even more so. Elphinstone subsequently instructed his Collectors to be more mindful of their revenues and improve their districts' profitability.<sup>66</sup> The Council was forced to maximise the revenue as quickly as possible. This meant taking as much as possible from the ryots each year without reducing their productive capacity in subsequent years. Rabitoy and Guha have both argued that the Bombay Council had only one strict instruction for its Collectors, which was 'the maximisation of the revenue'.<sup>67</sup> Such a policy, however, required that the Collectors walk a very fine line between the heavy revenue requirements of the state and the revenue-paying capacity of the ryots. William Andrews observed in 1825 that the Government's

<sup>62</sup> J. Pyne, 1<sup>st</sup> Asst Broach Cltr, to Broach Cltr, 21 Dec 1824, BRP, 12 Jan 1825, No. 14, APAC.

<sup>63</sup> R. K. Pringle, Asst Poona Cltr, to Poona Cltr, 21 Sep 1824, BRP, 6 Apr 1825, No. 3A, APAC.

<sup>64</sup> Henry Pottinger, Ahmednagar Cltr, to Sholapur Sub-Cltr, 20 Nov 1824, BRP, 15 Dec 1824, pp. 7986-7, APAC.

<sup>65</sup> J. Farish, Sec to Govt, to Deccan Cmr, 11 Dec 1823, BRP, 17 Dec 1823, p. 9596, APAC.

<sup>66</sup> Varma, pp. 181-3.

<sup>67</sup> Neil Rabitoy, 'System vs. Expediency: The Reality of Land Revenue Administration in the Bombay Presidency, 1812-1820', *Modern Asian Studies*, vol. 9, no. 4, 1975, pp. 544-5, cited in Guha, 'Society and Economy', p. 391.

revenue demand was so high that it did not allow the ryots to form the necessary funds to prevent ‘want and distress in a season of scarcity’.<sup>68</sup>

The Bombay Council and Deccan Commissioner were therefore explicit about how much should be demanded of the ryots during the 1823-5 drought. Their Collectors were to take what they could from the ryots without bankrupting them. There was no *laissez-faire* intention of allowing the ryots considerable surpluses in the interests of promoting long-term agricultural growth. Short-term revenues were to be sacrificed only to preserve long-term productivity at its current level, but not so much as to increase productivity. This policy demanded considerable precision on the part of the Collectors, who were expected to accurately assess the ability of the ryots to pay. In 1825 the Council instructed William Lumsden, the Collector of Surat, that ‘the demands on the Ryots should be kept within the narrowest bounds consistent with justice to the state’.<sup>69</sup> Similarly, it authorised the Poona Collector, Henry Robertson, to remit the ryots’ outstanding balances ‘except in cases where he may think the amount can be realized without hardship to the ryots’.<sup>70</sup> In 1825 the Council instructed Robert Boyd, the Collector of Broach, to ‘be careful to reduce your demands in proportion to the diminished profit for ... the Ryots’, but also to ‘secure the public revenue from loss as far as is proper’.<sup>71</sup>

William Chaplin was equally forthright with his Collectors regarding their need for precision. In 1825 he informed the Bombay Council that he had advocated ‘strict attention to the cultivation returns’. He argued that, ‘when accurate’, these returns provided the Collector with a means of deciding on the best ‘limit of his settlement’. Precise data equipped the Collector with the means to ‘guard against an unnecessary sacrifice of revenue on one hand, and, on the other, avoid the still more serious errors of overassessment’.<sup>72</sup> Yet in another letter the Commissioner conceded to the Council that ‘there is no point of a Collector’s Duty which is more difficult’ than ‘determining the exact extent to which indulgence is necessary’.<sup>73</sup> He made the same point to a

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<sup>68</sup> W. C. Andrews, 2nd Asst Surat Cltr, to Surat Cltr, 20 May 1825, BRP, 6 Jul 1825, No. 31, APAC.

<sup>69</sup> J. Farish, Sec to Govt, to Surat Cltr, 30 Jun 1825, BRP, 6 Jul 1825, No. 37, APAC.

<sup>70</sup> J. Farish, Sec to Govt, to Deccan Cmr, 14 Mar 1825, BRP, 16 Mar 1825, No. 19, APAC.

<sup>71</sup> G. More, Act Sec to Govt, to Officiating Broach Cltr, 5 May 1824, BRP, 5 May 1824, p. 2617, APAC.

<sup>72</sup> W. Chaplin, Deccan Cmr, to Sec to Govt, 25 Jan 1825, BRP, 23 Feb 1825, No. 2, APAC.

<sup>73</sup> W. Chaplin, Deccan Cmr, to Sec to Govt, 10 Oct 1825, BRP, 2 Nov 1825, No. 1, APAC.

subordinate, arguing that finding ‘the happy mean in enforcing those demands requires the exercise of a very sober judgment, and is a point which the ablest revenue managers ... have sometimes failed in attaining’.<sup>74</sup>

Such precision was rendered necessary by the high revenue demands. Chaplin, like the Council, expected the Collectors to take as much as possible without forcing the ryots into insolvency. Chaplin had assumed a non-interventionist perspective on the grain trade and charity during the 1823-5 drought. Yet both these positions were the official policy of the administration at the time. Chaplin was enforcing the will of the Council. The very nature of remissions as a scarcity-relief measure rendered the Council’s policy somewhat more ambiguous. But its determination to take what it could without bankrupting the ryots was clear, and this was enforced by Chaplin. He instructed Robertson at Poona in 1824 that if over-assessment seemed ‘likely to hinder cultivation next year’, he was to reduce the demand gradually to ensure that ‘on the one hand’ the ryots ‘may be encouraged to undertake the cultivation and on the other that Government may sustain no loss from the terms being so easy as to induce the relinquishment of land already under tillage’.<sup>75</sup> In 1825 he recommended to the Council a sizeable remission in Poona district because ‘I think it would be better for the country and eventually for Government, at once to remit, except where the Collector may find that they can be realized without causing distress’.<sup>76</sup> It will be argued that throughout the 1820s and into the early 1830s, the Bombay Council and Deccan Commissioner were more consistently conservative in their revenue policies than their subordinates, the district-level Collectors, who were a more eclectic mix of conservative and *laissez-faire* officials. It will be argued that the upper echelons of the Government were more consistently conservative because of the pressure from Calcutta to improve the Presidency’s profitability.

The grain price depression reduced the ryots’ takings at the market, which made it harder to meet the Government’s revenue demand. Part of this problem, it has been demonstrated, was that the new rulers typically demanded that the revenues be paid in money and not in kind. Some officials recognised this and allowed the ryots to pay a

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<sup>74</sup> W. Chaplin, Deccan Cmr, to Poona Cltr, 16 Mar 1825, BRP, 6 Apr 1825, No. 3A, APAC.

<sup>75</sup> W. Chaplin, Deccan Cmr, to Poona Cltr, 5 Feb 1824, BRP, 25 Feb 1824, pp. 997-8, APAC.

<sup>76</sup> W. Chaplin, Deccan Cmr, to Sec to Govt, 26 Feb 1825, BRP, 16 Mar 1825, No. 17, APAC.

‘tussur’, or ‘money commutation’ rate. This adjusted the ryots’ assessments to the amount of money they could get from selling their crops at the market.<sup>77</sup> The ‘tussur’ was therefore a form of remission during times of deflated prices. But when the monsoon failed and grain prices skyrocketed, the ‘tussur’ rate was not a remission but an addition to the revenue demand. Furthermore, this supposed increase in revenue demand came at a time when the ryots often had reduced harvests to sell. Yet no officials actually charged an enhanced ‘tussur’ rate during drought, or even intended to do so. But many ryots fretted that the Government would do just this and needed to be assured to the contrary. In 1825 the Council reassured the ryots of a number of villages in Belapur that ‘the Tussur or money commutation has been fixed this year at the same rate as that of last year, and is much below the [current] market price of grain’.<sup>78</sup> Richard Mills, the Northern Konkan Collector, reported in 1825 that because ‘grain this year bears an extraordinary high price’, the ‘tussur’ rate would also be high. He argued that this would ‘press hard upon the means of subsistence which the Ryots possessed’. He therefore based his ‘tussur’ rate on the low prices that had prevailed prior to the drought. Mills’ ‘remission’ was not that of a *laissez-faire* ideologue wishing to drive economic progress. Rather it was the action of a conservative official wanting to preserve the long-term productivity of his subjects. He explained that he set a reduced ‘tussur’ rate to avoid a ‘diminution of the stock of the Ryots, and consequently of the capital of the country’.<sup>79</sup>

Thomas Williamson, the Acting Kaira Collector, simply preferred to allow the ryots to pay in kind. Many ryots in his district were assessed on the ‘beegotee’ rate. This was an assessment on the amount of land that the ryots owned rather than the size of their harvests.<sup>80</sup> Williamson noted in 1825 that ‘when the crops are bad the beegotee bears hard’ on the ryots. He argued that a payment in kind ‘exactly accommodates itself to the seasons, and the revenue rises and falls according to the value and state of the crops, a simple, and fair rule’. This enabled the Collector to avoid taking a hazardous guess at what constituted a fair ‘tussur’ rate. Moreover, Williamson argued, it enabled ryots who had suffered a loss of crops to avoid borrowing from usurious

<sup>77</sup> R. Mills, Act Nthn Konkan Cltr, to Sec to Govt, 15 Jan 1825, BRP, 26 Jan 1825, No. 6, APAC.

<sup>78</sup> James Farish, Sec to Govt, to Dumbojee Ambojee and other Ryots of Bellapoor, 19 Mar 1825, BRP, 23 Mar 1825, No. 28, APAC.

<sup>79</sup> R. Mills, Act Nthn Konkan Cltr, to Sec to Govt, 15 Jan 1825, BRP, 26 Jan 1825, No. 6, APAC.

<sup>80</sup> Bigha/Beega(h): – ‘At one time the commonest Indian land-measure, from  $\frac{1}{2}$  acre to 1 acre’. Ivor Lewis, *Sahibs, Nabobs and Boxwallahs*, Bombay: Oxford University Press, 1991, p. 66.

moneylenders whose high interest rates would sink them deeper in misfortune.<sup>81</sup> Thus in this case Williamson was following the revenue policy of a conservative official who wanted to ensure that his assessments did not cause unnecessary distress to his subjects, without necessarily being so light as to promote agricultural growth. David Blane, the Assistant Southern Konkan Collector, took a similar position to Williamson. He argued that the policy of charging revenue in kind was ‘exceedingly popular’ during drought because it enabled the ryots to avoid the vagaries of the marketplace, which ‘secures the chief part of the population against want of food’.<sup>82</sup>

Williamson did, however, demand unaltered money assessments from ryots with irrigated lands and good quality soil. He argued that these lands were less vulnerable to drought and were therefore more likely to produce abundant crops that would fetch a handsome return from the marketplace, especially at the prevailing scarcity prices.<sup>83</sup> For these cultivators paying in kind would not have been a remission but a penalty. Similarly, John Cherry, the Northern Konkan Collector, gave ryots the option of paying one third their ‘actual produce in kind’. He expected that those who had raised scanty crops would pay in kind, while those with good harvests would pay the unaltered money rate due to the high scarcity prices of grain.<sup>84</sup>

Indeed, the high prices of the market were often presented by officials as a reason not to offer remissions. They argued that remissions were unnecessary during drought because the high grain prices compensated the ryots for their partial loss of crops. This argument was not merely applied to ryots who cultivated irrigated lands, but sometimes to ryots in general. Chaplin argued in 1825 that remissions were not necessarily required during drought because ‘when prices are treble the rate of ordinary seasons, as is the case just now, a half crop is more profitable to a ryot than a whole one in years of abundance’.<sup>85</sup> This argument was accepted by many district-level officials. Saville Marriott, the Collector of the Northern Konkan, wrote that the

<sup>81</sup> Thomas Williamson, Act Kaira Cltr, to Sec to Govt, 20 Feb 1825, BRP, 9 Mar 1825, No. 53, APAC.

