

Prepared by

Dr. Md.Haider Ali, Assistant Professor

Dept.of History, R.B.G. R. College

Maharajganj, JPU, Chapra

PERMANENT SETTLEMENT

Cornwallis realised that the existing system was impoverishing the country, ruining agriculture and was not producing the large and regular surplus that the Company hoped for. Company's trade also suffered, because of the difficulty in procuring Indian goods for export to Europe. Production of silk or cotton, two of the Company's major export items, was mainly agro-based, while decline in agriculture also affected handicraft production. It was thought, therefore, that the only way to improve this situation was to fix the revenue permanently. Indeed, it was since 1770, i.e., even before Cornwallis arrived, that a number of Company officials and European observers, like Alexander Dow, Henri Parullo, Philip Francis and Thomas Law were advocating for the land tax being permanently fixed. Despite their various ideological orientations, they shared a common faith in the Physiocratic school of thinking that assigned primacy to agriculture in a country's economy. These ideas went into the making of the Permanent Settlement of 1793, which introduced in Bengal the policy of "assessment for ever." This would reduce, it was hoped, the scope for corruption that existed when officials could alter assessment at will. The landlords would invest money in improving the land, as with the state demand being fixed the whole of the benefit from increased production and enhanced income would accrue to them. The Company would get its taxes regularly and when necessary, as Cornwallis thought, it could raise its income by taxing trade and commerce. The land revenue, since it was going to be fixed in perpetuity, was also to be fixed at a high level-the absolute maximum. So taking the assessment for the year 1789-90 as the standard, it was fixed at Rs. 26.8 million

(approximately £3 million). While according to P.J. Marshall, the revenue demand in 1793 was just about 20 per cent higher than what prevailed before 1757,⁴⁴ in B.B. Chaudhuri's calculation, it "nearly doubled" between 1765 and 1793.⁴⁵

The other problem for the Company was to decide from whom the revenue was to be collected. The nawabs used to collect it from the zamindars. Some of them were big landlords who controlled large areas and had their own armed retainers; in 1790 twelve big zamindari houses were responsible for paying more than 53 per cent of the land revenue assessment in Bengal.⁴⁶ Others were smaller zamindars, who paid revenue either directly to the state or through the bigger zamindars. Peasants undertook cultivation and paid the zamindars at customary rates, which often varied from subdivision to subdivision and sometimes extralegal charges called abwabs were collected as well. By 1790, however, the Company's administration had profoundly confused this situation by retaining some zamindars and replacing others by new revenue farmers. In terms of assessment too, the old customary rates were ignored and by the time Cornwallis arrived, a complete confusion prevailed in this area. Being a member of the landed aristocracy of Britain and imbued with the idea of improving landlordism, his natural preference was for the zamindars. They were expected to invest for the improvement of agriculture if their property rights were secured. There were also other practical reasons: it was easier to collect revenue from a small number of zamindars than from the innumerable peasants, which would require a large administrative machinery; and finally, it would ensure the loyalty of a powerful class of the local population. The Permanent Settlement in 1793 was made with the zamindars. Every bit of land in Bengal, Bihar and Orissa became a part of a zamindari or estate and the zamindar had to pay the tax fixed upon it. If he did so, then he was the proprietor or owner of his zamindari: he could sell, mortgage and transfer it; land could also be inherited by heirs. But failure to pay the revenue would lead to the confiscation of the zamindari by the government and its sale by auction; the

new purchaser would then have the ownership right on it. This was the so-called creation of private property in land; the magic of private property, it was widely hoped, would bring in the desired improvement in agriculture.

The Permanent Settlement vested the land ownership right in the zamindars, who previously enjoyed only revenue collecting right.

Therefore, those who lost out in this settlement were the peasants who were left at the mercy of the zamindars. Their customary occupancy

right was ignored and they were reduced to the status of tenants.

The provision of patta, or written agreement between the peasant and the zamindar providing a record of the amount of rent to be paid, was rarely followed by the zamindars. Nor was it liked by the peasants who always feared to lose in any formal record of rights and obligations. The burden of high revenue assessment was thus shifted to the peasants, who were often also called upon to pay illegal cesses. The subsequent regulations of 1799 and 1812 gave the zamindars the right to seize property of the tenants in case of nonpayment of rent without any permission of a court of law. It is no wonder, therefore, that as a cumulative effect of this support to the coercive power of the zamindars, the condition of the actual cultivators declined under the Permanent Settlement.

