

RULING THE COUNTRYSIDE

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THE COMPANY BECOMES DIWAN

The Mughal Emperor Shah Alam, in 1765, appointed the East India Company as the Diwan of Bengal. The event which happened in Robert Clive's tent, was witnessed by some Englishmen and Indians. It was a majestic occasion. For the British it was a wonderful event.

Diwani made Company the chief financial administrator of the territory where it ruled. It even had to administer the land and organise its revenue administration, to meet the growing expenses of the company. As traders, the Company had to ensure products it needed to buy and sell. It moved with a lot of caution. They had to reorganise the revenue resources and clarify the rights of the people living there and produce the crops which the company required.

◆ How did the Company get its Revenue ?

◆ Even after becoming Diwan, the Company still considered itself basically a trader. It required a large revenue income, but did not set up a regular system of assessment and collection. Efforts were made to increase the revenue as much as possible to buy fine cotton and silk cloth at cheap rates. The value of goods bought by the Company doubled in five years. The Company no longer needed gold and silver. It could now finance the purchase of goods for export.

◆ Gradually, however a slide took place in the economy of Bengal leading to a deep financial crisis. Artisans left village being forced to sell their goods to the Company at low prices. Peasants were unable to pay high revenue asked by the Company. Both agriculture and artisanal work showed signs of decline. In 1770, a havoc of terrible famine killed ten million people in Bengal. It wiped out one-third of Bengal's population.

◆ The Need to Improve Agriculture

The Company officials now introduced the Permanent Settlement in 1793. Under it, the *rajas* and *taluqdars* were recognised as *zamindars* and were asked to collect rent from the peasants. In return they were supposed to pay the revenue to the Company. The paid amount was permanently fixed. It solved the double purpose of the

Company, as they got revenue and it was for zamindars to invest and improve the land. The revenue demand of the Company did not increase but the production of the land rose benefiting the zamindars

◆ The Problem

- ◆ The Permanent Settlement soon led to many problems for the Company. Company officials realised the real intentions of the zamindars. It was known that zamindars were least interested in the improvement of the land. The revenue fixed earlier was so high that the zamindars could not pay it. Thus, they did not improve the conditions of the land and made only profits out of it. Company had made a rule that anyone who failed to pay the revenue will lose his zamindari. Several zamindaris were auctioned off by the Company.
- ◆ But by the beginning of 19th century, the prices in the market rose, leading to the expansion of cultivation. It led to an increase in the income of the zamindars, but no gain for the Company.
- ◆ The zamindars still did not show any interest in improving the land. Most of them had lost their lands earlier; and rest of them realised the possibility of earning without any investment in the land.
- ◆ Further, in the villages the cultivators were unhappy with the development. The system was called '*oppressive*'. The rent to be given to zamindars was too high and their hold on the land was insecure. For paying rent to the zamindars, they had to borrow loan from the money-lender and if they failed to pay the rent, they were divested of the land, which they had cultivated for generations

◆ Evolution of a New System

- ◆ The beginning of nineteenth century convinced the Company officials that the system of revenue had to be altered. Thus, in the north-western provinces of the Bengal Presidency, a British named Holt Mackenzie, devised a new strategy in 1882. Under his supervision and orders, collectors went from village to village to inspect the land, measure the field and record the customs of different groups.
- ◆ The roughly estimated revenue of each plot within a village was added up to calculate the revenue that each village (*mahal*) had to pay. This calculation was to be revised periodically and was not fixed permanently. The task of revenue collection and payments to the company was entrusted to the village headmen, rather than the zamindar. This system was called the *Mahalwari settlement*.

◆ The Munro System

- ◆ In South India, the British territories adopted a similar system. The new system which was adopted was known as the *ryotwar* (or *ryotwari*). Initially it was tried on a smaller scale by Captain Alexander Read. Later on it was evolved and developed by Thomas Munro all over South India
- ◆ Both Read and Munro believed that in the south, there were no traditional zamindars. Thus, the settlement could be made directly with the cultivators (ryots). They took great care of their fields. Munro believed that the British could act as a paternal father figure giving protection to ryots under them

◆ Land Revenue System : Loopholes Existed

- ◆ Within a few years of the evolution of new system, it became clear that they were not totally successful. The greed to have more projects and the will to increase the income from land was there. But the demand of revenue officials was too high. Unable to pay, ryots fled the countryside deserting the villages. The officials had thought that with the new system, the misery of peasants would improve and make them rich peasants, but this did not take place



CROPS FOR EUROPE

The British soon thought that the countryside should even grow the desired crops besides yielding revenue. So by late eighteenth century, the Company tried its best to expand the cultivation of its desired crops, i.e., *opium* and *indigo*. In the next 50 years, the British united the cultivators to produce crops like jute in Bengal, tea in Assam, sugar cane in the United Provinces (now Uttar Pradesh), wheat in Punjab, cotton in Maharashtra and Punjab, and rice in Madras.

◆ Does colour have a history

- ◆ Kalamkari print was created by weavers of Andhra Pradesh in India. A floral cotton print was designed and produced by artists of nineteenth-century Britain.
- ◆ There was one common thing in the two prints, both used a rich blue colour – commonly called indigo. It is likely that the blue dye used in the floral cotton print in nineteenth-century Britain was manufactured from indigo plants cultivated in India. India was the biggest supplier of indigo in the world at that time.