<sup>82</sup> D. A. Blane, Asst Sthn Konkan Cltr in Charge, to Act Sec to Govt, 6 Nov 1824, BRP, 17 Nov 1824, p. 7648, APAC.

<sup>83</sup> Thomas Williamson, Act Kaira Cltr, to Sec to Govt, 20 Feb 1825, BRP, 9 Mar 1825, No. 53, APAC.

<sup>84</sup> J. H. Cherry, Nthn Konkan Cltr, to Act Sec to Govt, 29 Oct 1824, BRP, 17 Nov 1824, pp. 7601-2, APAC.

<sup>85</sup> W. Chaplin, Deccan Cmr, to Poona Cltr, 16 Mar 1825, BRP, 6 Apr 1825, No. 3A, APAC; see also, W. Chaplin, Deccan Cmr, to Sec to Govt, 25 Jan 1825, BRP, 23 Feb 1825, No. 2, APAC.

increased price in grain would ‘compensate’ the ryots ‘for any very partial failure in quantity’. Hence the need for remissions would ‘be of no considerable extent’.<sup>86</sup> Yet Marriott made this statement in December 1823 when the drought had not yet reached its full force. Under more extreme drought conditions some ryots failed to raise any crops at all. The Assistant Southern Konkan Collector, David Blane, recognised this in November 1824 and therefore recommended considerable remissions in the talukas under his management. He argued that ‘in a season like the present none but the better kind of cultivators will have any balance’ of crops, and ‘in many instances, the high price is therefore of little or no advantage’.<sup>87</sup> Thus not all officials were convinced by this argument against the need for remissions. But even Blane took the conservative position of offering remissions merely to avoid bankrupting the ryots who had failed to raise crops.

Some officials were also reluctant to offer remissions in the belief that they had already made moderate settlements with the ryots. They believed that this should have allowed the ryots to amass a surplus in previous good seasons to offset their losses during drought and still pay their rent. John Cherry argued in 1824 that ‘granting a remission to the Ryots would militate against the existing revenue system’. The prevailing system ‘affords them the means of providing in plentiful years against bad ones, from the favourable money valuation at which the revenue is collected’.<sup>88</sup> Despite the term, these ‘moderate’ assessments were the rates of conservative officials. They were merely intended as an average of good and bad seasons. Thus in the long run these assessments were not intended to provide a surplus for the sake of improving agricultural productivity. They were intended to encourage the cultivators to save in good years so they could continue to meet their revenue obligations in bad years. The officials’ refusal to offer remissions during drought ensured that the ryots could not retain their savings from good seasons. Richard Mills rejected a petition for remissions on the grounds that ‘the very favourable terms in which the petitioners

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<sup>86</sup> Saville Marriot, Nthn Konkan Cltr, to Sec to Govt, 23 Dec 1823, BRP, 14 Jan 1824, p. 219A, APAC.

<sup>87</sup> D. A. Blane, Asst Sthn Konkan Cltr in Charge, to Act Sec to Govt, 6 Nov 1824, BRP, 17 Nov 1824, p. 7648, APAC.

<sup>88</sup> J. H. Cherry, Nthn Konkan Cltr, to Act Sec to Govt, 29 Oct 1824, BRP, 17 Nov 1824, p. 7601, APAC.

cultivate their land is sufficient, one year with another, to compensate them for all losses'.<sup>89</sup>

Robert Pringle, the Assistant Poona Collector, also accepted in 1825 that, generally speaking, ryots who experienced a bad season after numerous abundant seasons could not expect remissions. Yet he had his doubts about this policy during prolonged drought. Pringle was frequently inclined to recommend remissions where other officials were not. This inclination was possibly spurred by his preference to intervene for humanitarian purposes. For instance, he was one of the few officials who challenged the official policy against state charity during the 1823-5 drought. He proposed in 1825 that two years of drought negated the arguments of other officials against offering remissions. The surplus accrued from good seasons under a 'moderate' assessment would have been absorbed after the first year of drought. He argued that a policy of refusing remissions in 1825 'cannot but be prejudicial in a country exhausted by a succession of unfavourable seasons'.<sup>90</sup> But in this regard Pringle was somewhat alone.

Yet a number of officials like Pringle argued in favour of remissions generally. They recommended lower taxes so as not to discourage industry. These recommendations may have been *laissez-faire*-inspired. Previous chapters have demonstrated that the industriousness and moral character of the poor was of particular concern for the reformers. In 1825 James Simson, the Collector of the Northern Konkan, argued that outstanding balances should be 'written off' after a time, because to 'perpetuate a balance from year to year, to keep the Ryot fettered by a clog upon his exertions' would 'induce him to despondency'. It would encourage him to 'quit his village, and with it his cares, for another abode, where he can till other lands upon equally favourable terms, relieved from the weight of former balances, pressing as a drawback upon his industry'.<sup>91</sup> Pringle agreed, and argued that suspended remissions created an 'uncertainty and want of confidence', which was 'perhaps scarcely compensated by the precarious chance of recovering a very small portion of the arrears'.<sup>92</sup> Yet these

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<sup>89</sup> R. Mills, Act Nthn Konkan Cltr, to Sec to Govt, 18 Mar 1825, BRP, 30 Mar 1825, No. 33, APAC.

<sup>90</sup> R. K. Pringle, Asst Poona Cltr in Deputation, to Poona Cltr, 8 Mar 1825, BRP, 6 Apr 1825, No. 3A, APAC.

<sup>91</sup> J. B. Simson, Nthn Konkan Cltr, to Sec to Govt, 19 Apr 1825, BRP, 11 May 1825, No. 14, APAC.

<sup>92</sup> R. K. Pringle, Asst Cltr, to Poona Cltr, 29 Jan 1824, BRP, 25 Feb 1824, pp. 983-4, APAC.

policies were not necessarily *laissez-faire*-inspired. Conservative officials were equally anxious to avoid reducing the productivity of the ryots. The difference was that *laissez-faire* officials wanted to encourage agricultural improvement rather than just avoid its regression. Simson's subordinate, John Pyne, certainly favoured remissions to avoid discouraging improvement. He argued that remitting the outstanding balances, though undesirable, could prove 'necessary', as 'the weight of such a debt impending over the cultivator is likely to throw him into despair, and discourage all efforts at future improvement'.<sup>93</sup> Thus the *laissez-faire* argument that heavy taxes dampened industry found a degree of expression in the remissions policies of some officials.

*Laissez-faire* arguments certainly influenced the debate surrounding whether to offer remissions to the rich. *Laissez-faire* doctrine stipulated that if the Government decided to intervene, it should do so without favouring the poor over the wealthy. Otherwise this would only discourage people from improving their circumstances and produce economic stagnation. Smith argued that one of the keys to the 'wealth of nations' was for the state to tax its subjects 'in proportion to their respective abilities'.<sup>94</sup> Arthur Crawford, the Ahmednagar Collector, informed the Bombay Council in 1825 that the drought had caused the villages of three 'Talookdars' to suffer considerable losses. Talukdars ran the revenue affairs of their respective talukas, which consisted of dozens of villages. They were therefore men of considerable standing. Yet despite this, Crawford reported that two of these men were poor, and should therefore be given remissions. The 'Bhownuggur Thacore', however, was 'exceedingly rich' and could therefore easily meet his revenue obligation to the Government. But Crawford recommended offering him equal remissions: 'if he is rich and in better circumstances than his neighbours it is entirely owing to his own industry and circumspection in the management of his affairs, and it would probably seem invidious to place him on a more unequal footing with them'.<sup>95</sup> The Council sanctioned Crawford's remissions.<sup>96</sup>

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<sup>93</sup> J. Pyne, 1<sup>st</sup> Asst Broach Cltr, to Broach Cltr, 21 Dec 1824, BRP, 12 Jan 1825, No. 14, APAC.

<sup>94</sup> Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, E. Cannan (ed.), 2 vols., London: Methuen, 1904, Vol. II, Book V, Chapter II, Part II, 'Of Taxes'.

<sup>95</sup> A. Crawford, Ahmedabad Cltr, to Sec to Govt, 31 Mar 1825, BRP, 20 Apr 1825, No. 20, APAC.

<sup>96</sup> J. Farish, Sec to Govt, to Ahmedabad Cltr, 15 Apr 1825, BRP, 20 Apr 1825, No. 21, APAC.

Similarly, Henry Pottinger, the Collector of Ahmednagar, requested remissions in 1824 for both the rich and the poor. He argued that ‘the Patels and Merassdars of the oldest standing have suffered in common with the poorest’. Charging a full revenue demand would be ‘at the expense of their small remaining stock’, which ‘should be in real truth our great study to foster’. It would provide ‘a sum on which the indigent may hereafter draw for assistance (by barter or loan) when the immediate exigencies of the times have passed away’.<sup>97</sup> Thus Pottinger recommended remissions to the rich to promote the long-term recovery and prosperity of the region. The Council allowed Pottinger’s remissions.<sup>98</sup> Henry Robertson, the Poona Collector, was not as committed to creating a level playing field as Crawford, but he still saw value in offering the rich some remissions to offset their losses. He reported in 1824 that he had ‘only remitted the whole rents of fallow lands to those who were poor’, but he also granted the rich ‘from 10 to 25 per cent’ remissions ‘even to those holders who were in good circumstances’.<sup>99</sup> The Council approved.<sup>100</sup>

However, not all officials shared this perspective, and the Bombay Council was fickle enough on this particular matter to allow a variety in ‘policy’. In 1823 Henry Robertson only suspended the revenue demand on richer individuals for one year, rather than remitting their revenue obligations permanently as he did with the poorer cultivators. He argued that ‘individuals who are substantial enough to weather the bad season and who have no claim from great poverty of condition’ could not ‘expect that all the profit of good seasons shall be theirs and that all the loss of bad ones shall be borne by Government’.<sup>101</sup> Yet it has been demonstrated that by 1824 Robertson reversed his policy and did offer remissions to the rich. This was part of Robertson’s efforts to rectify his over-assessments of previous seasons. Thus his 1823 policy of fully taxing the rich was his first instinct, which he abandoned under pressure from his superiors to lighten the overall assessment. Yet William Sprott Boyd, the Assistant Ahmednagar Collector, was steadfast in recommending the rejection of a petition from an affluent and well-established village in 1825. He recommended its rejection

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<sup>97</sup> Henry Pottinger, Ahmednagar Cltr, to Sholapur Sub-Cltr, 20 Nov 1824, BRP, 15 Dec 1824, p. 7986, APAC.