Though the settlement was pro-zamindar, they too had to face a number of difficulties. As Daniel Thorner has argued, creation of private property in land was a misnomer, as the absolute ownership was retained by the imperial authority.⁴⁷ The zamindars had to pay a fixed amount of revenue by a particular date (the so-called 'sun-set' law), failure leading to the sale of the zamindari. Often they found it difficult to collect the rent, as demands were too high and there were the uncertainties of nature. The result was the frequent sale of zamindari estates: between 1794 and 1807 land yielding about 41 per cent of the revenue in Bengal and Bihar was sold out in auction; in Orissa between 1804 and 1818, 51.1 per cent of the original zamindars were wiped off because of auction sales.⁴⁸ This of course meant the collapse of most of the old zamindari houses; but contrary

to the old myths, those who bought these estates were not exactly 'new' men in the Bengal agrarian society. The old zamindaris were parcelled out by their own amlas (zamindari officials) and rich tenants or by the neighbouring zamindars among themselves. 49 And some of the old houses, such as the Burdwan raj, survived by resorting to the novel method of subinfeudation that complicated the tenurial structure to an absurd level. so These subinfeudatory patni tenures, which sometimes proliferated up to twelve grades between the zamindar and the peasants, increased the demand on the latter. In 1859 and 1885 there were tenancy legislations, which to some extent protected the tenants by recognising their occupancy rights. This was the time when the Company Raj had transformed itself into a self-confident territorial state trying to penetrate deeper into the economy and society and co-opt wider sections of the population. 51 But zamindari power remained largely unrestrained and their alliance with the **Raj** unaltered.

The new legal reforms could not provide any relief to the poor cultivators. These reforms on the other hand only strengthened the position of a group of powerful rich peasants-the jotedars-who are believed to have been actually controlling landholding at the village level, as argued by Rajat and Ratnalekha Ray (1973, '1975), while the zamindars enjoyed only the revenue collecting right. Beneath all the changes effected by colonial policies, the Rays argue, the power of this class . and their control over the rural society remained unaffected and herein lay the basic continuity of the rural social structure in colonial Bengal. This 'jotedar thesis', however, wonder, therefore, that as a cumulative effect of this support to the coercive power of the zamindars, the condition of the actual cultivators declined under the Permanent Settlement.

Though the settlement was pro-zamindar, they too had to face a number of difficulties. As Daniel Thorner has argued, creation of private property in land was a misnomer, as the absolute ownership was retained by the imperial authority. 47 The zamindars had to pay a fixed amount of revenue by a particular date (the so-called 'sun-set'

law), failure leading to the sale of the zamindari. Often they found it difficult to collect the rent, as demands were too high and there were the uncertainties of nature. The result was the frequent sale of zamindari estates: between 1794 and 1807 land yielding about 41 per cent of the revenue in Bengal and Bihar was sold out in auction; in Orissa between 1804 and 1818, 51.1 per cent of the original zamindars were wiped off because of auction sales.' ! This of course meant the collapse of most of the old zamindari houses; but contrary to the old myths, those who bought these estates were not exactly 'new' men in the Bengal agrarian society. The old zamindaris were parcelled out by their own amlas (zamindari officials) and rich tenants or by the neighbouring zamindars among themselves. 49 And some of the old houses, such as the Burdwan raj, survived by resorting to the novel method of subinfeudation that complicated the tenurial structure to an absurd level. so These subinfeudatory patni tenures, which sometimes proliferated up to twelve grades between the zamindar and the peasants, increased the demand on the latter. In 1859 and 1885 there were tenancy legislations, which to some extent protected the tenants by recognising their occupancy rights. This was the time when the Company Raj had transformed itself into a self-confident territorial state trying to penetrate deeper into the economy and society and co-opt wider sections of the population. 51 But zamindari power remained largely unrestrained and their alliance with the **Raj** unaltered

The new legal reforms could not provide any relief to the poor cultivators. These reforms on the other hand only strengthened the position of a group of powerful rich peasants-the jotedars-who are believed to have been actually controlling landholding at the village level, as argued by Rajat and Ratnalekha Ray (1973, '1975), while the zamindars enjoyed only the revenue collecting right. Beneath all the changes effected by colonial policies, the Rays argue, the power of this class . and their control over the rural society remained unaffected and herein lay the basic continuity of the rural

social structure in colonial Bengal. This 'jotedar thesis', however, came under serious attack in a monograph by Sugara Bose (1986) who found such jotedar domination confined only to northern Bengal. In the rest of the region he discovered two other distinct modes of peasant economy-the peasant landholding-demesne labour complex in the west and the peasant small holding system in eastern Bengal. In both the regions he found the power of the zamindars continuing unhindered till the 1930s, a position which has found support also in the works of Akinobu Kawai (1986-87) and Partha Chatterjee (1984a). In a subsequent essay in defence of the 'jotedar', Rajar Ray (1988) conceded the fact that the zamindars probably retained some of their influence and authority in rural Bengal till about the 1930s, but there still existed all along a section of substantial peasants who yielded considerable power in the Bengal countryside. This modified position has found partial corroboration in two subsequent works. Nariaki Nakazato (1994) has shown the existence of a powerful jotedar-haoladar class in certain districts of central and eastern Bengal in the late nineteenth and early twentieth centuries. This did not mean, however, as he argues, a demise of the old zamindari system, as the interests of the two classes were complementary to each other and not necessarily antagonistic. In western Bengal, on the other hand, in Midnapur district for example, China Panda (1996) has detected only unqualified decline of the zamindars, who were losing out to a class of rich peasants who dominated the land market, rural credit and the trading networks. Both Nakazato and Panda, however, argue emphatically that there was more change than continuity in the agrarian structure of post-Permanent Settlement Bengal. And, as we shall see in the next chapter, these changes, which almost uniformly affected the poor peasants, perennially excluded from any control over land and power, resulted in a series of peasant revolts