

Lesson at a Glance

- After the assumption of *Diwani* in 1765 the company began to use the vast revenue resources of Bengal. Now the revenues from India could finance company expenses. These revenues could be used to purchase cotton and silk textiles in India.
- This caused a huge loss of revenue for Bengal. The Bengal economy fell into deep crisis. Artisans began to desert villages because they were being forced to sell their goods to the Company at low prices. Peasants were also worried. Agriculture cultivation showed signs of collapse. Then in 1770 a terrible famine killed ten million people in Bengal.
- Now the Company felt the need of improvement in the field of agriculture because only then its revenue income was sure.
- Finally the Company introduced the **Permanent Settlement** in 1793. The *rajās* and *talukdars* were asked to collect rent from the peasants and pay revenue to the Company. The amount to be paid was fixed permanently.
- It was felt that this would ensure a regular flow of revenue into the Company's treasury and at the same time encourage the zamindars to invest in improving the land.
- But the zamindars were not capable of investing in the improvement of land. The revenue that had been fixed was so high that they found it difficult to pay.
- By the first decade of the 19th century, the prices in the market rose and cultivation slowly expanded. This meant an increase in the income of the zamindars but no gain for the Company since it could not increase a revenue demand that had been fixed permanently.
- The Permanent Settlement was oppressive for the cultivators. The rent they paid to the zamindars was high and their right on the land was insecure.
- Finding the permanent settlement a failure, Holt Mackenzie, an Englishman, devised a new system called *mahālwarī* settlement which came into effect in 1822. The collectors were asked to visit

villages, inspect the land, measure the fields and record the customs and right of different groups. The estimated revenue of each plot within a village was added up to calculate the revenue that each village or **mahal** had to pay. This demand was to be revised periodically.

- In the British territories in the south **ryotwar** (or **ryotwari**) system was devised. It was initiated by Captain Alexander Read and developed by Shomas Munro. This system was gradually extended all over South India.
- The ryotwari settlement was made directly with the cultivators (**ryots**).
- All the new systems proved to be failure. The Company had imposed these systems in order to increase the income from land, but its purpose was not solved because the revenue demand was very high.
- By the late 18th century the Company was trying to expand the cultivation of opium and indigo.
- Indian indigo was in great demand in Europe. Hence, the Company in India looked for ways to expand the area under indigo cultivation.
- From the last decades of the 18th century Bengal indigo came to dominate the world market. In 1788 only about 30% of the indigo imported into Britain was from India. By 1810 the proportion had gone up to 95%.
- As the indigo trade grew, commercial agents and officials of the company began investing in indigo production.
- Indigo cultivation was done under two systems known as **nij** and **ryoti**. Within the system of **nij** cultivation, the planter produced indigo in lands that he directly controlled.
- But it was difficult for planters to expand the area under **nij** cultivation.
- Indigo could be cultivated only on fertile lands and these were all already densely populated.
- Labour was also not easily available.
- **Nij** cultivation on a large scale also required several ploughs and bullocks. Investing on purchase and maintenance of ploughs was a big problem. Therefore, planters showed reluctance towards expanding the area under **nij** cultivation.
- Under the **ryoti** system, planters forced the **ryots** to sign a contract, an agreement, also known as **satta**. Those who signed the contract

got cash advances from the planters at low rates of interest to produce indigo. But this system was not in favour of the cultivators because they were not given fair prices after the harvest was ready. Thus, indigo cultivators were highly dissatisfied.

- Several **ryots** in Bengal refused to grow indigo. Soon, they became violent. They got support of the local zamindars and village headmen in their rebellion against the planters.
- This worried the government. It brought in the military to protect the planters and set up the **Indigo Commission** to enquire into the system of indigo production.
- The Commission held the planters guilty.
- It declared that indigo production was not profitable for **ryots**. Hence, they were not needed to produce indigo in future.
- Ultimately indigo production collapsed in Bengal. The planters then shifted their operation to Bihar.

■ TEXTBOOK QUESTIONS SOLVED ■

Let's Recall

Q. 1. Match the following:

<i>ryot</i>	<i>village</i>
<i>mahal</i>	<i>peasant</i>
<i>nij</i>	<i>cultivation on ryot's lands</i>
<i>ryoti</i>	<i>cultivation on planter's own land</i>

Ans.