<sup>98</sup> G. More, Act Sec to Govt, to Deccan Cmr, 9 Dec 1824, BRP, 15 Dec 1824, p. 7988, APAC.

<sup>99</sup> H. D. Robertson, Poona Cltr, to Asst Poona Cltr, 4 Feb 1824, BRP, 25 Feb 1824, p. 988, APAC.

<sup>100</sup> J. Farish, Sec to Govt, to Deccan Cmr, 23 Feb 1824, BRP, 25 Feb 1824, p. 1007, APAC.

<sup>101</sup> H. D. Robertson, Poona Cltr, to the 1<sup>st</sup> Asst Poona Cltr, 25 Nov 1823, BRP, 17 Dec 1823, pp. 9590-1, APAC.

on the grounds that the inhabitants were ‘all merasdars of very old standing, and in infinitely superior circumstances to the generality of the cultivating classes’.<sup>102</sup> The Council approved of Boyd’s rejection of the rich village’s petition for a remission.<sup>103</sup>

Some officials exacted revenue on fields owned, but not cultivated, by ryots. This was intended to encourage ryots to cultivate as much land as possible and to thereby bolster the Government’s revenues. The cost of seed was considerable, particularly during drought. Ryots therefore often delayed committing seed to the ground until the sky showed signs of rain and promised a return on their investment. This lessened the chances of a failed crop and sinking further into the debt of the local moneylender. When there was little likelihood of rain some ryots opted not to cultivate some of their fields in the hope of obtaining a remission. Yet many officials did not approve of the practice and charged the full revenue demand to deter others from doing the same. Exacting revenues from non-existent crops was more the policy of a conservative than a *laissez-faire* or utilitarian official. Government officials were often particularly strict on mirasdars, who were ryots with hereditary rights to their soil and therefore could not be removed from their land and replaced by another cultivator. James Simson, the Northern Konkan Collector, allowed no remissions to a mirasdar who refused to cultivate his wasteland or allow another cultivator to do so.<sup>104</sup> The Council approved of Simson’s decision.<sup>105</sup> Pottinger, the Collector of Ahmednagar, had his misgivings about taxing wasteland, particularly during drought because considered that it was ‘not to be expected that people would continue to till land with almost a certainty of losing by it’. Yet the ryots’ tenure was a factor in Pottinger’s decision to deny remissions when he did so. He assured Chaplin that ‘where the Meerassdars are substantial Farmers I shall of course not lose sight of the just interests of Government’. To protect the Government’s income in the next season Pottinger demanded a ‘moochulka’,<sup>106</sup> or written obligation, from those who had left their lands uncultivated. This bound them to ‘resume their lands’ the following season ‘or pay the

<sup>102</sup> W. S. Boyd, Asst Ahmednagar Cltr, to Ahmednagar Cltr, 25 Aug 1825, BRP, 14 Sep 1825, No. 55, APAC.

<sup>103</sup> J. Farish, Sec to Govt, to Deccan Cmr, 13 Sep 1825, BRP, 14 Sep 1825, No. 56, APAC.

<sup>104</sup> J. B. Simson, Nthn Konkan Cltr, to Sec to Govt, 2 Jul 1825, BRP, 13 Jul 1825, No. 20, APAC.

<sup>105</sup> J. Farish, Sec to Govt, to Nthn Konkan Cltr, 9 Jul 1825, BRP, 13 Jul 1825, No. 21, APAC.

<sup>106</sup> Moochulka: ‘A written obligation or bond’. Lewis, p. 167.

full rent on them'.<sup>107</sup> From the ryots' perspective land needed to be left fallow periodically to maintain its long-term productivity. Yet from the Government's perspective, the use of the term 'wasteland' to describe land left fallow denotes that some officials saw uncultivated land as a wasted opportunity for raising crops and taxes.

This practice of denying remissions on uncultivated fields drew criticism from other officials. In 1824 Pringle, the Assistant Poona Collector, objected to the Government charging rent on 'cultivated lands which do not yield a blade of produce'. He conceded that the Government might have a case when lands were 'unploughed', as the ryots 'may have an object in abandoning the cultivation'. That is, the ryots could have intentionally not cultivated their fields in the hope of avoiding taxation. 'But this', he argued, 'is not the case with unsown lands', in which case the ryots ploughed their fields ready for the seed, but the rains had never allowed for sowing. Consequently, Pringle recommended general remissions on all lands 'for which no produce has been derived'.<sup>108</sup> Yet Chaplin responded that these recommendations were 'a little too broadly expressed'. He instructed Pringle's superior Henry Robertson that should the 'field have been left waste for the foraging of his cattle or in consequence of mere neglect, or contumacy', the ryot was to be forced to pay 'as far as his ability will permit'.<sup>109</sup>

But Chaplin also instructed Robertson that for lands left fallow due to a lack of rain, 'remission should be given in full'.<sup>110</sup> Similarly, he had recommended to the Council two weeks earlier that the demands on lands left unsown as a result of the drought should be remitted so as to 'prevent further distress'. He argued that 'the measure will occasion an apparent loss [of revenue] this year, but whatever indulgence may in such cases, be shown, will be amply repaid by next year's augmented returns'.<sup>111</sup> Both Pringle and Chaplin wanted to avoid bankrupting the ryots, and therefore offered remissions to those who had ploughed but not sown their fields. Yet Chaplin took a more conservative position than Pringle. He denied remissions to the ryots who had

<sup>107</sup> Henry Pottinger, Ahmednagar Cltr, to Deccan Cmr, 1 Dec 1823, BRP, 14 Jan 1824, pp. 215-6, APAC.

<sup>108</sup> R. K. Pringle, Asst Poona Cltr, to Poona Cltr, 29 Jan 1824, BRP, 25 Feb 1824, pp. 983-4, APAC.

<sup>109</sup> W. Chaplin, Deccan Cmr, to Poona Cltr, 5 Feb 1824, BRP, 25 Feb 1824, pp. 995-6, APAC.

<sup>110</sup> W. Chaplin, Deccan Cmr, to Poona Cltr, 5 Feb 1824, BRP, 25 Feb 1824, pp. 995-6, APAC.

<sup>111</sup> W. Chaplin, Deccan Cmr, to Sec to Govt, 25 Jan 1825, BRP, 23 Feb 1825, No. 2, APAC.

had no intention of sowing their land, which was evident in the fact that they had not ploughed their land in preparation for sowing. He recommended taking as much from these ryots as they could afford to pay. Pringle, on the other hand, recommended a *laissez-faire*-inspired general remission regardless of whether the ryots had ploughed their fields with the intention of attempting to raise crops. This difference of opinion highlights the more consistently conservative revenue policies of the administration's upper echelons relative to the varied, and sometimes generous, recommendations and policies of the district-level officials.

*A reluctance to substantially reduce the rates.*

In the course of the 1823-5 drought the Bombay Council recognised that many of its subjects were buckling under heavy assessments. It conceded in 1825 that the excessively heavy rates would undermine the economy and the Government's long-term revenues.<sup>112</sup> This was certainly a matter of concern for the Council members. Remissions were considered an undesirable destabilising influence on the flow of revenues. Yet they were a necessary stopgap solution to the problem of over-assessment. Ideally the Council preferred that the rates should be in tune with the revenue-paying capacity of the ryots so as not to require remissions.

In the interests of setting an assessment that would provide a dependable flow of revenues the Council began making tentative steps in 1825 towards a reduction of the rates. Once again, these reductions were not inspired by a *laissez-faire* desire to promote economic prosperity. In 1825 the Council informed the Collectors of Kaira, Broach and Surat districts that it was apprehensive that 'the assessment is not made with that moderation which the Government is desirous should be observed, and which is necessary to the permanent prosperity of the country'.<sup>113</sup> Yet the Council's goal was not to set rates that would promote the 'prosperity of the country', but rather maintain it by avoiding bankrupting the ryots. The reductions were merely designed to stop the bleeding. In making their reductions the Collectors were ordered not to 'relinquish any source of revenue to which the Government is fairly entitled, and which it might be difficult to re-establish, nor decrease the amount of any

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<sup>112</sup> G. More, Act Sec to Govt, to Act Kaira Cltr, 28 Feb 1825, BRP, 6 Apr 1825, No. 3D, APAC.

<sup>113</sup> G. More, Act Sec to Govt, to Act Kaira Cltr, 28 Feb 1825, BRP, 6 Apr 1825, No. 3D, APAC.

objectionable demand, except under a conviction of its being required by the spirit of these instructions'.<sup>114</sup> The aforementioned pressure emanating from Calcutta on the Bombay Council to maximise its revenues dictated a minor reduction in the rates, but no more.

There was, however, the utilitarian promise of an assessment based entirely on the economic rent. This promised to allow the Government to levy the heavy revenues it required without impinging upon the just returns to labour and capital.<sup>115</sup> This was a tempting solution to all the Government's revenue problems that it could not ignore. The key was to accurately assess the economic rent of each ryot's land and charge no more in revenues. In 1823 Pringle, as the Assistant Poona Collector, had advocated the 'net produce' criterion, which was an application of the utilitarian doctrine of rent to the Bombay administration's collection of land revenues.<sup>116</sup> Despatches from the Court of Directors' Chief Examiner, James Mill, frequently lectured the Bombay Council on, in Kumar's words, 'the virtues of the new political economy of Ricardo and Smith'.<sup>117</sup> The theory of rent was, as mentioned, refined by Ricardo and propagated by James Mill. Malthus was the theory's initial 'discoverer'. Pringle had excelled under the tutelage of Malthus at Haileybury, where he won a medal in political economy.<sup>118</sup> Pringle's understanding of the rent theory made him the ideal candidate for revising the rates. To please his superiors Elphinstone appointed Pringle as the new Superintendent of the Revenue Survey and Assessment of the Deccan in 1826. The promise of the utilitarians was about to be put to the test.

Pringle applied a highly theoretical method to deriving the new revenue assessments for Indapur taluka of Poona district in 1828. His intentions were to take no more than the economic rent of each ryot's land, and therefore allow a fair return to labour and capital. Yet by 1830 it had become clear that Pringle's theoretical approach had produced an over-assessment.<sup>119</sup> Kumar has argued that Pringle's settlement failed

<sup>114</sup> G. More, Act Sec to Govt, to Act Kaira Cltr, 28 Feb 1825, BRP, 6 Apr 1825, No. 3D, APAC.

<sup>115</sup> Ravinder Kumar, *Western India in the nineteenth century: a study in the social history of Maharashtra*, London: Routledge & K. Paul, 1968, p. 97.

<sup>116</sup> R. K. Pringle to H. D. Robertson, 20 Mar 1823, Rev Dept, vol. 10/94 of 1824, British Archives, cited in *ibid*, p. 86.