◆ Why was there a Demand for Indian Indigo

- ◆ The indigo plant mainly grew in the tropics. By the thirteenth century, Indian indigo was in use by cloth manufacturers in Italy, France and Britain to dye clothes.
- ◆ But very small amount of Indian indigo was able to go to the European market, due to its high demand and less supply making it expensive. Finding no alternative, the Europeans depended on another plant called *woad* which was used in place of indigo to dye cloth, to make violet and blue dyes. Woad was more easily available in Europe and was grown in northern Italy, southern France and parts of Germany and Britain. The producers of woad got worried and forced their government to ban the import of indigo in their country
- ◆ But cloth dyers gave preference to indigo as a dye due to its rich blue colour whereas the dye from woad was pale and dull. By 17th century, European producers forced their governments, to remove the ban on indigo import. The French started cultivation of indigo in St. Domingue in the Caribbean Islands, the Portuguese in Brazil, the English in Jamaica and the Spanish in Venezuela.
- ◆ Towards the end of the eighteenth century, the demand for Indian indigo grew. Britain also began its cotton industry and needed dye for its cloth. The demand for indigo increased, but its supply from the West Indies and America reduced. Between 1783 and 1789, the production of indigo in the world fell dramatically by half. Cloth dyers in Britain now looked for new sources of indigo supply and the option was India

◆ Britain Turns to India

- ◆ In the last decade of the eighteenth century, indigo cultivation in Bengal, thus expanded rapidly and Bengal indigo started dominating the world market. By **1788**, about 30 per cent of the indigo imported to Britain, was from India and by 1810, it rose to 95 per cent. Commercial agents and officials of the Company started investing in indigo production.
- ◆ Many Company officials, Scotsmen and Englishmen were fascinated by the high profits and they turned into planters. Those falling short of money, could take loans from Company and the banks which were set up at that time.

◆ How was Indigo Cultivated ?

- ◆ Indigo cultivation was of two types - *nij* and *ryoti*. The planter in *Nij* cultivation system, produces indigo in lands, controlled directly by him. He purchased the land or took it on rent from other zamindars and manufactured indigo by hiring.

◆ The Problem with Nij Cultivation

- ◆ Planters found it very difficult to increase the area under *nij* cultivation. Indigo was cultivated only on fertile lands, and all these areas had huge population. Only small plots scattered over the landscape, were acquired. Planters required large areas to grow indigo in plantations. They tried to get on lease the land around the indigo factory, and evacuate the peasants from the area. But it led to tension and conflict among planters and peasants.

- ◆ Further, large plantations required a huge manpower. At this time, peasants were busy with their cultivation of rice and thus hiring of labour, was an arduous task.

- ◆ Likewise, *nij* cultivation on a large scale needed many ploughs and bullocks. One *bigha* of indigo cropping needed two ploughs. It required a number of ploughs and bullocks, but peasants were unable to supply their ploughs and bullocks for *nij* cultivations, since they were busy with rice cultivation at this juncture.

- ◆ Planters thus till the end of 19th century, were reluctant to increase the area under *nij* cultivation. Thus, about 25 per cent or even less than that land producing indigo, was covered under *nij* cultivation in this system. The rest was covered under an alternate system called *ryoti*.

◆ Indigo on the Land of Ryots

- ◆ In the *ryoti* system, the planters forced the ryots to sign a contract or an agreement (*satta*). Several times, they forced the village headman to sign the contract on the behalf of the ryots. All those who signed the contract got cash advances from the planters at low rates of interest to manufacture indigo. However, the loan forced the ryot to grow indigo on at least 25 per cent of their land area. The planters gave the seed and the drill, while the cultivators tilled the soil, sowed seeds and harvested the crop.
- ◆ After the delivery of crop to the planter, this whole cycle began all over again. Peasants who were initially attracted by the loans, soon realised how harsh the system was. The price they received for the indigo they produced, was minimal leading to a chain of cycle of loans.

- ◆ The planters forced cultivators to grow indigo on the best soils, which peasants used for rice. But if indigo grows on the best soil, the soil gets eroded and could not be utilised for rice cultivation, once indigo was harvested

➤ THE 'BLUE REBELLION' AND AFTER

Ryots of Bengal in March 1859 refused to grow indigo and pay rent. They attacked indigo factories fully armed with swords, spears, bows and arrows. Women also came up equipped with pans and kitchen wares. Anyone working for the planter was boycotted socially and the *gomasthas* or planter agents were beaten up when they came to take revenue. Ryots openly declared that they could not be bullied by the planters or **lathiyals** - the lathi-wielding strongmen of planters

- ◆ The indigo ryots believed that they had the support of local zamindars and village headmen in their revolt against the planters. Village headmen, forced to sign indigo contracts, gathered the indigo peasants to fight pitched battles with those lathi-wielding strongmen. Even zamindars went around villages urging the ryots to resist planters as they were unhappy with growing power of planters.
- ◆ The indigo peasants even sought the support of British government in their rebellion against the planters. When the news of a similar revolt like the Revolt of 1857, came in the indigo districts, the Lieutenant Governor, visited the region in the winter of 1859. The ryots thought of this as a sympathy for their trouble. Queen Victoria now declared that indigo was not to be sown.

Magistrate Eden tried to placate the peasants and control an explosive situation. Gradually even intellectuals from Calcutta joined the revolt and wrote about the miseries of the ryots. The worry of another rebellion led the British government to appoint the Indigo Commission. The Commission held the planters guilty and took them to task for cruel methods they used with indigo cultivators. It reported that indigo production was not profitable for ryots. The Commission told the ryots to fulfil their existing contracts and not to take up new contracts

- ◆ After the revolt, indigo production collapsed in Bengal. The discovery of synthetic dyes in the late nineteenth century jolted indigo business. On Gandhi's return from South Africa, a peasant from Bihar persuaded him to come to Champaran and witness the plight of the indigo cultivators. This tour in 1917, led to the beginning of the Champaran movement against the indigo planters