<i>ryot</i>	<i>peasant</i>
<i>mahal</i>	<i>village</i>
<i>nij</i>	<i>cultivation on planter's own land</i>
<i>ryoti</i>	<i>cultivation on ryot's lands</i>

Q. 2. Fill in the blanks:

- Growers of wool in Europe saw as a crop which would provide competition to their earnings.
- The demand for indigo increased in late-eighteenth-century Britain because of
- The international demand for indigo was affected by the discovery of
- The Champaran movement was against

Ans. (a) indigo (b) industrialisation
(c) synthetic dyes (d) indigo planters

Let's Discuss

Q. 3. Describe the main features of the permanent settlement.

Ans. The main features of the permanent settlements were:

- (i) The amount of revenue was fixed permanently, that is, it was not to be increased in ever in future.
- (ii) It was felt that this would ensure a regular flow of revenue into the Company's coffers and at the same time encourage the zamindars to invest in improving the land.
- (iii) Since the revenue demand of the state would not be increased, the *zamindar* would benefit from increased production from the land.
- (iv) Under this system revenue had been fixed so high that the *zamindars* found it difficult to pay.
- (v) Even when the income of *zamindars* increased with the expansion of cultivation, the company had no chance of gain because it could not increase a revenue demand that had been fixed permanently.
- (vi) The system proved oppressive for the cultivators.

Q. 4. How was the *mahalwari* system different from the permanent settlement?

- Ans.**
- (i) Under the Permanent Settlement the rates of revenue was fixed permanently, that is, it was not to be increased ever in future. But in *mahalwari* system it was decided that the rate of revenue would be revised periodically, not permanently fixed.
 - (ii) Under the Permanent Settlement, the *zamindars* were given the charge of collecting revenue from the peasants and paying it to the Company. But in the *mahalwari* system this charge was given to the village headmen.

Q. 5. Give two problems which arose with the new Munro system of fixing revenue.

Ans. Two problems:

- (i) Revenue officials fixed a very high revenue demand and peasants were unable to pay it.

- (ii) *Ryots* fled the countryside and villages became deserted in many regions.

Q. 6. Why were *ryots* reluctant to grow indigo?

Ans. The planters usually forced the *ryots* to sign a contract. Those who signed the contract got cash advances from the planters at low rates of interest to produce indigo. But the loan committed the *ryot* to cultivating indigo on at least 25% of the area under his holding. The planter provided the seed and the drill, while cultivators prepared the soil, sowed the seed and looked after the crop. When the crop was delivered to the planter after the harvest, the *ryots* got another new loan. In this way, they were trapped in the cycle of loan from which it was difficult to come out. Soon, they realised that this was a harsh system. They did hard labour day and night and got a very low price for the indigo they produced.

Other reason was that the planters usually pressurised the *ryots* to cultivate indigo on the best soils. But the *ryots* preferred to grow rice on these soils. Indigo had deep roots and it exhausted the soil rapidly. After an indigo harvest the land could not be used for rice cultivation.

Q. 7. What were the circumstances which led to the eventual collapse of indigo production in Bengal?

Ans. The *ryots* in Bengal got fed up with the coercive methods the planters used with them and finally refused to grow indigo. They became violent. They not only refused to pay rents to the planters, but also attacked indigo factories armed with swords and spears, bows and arrows. Meanwhile the local zamindars and village headmen also began to favour the indigo *ryots*. They mobilised the indigo peasants and fought pitched battles with the *lathiyals*, the lathi-wielding strongmen maintained by the planters. In other places even the zamindars went around villages urging the *ryots* to resist the planters.

Worried by the rebellion, the government brought in the military to protect the planters from assault, and set up the Indigo commission to enquire into the system of indigo production. The commission held the planters

guilty and criticised them for the coercive method they used with indigo cultivators. It declared that indigo production was not profitable for **ryots**. The commission asked the *ryots* to fulfil their existing contracts but also told them that they could refuse to produce indigo in future.

After this revolt, indigo production collapsed in Bengal.

Let's Do

Q. 8. Find out more about the Champaran movement and Mahatma Gandhi's role in it.

Ans. Students are suggested to visit their library and collect information about it.

Q. 9. Look into the history of either tea or coffee plantations in India. See how the life of workers in these plantations was similar to or different from that of workers in indigo plantations.

Ans. Students may collect information about it from library.