<sup>117</sup> Kumar, p. 87.

<sup>118</sup> Stokes, *The English Utilitarians and India*, p. 99.

<sup>119</sup> Fukazawa, pp. 184-5.

because he over-assessed the inferior land held by uparis and under-assessed the better land held by mirasdars.<sup>120</sup> Guha has preferred Wingate's explanation that Pringle over-assessed the uncultivated and infertile land.<sup>121</sup> Regardless of the causes, the effects of Pringle's misjudgements were painfully apparent. The new assessment was a disaster. Thomas Williamson later recalled in 1838 as the Revenue Commissioner that, after Pringle's settlement, the revenue 'was collected with so much difficulty that heavy balances were left unrealised at the end of the year, and the district generally was reduced to the extreme of poverty'.<sup>122</sup> Pringle's intention was to promote prosperity, but his theoretical assessment of what the ryots could afford to pay wrought privation.

Pringle, it has been demonstrated, was one of the more liberal officers in his recommendations for remission. This may seem a surprising policy from the most forthright advocate of utilitarian rent theory in western India. The utilitarians and *laissez-faire* ideologues shared the same goal of promoting prosperity. But in practice the former allowed for far greater taxation in achieving that goal, so long as it was studiously set to avoid checking production. Thus the utilitarian position was often far more interventionist than Pringle's remissions policies, which involved considerably lower taxes. Stokes has argued that the utilitarian doctrine of rent clouded many officials' view of the fact that Bombay Presidency was grossly over-assessed.<sup>123</sup> Indeed, Chaplin probably read his Mill or Ricardo. He cautioned a subordinate against too generous a remission in 1825 on the utilitarian grounds that 'it is by no means impolitic to exact rent, if the ryot is capable of paying it, without detriment to his future means of cultivating'.<sup>124</sup> Yet Pringle, despite his aptitude for political economy for which he had won recognition at Haileybury, was not blind to the need for generous remissions during the 1823-5 drought. Pringle in fact had a similarly generous intention in his settlements. As Stokes himself has noted Pringle deliberately set the assessment lower than what he judged to be the economic rent.<sup>125</sup> However,

<sup>120</sup> Kumar, p. 110.

<sup>121</sup> Guha, 'Society and Economy', pp. 400-1.

<sup>122</sup> T. Williamson, Rev Cmr, to Act Chief Sec to Govt, 12 Oct 1838, BRP, 31 Dec 1838, No. 9933, APAC.

<sup>123</sup> Stokes, *The English Utilitarians and India*, pp. 132-3, 134.

<sup>124</sup> W. Chaplin, Deccan Cmr, to Poona Cltr, 16 Mar 1825, BRP, 6 Apr 1825, No. 3A, APAC.

<sup>125</sup> R. K. Pringle, Final Report on the Survey and Assessment of the Deccan, 18 July 1831, para. 73, *Bengal Revenue Consultations*, 27 Dec. 1832, No. 102, cited in Stokes, *The English Utilitarians and India*, p. 100.

Pringle's liberal intentions were betrayed by his overly theoretical and erroneous approximation of economic rent.

Thus the over-assessment of the Presidency continued into the 1830s. Yet in the early years of this decade the calls from district-level officials for a sizeable reduction in revenue assessments became more frequent and compelling. Some of these arguments were presented in the language of *laissez-faire*. On 30 July 1831 Robert Arbuthnot, the First Assistant Junior Poona Collector, recommended widespread reductions in the assessments of Poona district. He argued that it would 'soon appear in the improvement of the revenue from extended cultivation and a general increase of wealth among the people while on the contrary, should it not be adopted that much land will gradually if not rapidly fall out of cultivation'. He recommended nothing less than a 25 per cent reduction.<sup>126</sup> That same day Edward Mills, the Kaira sub-Collector, reported falling revenues in Kaira district. He argued that given the deflated grain prices, the assessments were too high and were impoverishing the ryots. Mills argued that 'the practicability or policy of attempting to keep it to this standard another season, seems very questionable and worthy of serious consideration'. He claimed that 'improvements can only proceed when there is capital'.<sup>127</sup> Similarly, William Sprott Boyd, the Khandesh Collector, reported in 1831 that many wells in his district were being 'given up' by the ryots who could no longer afford to pay the rates charged by the Government on well-cultivated land. He noted that the construction of wells was 'the result of an accumulation of capital, which the change of the times does not now afford'. Boyd observed that few new wells were being sunk relative to the large number falling into disuse due to over-assessment. He argued that 'if well cultivation was sufficiently profitable, it is obvious that deserted wells would not occur so constantly', and therefore proposed removing the extra revenue demands.<sup>128</sup>

Lestock Reid, the Acting Revenue Commissioner, gave Boyd his full support in early 1832. He informed the Council that 'it is impossible not to entertain an opinion in favour of the soundness of Mr. Boyd's views in advocating a general reduction of

<sup>126</sup> R. Arbuthnot, 1<sup>st</sup> Asst Jnr Poona Cltr, to Jnr Poona Cltr, 30 Jul 1831, BRP, 17 Apr 1832, No. 1834, APAC.

<sup>127</sup> E. B. Mills, Kaira Sub-Cltr, to Surat Cltr, 30 Jul 1831, BRP, 18 Jan 1832, No. 73, APAC.

<sup>128</sup> W. S. Boyd, Khandesh Cltr, to Chief Sec to Govt, 1 Aug 1831, BRP, 17 Apr 1832, No. 1854, APAC.

assessment'.<sup>129</sup> Admittedly, Reid was only an interim Commissioner. Yet this was the first time that a Commissioner had ceased to support his Council on the issue of taxation. However, when Thomas Williamson resumed his post as the Revenue Commissioner he took a more diplomatic stance. He did not recommend a general reduction in the assessment. Yet he stated that it 'would be expedient to adopt Mr. Boyd's views, at least in some parts of the province where they more particularly apply'. He argued that where land had been abandoned due to over assessment, low grain prices, and no 'prospect of improvement', 'it is obviously for the advantage of Government to abate the assessment, so as to leave the ryot a sufficient profit to induce him to bestow his labour upon it'.<sup>130</sup> Thus Williamson was somewhat motivated by the *laissez-faire* desire to promote agricultural improvement. But his main concern was to avoid bankrupting the ryots and the Government's long-term revenues. Yet even his moderate stance was something of a departure from the position that Chaplin had taken as the Deccan Commissioner in 1823-5.

However, these increasingly frequent pleas for widespread reductions were received with considerable opposition from conservatives within the administration. Mills' request for reductions in Kaira district was frowned upon by his superior John Vibart, the Ahmedabad Collector. Vibart argued that the rates might be too high in some areas, but 'I should hardly conceive that this is the case generally throughout the districts'. He argued that more evidence of widespread over-assessment was first required before the Government embarked on a costly survey and reduction. In the interim all he was prepared to recommend in Kaira was a remission to those in desperate need.<sup>131</sup> Governor John FitzGibbon dealt with Mills' request. He recognised that the grain price depression had effectively increased the revenue burden on the ryots. He stated that 'it is far from the wish of Government to exact higher rents from the country that it can afford to pay'. However, FitzGibbon ordered remissions in Kaira district and not a general reduction.<sup>132</sup> Lestock Reid, who by February 1832 supported reductions in Khandesh district, had been against them five months earlier. As the Collector of the Konkan he stated in September 1831 that 'a general reduction

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<sup>129</sup> L. R. Reid, Act Rev Cmr, to Chief Sec to Govt, 11 Feb 1832, BRP, 17 Apr 1832, No. 1853, APAC.

<sup>130</sup> T. Williamson, Rev Cmr, to Sec to Govt, 11 Sep 1832, BRP, 5 Dec 1832, No. 6506, APAC.

<sup>131</sup> J. Vibart, Ahmedabad Cltr, to Rev Cmr, no day given, Aug 1831, BRP, 4 Apr 1832, No. 1714, APAC.

<sup>132</sup> T. Williamson, Sec in Attendance with the Right Hon'ble Governor, to Kaira Sub-Cltr, 6 Dec 1831, BRP, 18 Jan 1832, No. 75, APAC.

in the rate of assessment should be preceded by a survey, and this I am not prepared at present to recommend, nor could I now undertake it. I think it desirable that all other modes of relief be tried before so expensive and radical a change be introduced'.<sup>133</sup> Reid at this stage held the conservative belief that the costs of a survey in time and resources outweighed the potential benefit. Yet by early 1832 he had changed his mind.

A fear of exacerbating the grain price depression stopped some officials from recommending a reduction in the rates. John Dunlop was the Revenue Commissioner in September 1831. The Council requested his opinion on Pringle's recommendation of a 33 per cent general reduction in the revenue rates. Dunlop was something of an 'old-timer' who had joined the Company's service in 1806.<sup>134</sup> This was several years before *laissez-faire* ideology began to influence the administration. Thus his early career was as an official in an interventionist and conservative administration. Perhaps not surprisingly Dunlop retained these characteristics. In answer to the Council's query, he noted that the grain price depression was a large component of the problem of over-assessment. He argued that a reduction in revenue rates would encourage an extension of cultivation. This would only serve to inundate the market with still more grain and cause a further depression in grain prices. He conceded that this line of reasoning lead him to the hypothetical conclusion 'that prices are kept up by the high rate of the land revenue, which is at variance with the received doctrines respecting rent, among the political economists of Europe'. Dunlop granted that the 'prospective advantages to the country from a reduction, are too obvious to require further notice'. But he noted that 'the great difficulty of the question arises from the impossibility of foreseeing before hand, how far it might be necessary to go' in reducing the rates. He stated that 'if the cost could be reckoned, a fair estimate of the consequences might be formed, but at present, I cannot see any limit at which reduction should stop'.<sup>135</sup>

Thus Dunlop conceded that the heavy rates were checking production and limiting the Government's revenues in many areas of the Presidency. But the uncertainty of

<sup>133</sup> L. R. Reid, Konkan Cltr, to Rev Cmr, 7 Sep 1831, BRP, 17 Apr 1832, No. 2033, APAC.

<sup>134</sup> *The East India Register and Directory for 1821*, A. W. Mason, G. Owen and G. H. Brown (eds.), 2<sup>nd</sup> edn., London, 1821, p. 282.

<sup>135</sup> J. A. Dunlop, Rev Cmr, to Sec in Attendance with the Right Hon'ble Governor, 22 Sep 1831, BRP, 16 May 1832, No. 2795, APAC.

whether a rate reduction would be beneficial to the Government's revenues or not stayed his hand in recommending an alteration of the status quo. An unwillingness to potentially jeopardise the Government's revenues forced Dunlop to assume a conservative position. The Council concurred. It rejected Boyd's recommendation of a general rate reduction in Khandesh district on the grounds that any reduction might intensify the grain price depression and further reduce the Government's earnings. The Council stated: 'it must be borne in mind that any reduction of assessment with a view to remedy this evil will but encourage increased production, and consequently a still further depression of price'. It argued that 'this process, if constantly in action, must in time, unless the general condition of the country greatly improve, annihilate the land revenue altogether'.<sup>136</sup>

*Remissions in 1831-2.*

During these years of debate in 1831 and 1832 officials continued to offer remissions. This provided a measure of short-term relief from the grain price depression and the intensifying drought. The state of cultivation had become so depressed that even conservative officials were forced to recognise that large remissions had become unavoidable to keep the ryots from insolvency. John Vibart, the Ahmedabad Collector, reported that the continuing grain price depression 'rendered absolutely necessary the heavy remissions which have been granted' for the 1831/2 season. He wrote that the heaviest remissions were made in the Kaira sub-district, where the assessments were 'considerably heavier' than in the rest of Ahmedabad district.<sup>137</sup> The upper levels of the administration had become somewhat resigned to the need for remissions under a system of heavy taxation. In his position as the Acting Revenue Commissioner, Lestock Reid observed that 'the grant of remissions may now be considered as a component part of our revenue system'.<sup>138</sup> The Council responded to Reid regarding the large outstanding revenue balances in Ahmedabad district. It cautioned him against granting remissions too freely to the ryots with such heavy outstanding balances so as to avoid encouraging tardy revenue payments in others. Yet the Council conceded that it was 'very necessary to adopt some measure

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<sup>136</sup> L. R. Reid, Sec to Govt, to Rev Cmr, 3 Dec 1832, BRP, 5 Dec 1832, No. 6509, APAC.

<sup>137</sup> J. Vibart, Ahmedabad Cltr, to Rev Cmr, 22 Aug 1832, BRP, 3 Apr 1833, No. 1887, APAC.

<sup>138</sup> L. R. Reid, Act Rev Cmr, to Chief Sec to Govt, 11 Feb 1832, BRP, 17 Apr 1832, No. 1853, APAC.

calculated to prevent the yearly accumulation of such heavy balances'.<sup>139</sup> The policy of offering remissions was considered a necessary evil under the conditions of widespread heavy assessments.

Interestingly, abolitionist arguments began to enter official correspondence against the policy of offering remissions. Generally speaking, heavy taxation was considered a form of government intervention. Thus remissions were often favoured by non-interventionists. However, remissions were also a form of poor relief. Hence the same abolitionist arguments that militated against the offer of public employment to the able-bodied poor were applied, in 1831-2, to the offer or remissions – state dependence was to be discouraged. In 1831 William Andrews, the First Assistant Surat Collector, voiced his concerns that the ryots in his area were coming to expect remissions each year, and that they should not be encouraged to depend on the Government in this manner. He argued that ‘the ryots left to themselves will be more disposed to accept’ that remissions were an ‘act of grace, which they have lately demanded as a right’.<sup>140</sup> The Council approved of Andrews’ position.<sup>141</sup> In another case the Council allowed remissions in Poona district, but asserted ‘the expediency of discouraging as much as possible the ryots from depending upon those remissions in future except under extraordinary circumstances of failure’.<sup>142</sup> Reid argued that the system in Ahmednagar district of offering remissions on land that was left uncultivated by the owner allowed the ‘thoughtless and improvident’ ryots to indulge their natural instinct to be idle. Only by enforcing revenue payments on land untilled could the Government hope to discourage ‘habits of indolence and carelessness’. He pointed to the Southern Konkan, where ‘no remission is ever granted for land out of cultivation’, and ‘a Dharekuree seldom dreams of leaving his land untilled’.<sup>143</sup> This was a policy advocated by Commissioner Chaplin during the previous drought. The Council responded to Reid that it ‘concurs in your views’.<sup>144</sup> Thus abolitionist arguments against remissions were sometimes put forth by Bombay officials who did not want the relief recipient to become too dependent on the state.

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<sup>139</sup> C. Norris, Chief Sec to Govt, to Act Rev Cmr, 5 Apr 1832, BRP, 17 Apr 1832, No. 1852, APAC.

<sup>140</sup> W. C. Andrews, 1<sup>st</sup> Asst Surat Cltr, to Surat Cltr, 17 Jun 1831, BRP, 12 Oct 1831, No. 5993, APAC.

<sup>141</sup> C. Norris, Chief Sec to Govt, to Rev Cmr, 8 Oct 1831, BRP, 12 Oct 1831, No. 5997, APAC.

<sup>142</sup> C. Norris, Chief Sec to Govt, to Act Rev Cmr, 5 Apr 1832, BRP, 17 Apr 1832, No. 1837, APAC.

<sup>143</sup> L. R. Reid, Act Rev Cmr, to Chief Sec to Govt, 8 Feb 1832, BRP, 17 Apr 1832, No. 1840, APAC.

<sup>144</sup> C. Norris, Chief Sec to Govt, to Act Rev Cmr, 5 Apr 1832, BRP, 17 Apr 1832, No. 1852, APAC.

Many officials in 1831 and 1832 denied remissions to the more privileged members of Indian society on the grounds that they already held lands at a low assessment. This was somewhat different to the 1823-5 general policy toward the rich. Naturally the privileged were often also wealthy. But an individual was considered privileged in revenue terms if he was particularly lightly assessed. While officials did not challenge the privileged status of these individuals, they did use it against them in deciding upon whether to grant them remissions. In 1831 the Council rejected a petitioner's request for a total remission on his uncultivated land partially because he was a 'punderpesha'. The term pandharapesha was used to describe 'classes considered superior to the cultivator'.<sup>145</sup> The Council argued that he was not entitled to a remission because he held 'his lands at a low assessment', which made him liable to 'pay for all his land whether cultivated or waste'.<sup>146</sup> In 1831 William Andrews, the First Assistant Surat Collector, refrained from granting remissions to 'the hereditary patels of villages or others enjoying hereditary allowances'. He argued that they were 'not considered proper objects of the bounty of Government, either as regards their pecuniary circumstances, or as respects the object Government have in view in granting these indulgences'.<sup>147</sup> In 1832 the Konkan Collector, George Giberne, reported on a petition from Panderpeshas of Panwel taluka soliciting remissions, and stated 'I should certainly object to their claiming remissions as a right because others receive them, when in fact they are, as they ought to be, considered a favor'.<sup>148</sup> The Council concurred.<sup>149</sup> In 1832 another group of privileged individuals petitioned the Government for a remission equal to that of the cultivating classes in their locality. The Council responded that as pandharapesha they were generally 'not subject to a full assessment'. As such, the 'Government does not deem it proper to extend to them the same indulgence which is granted to the Coolbees and cultivating ryots'.<sup>150</sup>

Utilitarian arguments may have provided part of the reason for this refusal to offer remissions to the privileged. The revenue settlements of the 1820s often upheld the

<sup>145</sup> *A Glossary of Vernacular Judicial and Revenue Terms, and other useful words occurring in official documents relating to the administration of the Government of British India*, Compiled in the Department of Revenue, Agriculture, and Commerce, Calcutta: Office of the Superintendent of Government Printing, 1874, p. 84.

<sup>146</sup> Resolution by Council, 21 Jun 1831, BRP, 29 Jun 1831, No. 4022, APAC.

<sup>147</sup> W. C. Andrews, 1<sup>st</sup> Asst Surat Cltr, to Surat Cltr, 17 Jun 1831, BRP, 12 Oct 1831, No. 5993, APAC.

<sup>148</sup> G. Giberne, Konkan Cltr, to Act Sec to Govt, 23 Jun 1832, BRP, 11 Jul 1832, No. 3827, APAC.

<sup>149</sup> Resolution by Council, 6 Jul 1832, BRP, 11 Jul 1832, No. 3828, APAC.

<sup>150</sup> Resolution by Council, 11 May 1832, BRP, 16 May 1832, No. 2667, APAC.

rights of individuals who had been privileged under Peshwa rule. Elphinstone had allowed a variety of ryotwari and zamindari systems. In 1822 he stated that he was ‘not democratic enough to insist on a ryotwari system. I think that aristocracy of the country whether it consists of heads of villages or heads of zamindarees, should be kept up’.<sup>151</sup> Yet one of the reasons why James Mill favoured the application of the utilitarian theory of rent to Bombay settlements was to avoid fostering the creation of an unproductive rentier class. He believed that the vagueness of Cornwallis’ zamindari settlement in Bengal had allowed the landlords to heavily assess the ryots beneath them and live extravagantly off the rent. Mill believed that a precise ryotwari assessment of the economic rent would enable the Government to set rates that would allow labour and capital to flourish, whilst avoiding fostering a rentier class.<sup>152</sup> Yet Pringle did not entirely agree. In his Indapur settlement he had set the Government’s demand at only 55 per cent of what he reckoned to be the economic rent. In this regard Pringle was following the instincts of his former master, Malthus, that the rates should be intentionally set lower than the economic rent to foster private property rights.<sup>153</sup> Yet the officials who refused to offer remission to the privileged in 1831-2 may simply have taken the conservative position that these individuals could afford to absorb some of the losses of drought and protect the Government’s short-term revenues. The correspondence on this issue unfortunately does not allow for a distinction between potentially conservative and utilitarian motivations behind the policy.

*The reduction of the rates: a renewed commitment.*

The upper echelons of the Bombay administration renewed their commitment to reduce the ryots’ burdens in the season of 1832/3. In response to the mounting pressure emanating from London and some of its subordinates, the Bombay Council committed to a sizeable reduction of the revenue rates. In anticipation of the renewal of the Company’s charter in 1833, the British parliamentary debates of 1832 had focused considerably on the issue of over-assessment. It has been noted earlier in this

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<sup>151</sup> European Manuscripts, India Office Library, F128 Box 7, No. 19. Elphinstone to Strachey, Bombay, 11 Mar 1822, cited in Varma, p. 140.

<sup>152</sup> Stokes, *The English Utilitarians and India*, pp. 69-70, 76-8.

<sup>153</sup> Ibid, p. 100.

chapter that the reform movement rallied on the issue of lighter taxation.<sup>154</sup> James Mill, the Company's Chief Examiner, fully supported a reduction of the rates.<sup>155</sup> The 1832 Select Committee on the Affairs of the East India Company recommended lighter taxation.<sup>156</sup> Even the retired conservative members of the Bombay administration living in London agreed. Elphinstone and Chaplin added the weight of their opinion to the movement for a reduction of the rates. Elphinstone stated for the benefit of the 1832 Committee that in the 1820s the Bombay administration had received less revenue in the Deccan than the Peshwa had done. But this had not reduced 'the burdens on the people'. The grain price depression had struck the Deccan particularly hard. This had rendered 'an assessment onerous which formerly was very light'. Consequently it was 'in some cases ... impossible for a ryot to pay his revenue'. Elphinstone told the Committee that 'unless some changes take place, therefore, greater reduction of assessment will be required'.<sup>157</sup> Chaplin informed the Committee of his faith in the utilitarian doctrine of rent. But he conceded that 'in many of our provinces it has undoubtedly so happened that collectors, from over-zeal or imperfect information, have been led into the error of over-assessment'. The result, he argued, was 'repressed improvement'. Chaplin concluded that 'the influence of the land assessment, in all cases where it has been excessive, must, beyond all question, have been greatly injurious to the interests of the community, and has more or less, at different times, trenched on the national wealth'.<sup>158</sup>

The new attempt to reduce the rates was not to be a repeat of Pringle's failed theoretical methods. The new Revenue Surveyors for the Bombay Government, George Wingate and Henry Goldsmid, were just as committed as Pringle to the utilitarian rent theory. However their method of assessing the economic rent was considerably more empirical.<sup>159</sup> They compiled data from the previous ten to twenty years on the revenue demanded, the amount actually collected, and the number of

<sup>154</sup> Ibid, p. 52.

<sup>155</sup> James Mill to T. Hyde Villiers, no date given, Select Committee on the Affairs of the East India Company, Revenue Appendix, PP 1831-2 (735-III), p. 278.

<sup>156</sup> J. Thackeray, letter of August 1807, in Select Committee on the Affairs of the East India Company, Report, PP 1831-2 (734), p. 68.

<sup>157</sup> Mountstuart Elphinstone to T. Hyde Villiers, 16 Aug 1832, Select Committee on the Affairs of the East India Company, Revenue Appendix, PP 1831-2 (735-III), pp. 332-3.

<sup>158</sup> William Chaplin to T. Hyde Villiers, 17 Feb 1832, Select Committee on the Affairs of the East India Company, Revenue Appendix, PP 1831-2 (735-III), pp. 335-6.

<sup>159</sup> Varma, p. 196; and Charlesworth, pp. 41-3; and Kumar, p. 112.

acres under cultivation. By comparing these figures Wingate and Goldsmid derived their new assessments.<sup>160</sup> These new assessments were significantly lighter than the prevailing rates. It was hoped that this would spark economic progress.<sup>161</sup>

Thus the reductions were somewhat utilitarian in method and intent. Yet they were also intended to be sufficiently generous to allow the ryots to prosper. This was the *laissez-faire* contribution to the reductions in revenue assessment. Gone were the days of taking as much as possible from the ryots short of bankrupting them. The *laissez-faire* promise for the Government's revenues was that the ryots would invest their newly found surplus returns into agricultural improvements, which would augment harvests and thereby land tax earnings. But the enhancement of the Government's revenues that followed the reductions in the mid 1830s was too soon to have been brought about by this process. Productivity per acre remained largely the same. The quick increase in revenues came from an expansion of agriculture. The reduction in the rates had made it economical to cultivate lands that were previously unprofitable, and hence more land came under the plough. Yet the *laissez-faire* officials achieved their goal with the reductions. Several historians have found that the western Indian economy improved due to the change in land revenue policy. Fukazawa has noted that the reduction in the rates and consequent expansion in cultivation was one factor that contributed to the economic prosperity of western India in the mid nineteenth century.<sup>162</sup> Similarly, Kumar has noted that the economic benefits of the reduced rates were observed by officials in the 1870s.<sup>163</sup> Choksey, too, has observed that the reduced rates sparked a 'rapid advance' in prosperity.<sup>164</sup> The promises of the *laissez-faire* officials had been tried and found true.

The first district to benefit from a revision and reduction of rates was Surat. The reduction of the rates began in the 1832/3 season.<sup>165</sup> In 1833 Revenue Commissioner Thomas Williamson argued that the heavy assessment of that season had required large remissions, which had over the years become a 'serious and increasing evil'. He

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<sup>160</sup> Stokes, *The English Utilitarians and India*, pp. 103-8.

<sup>161</sup> Kumar, pp. 126-7.

<sup>162</sup> Fukazawa, pp. 193-4.

<sup>163</sup> Kumar, pp. 120-2.

<sup>164</sup> Choksey, *Economic Life in the Bombay Konkan*, p. 48.

<sup>165</sup> T. Williamson, Rev Cmr, to Act Chief Sec to Govt, 23 Nov 1838, BRP, 30 Jan 1839, No. 493, APAC.

argued that ‘permanent reduction is the only measure that can be substituted’ for remissions.<sup>166</sup> The following year he reported the benefits reaped by Surat district. He noted that prior to the reductions the ryots of Supa taluka had been almost ‘irretrievably ruined’, and that the previous large annual remissions had been ‘barely sufficient to save them’. Yet he observed that the ‘measures sanctioned by Government for the recovery of the country are now operating with the best effects’. He argued that this provided ‘strong and impressive proof of its necessity’.<sup>167</sup>

A considerable reduction of the rates commenced in Ahmedabad district in 1834. In that year Commissioner Williamson had instructed Harry Borrodaile, the Ahmedabad Collector, to inspect the assessment of Duskrohie taluka. Williamson’s previously mixed allegiance to the conservative and *laissez-faire* causes had been replaced by a full devotion to the latter after the 1832/3 reductions. He made the *laissez-faire*-inspired observation that ‘in several villages they are considerably too heavy, and to this cause, I ascribe in a considerable degree the little improvement which has taken place in the resources of this fine purgannah, since it fell into our possession, when the assessment was considerably increased’. He stated that in the village of ‘Ehenasun our exaction cripples the industry of the ryots, and much good arable land lies waste which would otherwise yield good crops’.<sup>168</sup> The Council informed the Commissioner that it ‘approves of your proceedings’.<sup>169</sup> By 1838 the Acting Ahmedabad Collector, Joseph Jackson, reported that although ‘the rates have been lowered, there is every reason to believe that the direct tendency of the reduction will be to increase the revenue in almost every village’.<sup>170</sup> The reduction of the rates first required extensive surveys, which took time. The revision and reduction of Ahmedabad’s rates was still in progress in 1838. In fact, despite Jackson’s satisfaction with the progress made so far, Williamson complained that much still needed to be done. He argued that in many talukas the revision of objectionable rates was ‘still in progress’. He stated that the assessment in Duskrohie taluka was particularly ‘oppressive, and stands in need of revision, as pointed out by me when in the district in 1834, and no great progress

<sup>166</sup> T. Williamson, Rev Cmr, to Sec to Govt, 19 Mar 1833, BRP, 15 May 1833, No. 2544, APAC.

<sup>167</sup> T. Williamson, Rev Cmr, to Sec to Govt, 13 Mar 1834, BRP, 16 Apr 1834, No. 1721, APAC.

<sup>168</sup> T. Williamson, Rev Cmr, to Ahmedabad Cltr, 6 Mar 1834, BRP, 2 Apr 1834, No. 1505, APAC.

<sup>169</sup> L. R. Reid, Sec to Govt, to Rev Cmr, 31 Mar 1834, BRP, 2 Apr 1834, No. 1506, APAC.

<sup>170</sup> J. H. Jackson, Act Ahmedabad Cltr, quoted by T. Williamson, Rev Cmr, to Act Chief Sec to Govt, 23 Jun 1838, BRP, 22 Aug 1838, No. 6356, APAC.

seems to have been made in this work, which is to be regretted, as the necessity for it is clear'.<sup>171</sup>

The revision and reduction of rates in Thana district, as Choksey has found, commenced in 1835 and was completed in 1842.<sup>172</sup> Bombay's officials expressed satisfaction with the effects, and in *laissez-faire* terms. John Davies reported in 1837 that the year's revenues of Nagotna mahal in Sanksia taluka had only fallen by one hundred rupees despite the considerable reduction in rates. This, he argued, was due to 'the slovenly manner' in which land was cultivated under the previous rates, 'which held out such little inducement to bestow labour or capital upon it'.<sup>173</sup> George Giberne reported in 1837 that the recent reductions were 'greatly to the relief of the poor Ryots', who were appreciative of the Government's concern for their 'welfare and prosperity'.<sup>174</sup> In 1838 Williamson made the *laissez-faire* promise that his revision of the rates of Bassein Island would create 'the very desirable results of a punctual and easy realisation of the revenue from a contented, and improving body of ryots'.<sup>175</sup> Six months later Williamson observed that the new assessment 'has proved a great relief to the people, and much benefit to the revenue may be expected'.<sup>176</sup> The Council observed that 'the greatest increase by new cultivation has occurred in those districts in which the assessment has been revised'.<sup>177</sup>

The revision and reduction of rates in Khandesh district commenced in the 1836/7 season. Commissioner Williamson reported with *laissez-faire* delight that after two seasons 'there can be no doubt that these reductions have mainly contributed to the improvement of this Province, many parts of which were a year or two ago much overassessed'.<sup>178</sup>

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<sup>171</sup> T. Williamson, Rev Cmr, to Act Chief Sec to Govt, 23 Nov 1838, BRP, 30 Jan 1839, No. 493, APAC.

<sup>172</sup> Choksey, *Economic Life in the Bombay Konkan*, p. 61.

<sup>173</sup> J. M. Davies, 2<sup>nd</sup> Asst Tannah Cltr, to Tannah Cltr, 10 Sep 1837, BRP, 18 Jul 1838, No. 5519, APAC.

<sup>174</sup> G. Giberne, Tannah Cltr, to Rev Cmr, 16 Sep 1837, BRP, 18 Jul 1838, No. 5518, APAC.

<sup>175</sup> T. Williamson, Rev Cmr, to Act Chief Sec to Govt, 14 May 1838, BRP, 18 Jul 1838, No. 5517, APAC.

<sup>176</sup> T. Williamson, Rev Cmr, to Act Chief Sec to Govt, 23 Nov 1838, BRP, 30 Jan 1839, No. 493, APAC.

<sup>177</sup> L. R. Reid, Act Chief Sec to Govt, to Rev Cmr, 19 Mar 1839, BRP, 20 Mar 1839, No. 1974, APAC.

<sup>178</sup> T. Williamson, Rev Cmr, to Act Chief Sec to Govt, 16 Oct 1838, BRP, 13 Mar 1839, No. 1715, APAC.

In 1838 several officials debated over whether the reduction of the rates in Poona district should be fixed for ten or thirty years, or made permanent. Lieutenants Wingate and Nash, who had conducted the surveys on which the reductions in Poona were based, argued that the new rates should be fixed for thirty years, or permanently. Yet Richard Mills, the Poona Collector, recommended fixing the rates for just ten years to allow the Government to raise its taxes in line with the region's expected rise in affluence. Williamson, the Commissioner, rejected Mills' position. He argued in *laissez-faire* terms that 'it is the continued pursuit of some phantom advantage of this kind, which has hitherto prevented most of our districts from improving'. He argued that a thirty year settlement 'will create a permanent interest in the land, and induce the holders to lay out capital on it'.<sup>179</sup> The Council conceded that the new survey had had a beneficial effect on the local economy and revenues. Yet it stated that 'the question is not, whether it is low enough, but whether it is not too low. ... The grand difficulty is so to fix the assessment that while it affords to the state its fair dues, it shall not encroach on the just share which the agricultural classes ought to derive from the land'. The Council noted that the reductions were necessary because of the grain price depression, and that this depression was 'still in full operation'. It observed that the price of grain continued to fall, and that this rendered any long-term fixed settlement undesirable. It therefore decided to 'adhere to the term first fixed of ten years'.<sup>180</sup>

The reduction of rates in Ahmednagar district was considered a success. Commissioner Williamson commented on the 18 per cent increase in land revenues in the 1837/8 season. He noted that the reductions had been 'necessarily considerable, but Government will perceive ... that the net revenue has, notwithstanding, been higher'. He quoted Henry Harrison, the Ahmednagar Collector, as saying that the large reductions 'have led to the numerous Ryuts returning to their native villages from foreign territory, and to a vast quantity of additional land being brought under the plough'.<sup>181</sup> The Council responded in *laissez-faire* terms that it was 'gratifying to observe the success which has thus attended the measures of Government for

<sup>179</sup> T. Williamson, Rev Cmr, to Act Chief Sec to Govt, 12 Oct 1838, BRP, 31 Dec 1838, No. 9933, APAC.

<sup>180</sup> L. R. Reid, Act Chief Sec to Govt, to Rev Cmr, 31 Dec 1838, BRP, 31 Dec 1838, No. 9941, APAC.

<sup>181</sup> T. Williamson, Rev Cmr, to Act Chief Sec to Govt, 3 Nov 1838, BRP, 20 Mar 1839, No. 1914, APAC.

improving the condition of its subjects'. Particularly, the Council stated, since this was accomplished 'without causing any reduction whatever on the total amount of revenue flowing into the treasuries of the state'.<sup>182</sup>

The sub-district of Nasik, however, was the subject of greater concern for several officials. Henry Goldsmid had a particular interest in the rates of Nasik in his official capacity as both the Assistant Ahmednagar Collector and a Revenue Surveyor. In 1838 he described the rates of Nasik as 'unequal as well as onerous'. There was 'great inequality' between the assessments, and they were also 'oppressive in the extreme'.<sup>183</sup> Robert Arbuthnot, the Nasik sub-Collector, argued that 'if no tax were exacted, land would be cultivated in the order of its greatest natural powers of production'. He proposed the *laissez-faire* argument that the new reduced rates should 'interfere with this course of things as little as possible'.<sup>184</sup> Goldsmid proposed conducting a detailed survey and revision of the rates according to the variety of soil qualities in Nasik. Yet Arbuthnot preferred simply setting an average assessment. Commissioner Williamson noted the debate surrounding how best to reduce the high rates of Nasik. Yet he stated that 'the evils of the present system ... seem admitted on all hands'.<sup>185</sup> The Council, however, was sceptical of the need for reductions in Nasik. It quoted Arbuthnot as having said of the assessment that 'there is nothing to indicate that it bears too heavily on the ryuts'.<sup>186</sup> But the Council ultimately allowed Goldsmid to continue his revisions and reductions in Chandore taluka 'as an experimental measure' to be extended to the rest of the sub-district should it prove successful.<sup>187</sup>

The revision and reduction of the rates in Dharwar district came later than in other districts. In 1837 David Blane, the Second Assistant Dharwar Collector, reported that due to over-assessment less and less land was being brought under irrigation. He contended that 'if the rent of garden lands were to be considerably reduced the

<sup>182</sup> L. R. Reid, Act Chief Sec to Govt, to Rev Cmr, 18 Mar 1839, BRP, 20 Mar 1839, No. 1920, APAC.

<sup>183</sup> H. E. Goldsmid, Asst Ahmednagar Cltr, to Nasik Sub-Cltr, 16 Aug 1838, BRP, 30 Jan 1839, No. 681, APAC.

<sup>184</sup> R. K. Arbuthnot, Nasik Sub-Cltr, to Ahmednagar Cltr, 8 Sep 1838, BRP, 30 Jan 1839, No. 681, APAC.

<sup>185</sup> T. Williamson, Rev Cmr, to Act Chief Sec to Govt, 24 Nov 1838, BRP, 30 Jan 1839, No. 680, APAC.

<sup>186</sup> Memo by L. R. Reid, Act Chief Sec to Govt, 8 Jan 1839, BRP, 30 Jan 1839, No. 683, APAC.

<sup>187</sup> L. R. Reid, Act Chief Sec to Bombay Govt, to Officiating Sec to Govt of India, 29 Jan 1839, BRP, 30 Jan 1839, No. 686, APAC.

cultivation would greatly increase'.<sup>188</sup> Yet the rates of Dharwar district remained unrevised in 1839 when the Council instructed the Collector that 'it is far safer to err on the side of under, than of over assessment'. It informed him that 'every succeeding season, if the assessment is burdensome, will bring a further relinquishment of irrigation, a result which will prove seriously injurious to the Country'.<sup>189</sup> The ryots of Dharwar district had to wait longer for their relief.

*Remissions in the new era of reduced assessments.*

Once the Bombay administration had committed to a reduction of the rates it became less willing to offer remissions. Officials began rejecting requests for remissions specifically because the rates had been reduced. In 1835 R. Chambers, the First Assistant Surat Collector in Charge, told the ryots of his district that 'after the liberal reductions lately made in the beegotee rates they must not effect any remissions unless their losses have been extremely severe'.<sup>190</sup> This policy became more common during the 1838-9 drought once the reductions had been extended to more districts. In 1838 Commissioner Williamson argued that one of the benefits for the Government of the recent reduction of the rates was to remove the need for most remissions. He argued that this rendered the Government's revenue base more 'fixed and permanent'.<sup>191</sup> In 1838 the Council rejected calls for remissions in the Broach and Surat districts because 'it is to escape the necessity of remission that the reduction of the assessment is expressly intended'.<sup>192</sup> In 1839 the Council reiterated that, in reducing the rates, it was 'the great object of our exertions' to avoid over-assessment 'where the impossibility of realizing the assessment gives rise to annual remissions'.<sup>193</sup> In 1839 the Council asked Commissioner Vibart whether a reduction of revenue demands in Ratnagiri district might 'remove the necessity of the call for

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<sup>188</sup> D. A. Blane, 2<sup>nd</sup> Asst Dharwar Cltr, to Dharwar Cltr, 25 Sep 1837, BRP, 24 Oct 1838, No. 7981, APAC.

<sup>189</sup> Memo by L. R. Reid, Act Chief Sec to Govt, 3 Mar 1839, BRP, 3 Apr 1839, No. 2234, APAC.

<sup>190</sup> R. Chambers, 1<sup>st</sup> Asst Surat Cltr in Charge, to Rev Cmr, 14 Feb 1835, BRP, 1 Apr 1835, No. 1395, APAC.

<sup>191</sup> T. Williamson, Rev Cmr, to Act Sec to Govt, 21 Apr 1838, BGP, 4 Jul 1838, No. 218, APAC.

<sup>192</sup> T. Williamson, Rev Cmr, to Act Chief Sec to Govt, 30 Oct 1838, BRP, 20 Mar 1839, No. 1944, APAC.

<sup>193</sup> L. R. Reid, Act Chief Sec to Govt, to Rev Cmr, 5 Jan 1839, BRP, 9 Jan 1839, No. 134, APAC.

annual remissions, the grant of which is destructive of the landed tenures which it is so desirable to maintain'.<sup>194</sup>

However, when remissions were refused it was not always on the grounds that the rates had been reduced. The same reasons for refusing to offer remissions that were proposed by the officials of the 1823-5 administration were again put forth in the 1830s. Remissions were refused due to the high scarcity price of grain during drought. In 1833 the Council rejected a petition for remissions on the grounds that the high grain prices would compensate the cultivators for their losses.<sup>195</sup> Remissions were also refused on the grounds that the assessments were an estimation of the average harvest in good and bad years. This, it was argued, should have allowed cultivators to save during good years for meeting their revenue payments in bad years. In 1838 the Council refused to remit its revenue demand on individuals employed in collecting mangoes merely on the basis that the 'trees do not bear fruit in bad seasons'. It stated that 'the sum demanded being fixed must be payable in bad as well as in good years'.<sup>196</sup> Thus the same old arguments against remissions were reiterated in the 1830s.

Yet the revision and reduction of the rates took years to complete. Thus in the mid to late 1830s large regions of the Presidency still suffered under the burden of heavy rates. In 1839 Commissioner Vibart recognised that in Thana district 'heavy remissions have been found necessary in the districts, in which the revision of assessment has not taken place'.<sup>197</sup> Furthermore, the occurrence of drought sometimes rendered remissions necessary even in regions with reduced rates.

A remissions policy followed by officials during the 1823-5 drought had been to protect the wealth of the rich so that they might fund an economic recovery once the rains returned. This *laissez-faire*-inspired policy continued into the 1838-9 drought. In 1838 Nugent Kirkland requested permission to remit the revenue demands of five

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<sup>194</sup> L. R. Reid, Act Chief Sec to Govt, to Rev Cmr, 6 Sep 1839, BRP, 11 Sep 1839, No. 5657, APAC.

<sup>195</sup> Dadoo Cambur and other Bombay Petitioners, to Asst Bombay Cltr, 19 Aug 1833, BRP, 11 Sep 1833, No. 4992, APAC; and L. R. Reid, Sec to Govt, to Bombay Cltr, 6 Sep 1833, BRP, 11 Sep 1833, No. 4994, APAC.

<sup>196</sup> Council Resolution by L. R. Reid, Act Chief Sec to Govt, 9 Aug 1838, BRP, 15 Aug 1838, No. 6126, APAC.

<sup>197</sup> J. Vibart, Rev Cmr, to Act Chief Sec to Govt, 5 Dec 1838, BRP, 20 Mar 1839, No. 1969, APAC.

patels who had suffered from drought in Kaira district. This was despite the fact that one of the patels could afford to pay the full rent. Kirkland argued that he too should be granted a remission to ensure he was not bankrupted, which would avoid injuring ‘the welfare of the village’.<sup>198</sup> The Council sanctioned the remission.<sup>199</sup> Indeed, many officials used remissions as a means of fostering the wealth of the rich for the sake of long-term economic progress and the Government’s revenues. Arthur Ravenscroft, the First Assistant Dharwar Collector, reported that he had offered remissions to zamindars who were not technically entitled, but would otherwise eventually be ‘entirely ruined’. He stated that it was official policy ‘to maintain those we find [to be] respectable, in that condition’, and that ‘we cannot be losers by advancing the interests of the zumeendars’.<sup>200</sup>

The khots, a wealthy and privileged hereditary class of revenue collectors in the Konkan and Gujarat, were however typically denied remissions. Among their privileges was the right to exact one day’s labour from their tenants every eight days.<sup>201</sup> Choksey has argued that the khots’ mastery over the revenue records completely ‘baffled’ the British Collectors’ attempts to understand their rights in relation to the Government and the ryots.<sup>202</sup> Officials in the 1830s were certainly aware that the khots had gained for themselves many privileges in revenue collection, which reduced the khots’ chances of gaining remissions. In 1839, for example, the Council refused to remit its revenue demand on a particular khot because ‘the Khots of the Southern part of the Konkan cultivate far more land than is assessed in the Government books, and ... their villages are therefore very valuable property’.<sup>203</sup> The Council rejected other khots on the grounds that their tenures required ‘punctual payment of the revenue’. It argued that if the assessment was set too high a new survey would be required, which the khots ‘would probably be unwilling to see adopted’.<sup>204</sup>

<sup>198</sup> N. Kirkland, Act Kaira Cltr, to Rev Cmr, 17 Jun 1838, BRP, 18 Jul 1838, No. 5511, APAC.

<sup>199</sup> L. R. Reid, Act Chief Sec to Govt, to Rev Cmr, 14 Jul 1838, BRP, 18 Jul 1838, No. 5512, APAC.

<sup>200</sup> A. W. Ravenscroft, 1<sup>st</sup> Asst Dharwar Cltr, to Dharwar Cltr, 29 Sep 1837, BRP, 24 Oct 1838, No. 7981, APAC.

<sup>201</sup> Choksey, *Economic Life in the Bombay Konkan*, p. 124.

<sup>202</sup> Ibid, p. 21.

<sup>203</sup> L. R. Reid, Act Chief Sec to Govt, to Ratnagiri Petitioner, 20 Jul 1839, BRP, 24 Jul 1839, No. 4659, APAC.

<sup>204</sup> L. R. Reid, Act Chief Sec to Govt, to 1<sup>st</sup> Asst Ratnagiri Cltr, 29 Jun 1839, BRP, 10 Jul 1839, No. 4136, APAC.

But this policy was not necessarily based on the utilitarian desire to discourage unproductive rentier classes. It could simply have been a conservative policy of charging a full rent from those who would not otherwise face bankruptcy. The Government often accepted more responsibility for the solvency of cultivators under ryotwari settlement. The solvency of the khots was not as vital to the Government's coffers. Thus they were expected to absorb some of the losses incurred during drought. In 1834 the Thana Collector, George Giberne, argued that if remissions were 'allowed to khotes, the principal advantage from their superintendence is at an end. In all partial failures of crops they should bear the loss as they reap the benefits, and I should therefore respectfully recommend that no remissions be allowed'.<sup>205</sup> In this case the Council agreed.<sup>206</sup> In another case Giberne argued that the khots should only be allowed remissions when 'the whole country suffers from extreme drought, and famine prevails in the land', which was not quite the situation in Thana district in 1833.<sup>207</sup> The Council agreed and the khots' petition for remissions was rejected.<sup>208</sup> In 1839 several khotes of Ratnagiri district petitioned the Council to instruct the Collector to offer them remissions on account of the failed monsoon. The Council refused to support their case because, 'being khotes, they are answerable for the due payment of the revenue of their villages during all seasons, whether good or bad'.<sup>209</sup>

There was a special need for remissions that was specific to the 1830s. The Government's effort to reduce the revenue burden on the ryots that began in 1832/3 was principally a matter of reducing the rates. Yet there remained the task of remitting the outstanding revenue balances that had accrued from the many years of over-assessment. The outstanding balances typically extended back to the early days of British rule. In 1839 the Council sanctioned the remission of outstanding balances in

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<sup>205</sup> G. Giberne, Tannah Cltr, to Sec to Govt, 20 Jan 1834, BRP, 5 Feb 1834, No. 605, APAC.

<sup>206</sup> Resolution by Council, 31 Jan 1834, BRP, 5 Feb 1834, No. 606, APAC.

<sup>207</sup> G. Giberne, Tannah Cltr, to Sec to Govt, 5 Mar 1833, BRP, 20 Mar 1833, No. 1662, APAC.

<sup>208</sup> Resolution by Council, 18 Mar 1833, BRP, 20 Mar 1833, No. 1663, APAC.

<sup>209</sup> Resolution by Council, 31 May 1839, BRP, 31 May 1839, No. 3628, APAC.

Belgaum district that dated from the 1818/9 season.<sup>210</sup> Similarly, balances that had accrued since the 1820/1 season in parts of Broach district were remitted in 1838.<sup>211</sup>

This process of remitting outstanding balances involved a tension between the *laissez-faire* desire to improve the ryots' lot on the one hand, and a conservative reluctance to unnecessarily throw away funds that the Government could easily realise on the other. In 1838 the Poona Collector, Richard Mills, reported that he had found Rs. 23,000 outstanding on account of 48 separate taxes that had operated from 1822 until their abolition in 1836. He argued in *laissez-faire* terms that the taxes 'cramped the energies of the cultivators, and the trade of the country', and 'the object of remitting the taxes was to improve the condition and circumstances of the merchants of the country, and the cultivators of the soil'. He contended that 'it is quite obvious that the relief afforded can only be partial, so long as Government demand the payment of balances uncollected at the time'.<sup>212</sup> Commissioner Williamson agreed with Mills that the outstanding balance should be remitted.<sup>213</sup> Yet the Council was reluctant to remit the amount entirely. It argued that the balances should be demanded of those individuals 'who had full means of paying at the time and have by their influence been able to defer the day of payment till the boon of abolition was granted'.<sup>214</sup> Similarly, in 1839 the Acting Ahmedabad Collector, Joseph Jackson, recommended remitting one third of the outstanding balances as being irrecoverable.<sup>215</sup> The Council recognised that both 'the Hon'ble Court of Directors and the Government' of India considered it 'highly desirable ... that balances should not be allowed to hang over the ryots, to damp their energies'. Yet it protested that Jackson's investigations were 'rather summary. He has not given, at any length, the detail of investigations, nor the particular reasons which led him, or his Assistants, to think the sums irrecoverable'.<sup>216</sup>

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<sup>210</sup> Statement by A. Campbell, Act 1<sup>st</sup> Asst Belgaum Cltr, 12 Jul 1839, BRP, 14 Aug 1839, No. 5114, APAC; and L. R. Reid, Act Chief Sec to Govt, to Act Belgaum Cltr, 8 Aug 1839, BRP, 14 Aug 1839, No. 5116, APAC.

<sup>211</sup> T. Williamson, Rev Cmr, to Act Chief Sec to Govt, 13 Jun 1838, BRP, 27 Jun 1838, No. 4837, APAC; and L. R. Reid, Act Chief Sec to Govt, to Rev Cmr, 25 Jun 1838, BRP, 27 Jun 1838, No. 4839, APAC.

<sup>212</sup> R. Mills, Poona Cltr, to Rev Cmr, 27 Jul 1838, BRP, 29 Aug 1838, No. 6560, APAC.

<sup>213</sup> T. Williamson, Rev Cmr, to Act Chief Sec to Govt, 13 Aug 1838, BRP, 29 Aug 1838, No. 6559, APAC.

<sup>214</sup> L. R. Reid, Act Chief Sec to Govt, to Rev Cmr, 27 Aug 1838, BRP, 29 Aug 1838, No. 6562, APAC.

<sup>215</sup> Statement No. 7 by J. H. Jackson, Act Ahmedabad Cltr, 15 Jan 1839, BRP, 29 May 1839, No. 3432, APAC.

<sup>216</sup> L. R. Reid, Act Chief Sec to Govt, to Rev Cmr, 27 May 1839, BRP, 29 May 1839, No. 3436, APAC.

Thus the process of remitting outstanding balances typically required an investigation into the abilities of the ryots to pay. This was another expression of the conservative policy of taking all that the ryots could afford. The Council demanded precision from its officials in assessing how much could be exacted from the ryots without placing a burden on their industry. Nugent Kirkland, the Acting Kaira Collector, remitted 15 per cent of the outstanding revenue demands of cultivators in 106 villages that had accrued between 1818/19 and 1836/7. Only after an investigation was this amount considered ‘irrecoverable’ due to the death, migration, or poverty of the ryots.<sup>217</sup> Similarly, the Assistant Poona Collector, J. N. Rose, found that a portion of the outstanding balances were irrecoverable from ryots who had died, ‘absconded’, or were too ‘poor’ to pay.<sup>218</sup> The outstanding balances that were considered recoverable were to be realised slowly to avoid bankrupting the debtors. Another Assistant Poona Collector, H. P. Malet, reported that an outstanding amount was to be recovered from certain patels ‘slowly as the produce of their wuttuns enable them to discharge the debt without bringing them to ruin’.<sup>219</sup> Thus the outstanding balances that had accrued under years of over-assessment were still considered fair game by the Government. Even in reducing the burdens of the ryots it did not lose sight of its short-term interests.

### *Conclusion.*

When the British assumed power over western India in 1818 Governor Elphinstone set the assessment lower than it had been under the Peshwa. This was intended to pull the Presidency out of the economic ruin wrought by Baji Rao II. It was a politically expedient move intended to buy acceptance for British rule. Yet British rule itself brought an unrelenting grain price depression, which rendered Elphinstone’s light assessments heavy. Pressure from Calcutta to augment the revenues forced the Bombay Council and Commissioner Chaplin to enforce a revenue policy among their Collectors of taking what they could from the ryots short of rendering them insolvent. This conservative approach to revenue management therefore underlay the remissions

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<sup>217</sup> N. Kirkland, Act Kaira Cltr, to Rev Cmr, 14 Jun 1838, BRP, 4 Jul 1838, No. 5023, APAC.

<sup>218</sup> Statement by J. N. Rose, Asst Poona Cltr, no date given, BRP, 22 Aug 1838, No. 6308, APAC.

<sup>219</sup> H. P. Malet, Asst Poona Cltr in Charge of Barsee Ryotwar, to Act Sholapur Sub-Cltr, 15 Jul 1838, BRP, 28 Nov 1838, No. 8843, APAC.

policy of officials during the 1823-5 drought. One of the few mavericks in this regard was Pringle, who often recommended remissions where other officials would not. Enticed by the utilitarian promise of sizeable revenues without burdening the economy, the administration of the late 1820s put its faith in Pringle. Yet by 1830 the Pringle experiment had failed and the Presidency remained largely over-assessed. With an economically ruined peasantry and an increasing need for remissions at the beginning of the 1831-5 drought, many district-level officials implored the Council to significantly reduce the rates. The fact that the previous conservative attempts of the 1820s to reduce the rates had not delivered the Presidency from its crisis engendered greater support at the district-level of the administration for *laissez-faire* alternatives.

Yet there was still considerable reluctance from conservatives that delayed this process until the 1832/3 season. The Council was initially not convinced by *laissez-faire* arguments. It doubted that a reduction in the rates would bring anything but further losses to its Bombay's coffers. But pressure from London in the lead up to the 1833 charter renewal tipped the scales. Bombay committed to generous reductions in the rates. Goldsmid and Wingate's methods still revolved around a utilitarian understanding of economic rent. Yet the conservative desire to feast on the harvest and leave only the scraps for the ryots had been largely forgotten. The new assessments were intended to drive economic improvement by allowing surplus returns to labour and capital. Land that was previously unprofitable to cultivate had been unlocked by rate reductions. The expansion of cultivation benefited the Government's treasury, despite Dunlop's fears that it would exacerbate the grain price depression. Yet even in this *laissez-faire* climate the remissions policy of some officials remained conservative. In fact, many officials saw the reduced rates and increased prosperity as sufficient reasons to abstain from offering remissions during the 1833-5 and 1838-9 seasons of drought. Utilitarian and *laissez-faire* ideology underpinned some of the remissions and reductions policies of officials in the 1820s, and more so in the 1830s. The reductions that commenced in the 1832/3 season were largely a victory for the reformers in the administration like Pringle and Williamson. Yet while the conservative position adopted by the likes of Dunlop and Vibart had lost favour by the 1830s, it was never entirely abandoned.