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ECONOMIC SCENARIO IN THE NINETEENTH CENTURY MADRAS PRESIDENCY



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ABSTRACT

The economic scenario in the Madras Presidency during the pre-British period was of an economy based primarily on agriculture and a few indigenous industries. The establishment of the Company's rule and later the Crown's control had a profound impact on the economy in the Nineteenth Century. The Colonial Government's economic policies introduced on western methods transformed the entire financial structure and institutions. In the beginning of the Nineteenth Century, the East India Company did not have definite economic policies to follow though it was in a fairly strong position. This was because the Company was still engaged for the first few years in putting down the rebellious Poligars and other chiefs, in building up efficient administrative machinery and making revenue experiments. Hence the Company's policies were guided by convenience and not by any particular policy.¹ In many respects it followed the practices of their predecessors in agriculture and revenue system. In the case of famines also, the principle of non-interference was followed. The policies of the Company were beneficial in some respects while in others it retarded progress to a great extent. Ever since the transfer of power from the hands of the East India Company to that of the Crown in 1858, there had been many developments, economical and social.² The British wielded more responsibilities and embarked upon an active policy in the construction of roads and railways, irrigation works and promotion of modern education and so on to improve the worth of the British Empire and the condition of its subjects. The consolidation of the colonial power also took place and such a policy was accompanied by the introduction of new economic and social trends that created an

altogether different atmosphere.

KEYWORDS :Agriculture, Famine , Tax, Company, Permanent, Ryotwari and Village Lease Settlements, Zamindars.

AGRICULTURE

Madras Presidency was not naturally a fertile country and over greater part artificial irrigation was impossible except in the tracts along the Eastern tracts located in the deltas of the three great rivers. Hence cultivation was entirely dependant upon local rainfall, which rarely exceeded forty inches a year and even that was liable to fail both irregularly and at recurrent intervals resulting in famines. The cultivable lands in such areas were classified into dry and wet lands. Dry lands covered about eighty percent of the total cultivated area in the Madras Presidency. Wet lands which were those irrigated from river channels or dry lands were garden irrigated by water artificially raised from wells and the balance was left for fallows and pasture lands.¹ The deltas of the three great rivers - Godavari, Krishna and Cauvery were the only tracts along the eastern tract in which artificial irrigation put beyond the reach of periodic scarcity.

The Malabar Coast was the only part where natural rainfall was brought by the South West Monsoon; other districts such as Bellary were also dependent on this monsoon. Over greater part of the Madras Presidency rainy season was caused almost equally by both the South West and North East monsoons. The cultivation began when rains generally came towards the end of May, which continued until after the North-East monsoons had ceased in December.²

Of the Government lands eighteen million acres were occupied and classified as wetlands constituting of 3073005 acres, dry lands of 11,900094 acres and waste lands of 3076551 acres which included the fallows and grazing lands. Wet lands included besides the area irrigated from rivers, channels and tanks, a small area chiefly in Ganjam which produced rice and other wet crops without irrigation. The total Government land irrigated amounted to five million acres.³

Agriculture gave occupation directly and indirectly to the vast majority of population of the Madras Presidency. Though the population was broadly divided into agricultural, industrial and trading classes, there was sharp demarcation for several classes merged into another. For instance, spinning was a general spare time occupation followed by the agricultural class. Iron miners and smelters also became- cultivators when smelting operations were over.⁴ Labourers seldom obtained anything than bare subsistence. Hired agriculture labour was of two classes, those who were engaged for the year and those who performed occasional labour when extra hands were required during harvesting, transplanting, etc. Women, employed as agricultural labourers were chiefly occupied in weeding, transplanting and cutting. The payment of labour was largely in kind and occasionally supplemented by cash. Much of the agricultural labour throughout the Madras Presidency was performed by the serfs attached to the soil.⁵

Agriculture on which every man in the Madras Presidency depended was almost entirely neglected by the Government. During the years when the East India Company had interest in trade, it wanted to grow within the possessions of the Company certain commodities which had great value as articles of merchandise. It endeavoured along these lines to introduce and propagate certain exotic varieties of commercial crops such as cotton and sugarcane. In addition the Company introduced into Madras Presidency certain valuable spice and other crops. Not all these measures succeeded. Some failed totally while others succeeded wholly or partially.⁶

In the first half of the Nineteenth Century the only crop in which the Company took any effort

was in cotton cultivation.⁷ In the first decade the Company was interested in purchasing whatever raw cotton was available in Madras Presidency, and exporting it to overseas markets in China and England. This was merely a continuance of practice which it followed during the fourth quarter of Eighteenth Century. During the second decade of Nineteenth Century, East India Company interested itself in improving the quality of cotton exported. The successful introduction of Bourbon cotton particularly in Coimbatore and to a lesser extent in Tirunelveli was the first landmark in this direction.⁸

Sugar cane was an important crop which had been grown in Madras State from times immemorial. Unlike cotton which itself was in great demand in Great Britain, sugarcane was not itself an article of merchandise. Since sugar was an important article in great demand the East India Company wanted to introduce a better cane variety into India. Dr. Robert Wight recommended in 1856 the import of Mauritius cane for carrying out experiments on growing cane under irrigated conditions. The imported material from Mauritius arrived in the year 1858. This was multiplied in the Agri-Horticultural Society Gardens, Madras and was distributed in all districts for a period of ten years. This was the first imported variety of an exotic cane variety into Madras State.⁹

The policy of the East India Company was always to grow within British possessions commodities which would have value in commerce such as spices. Some of the Horticultural and Botanical gardens started in the Nilgiris to cultivate spices survived. The cultivated nutmeg which formed a spice of medicinal value was introduced into India from Penang which yielded forth good fruit in the south of Tirunelveli especially in Courtallam. The introduction of cloves was made in Madras in 1878. The authorities of the East India Company did not know that cinnamon was already growing in parts of Malabar until Murdoch Brown discovered the natural plantations: Cinnamon was also grown in the spice gardens at Courtallam.¹⁰

A practical interest in agriculture was shown in 1863 when Governor Sir William Denison presented a note in his Council in which he drew attention 'to the continuous cropping, the deficiency of manure and its consumption as fuel, the defective implements, lack of trees, poor cattle and the want of accurate knowledge and statistics'. To remove the anomalies and to modernize and improve agriculture, an order was placed in England for agricultural implements such as a steam plough, steam harrows and cultivators, seed drills, horse hoes, threshing machines and winnowers, chaff cutters and water lifts.¹¹ To find employment for this elaborate consignment, the Government of Madras selected 360 acres of land at Saidapet, some five miles from Madras to set up an agriculture farm. In 1864 the Government entrusted this to a committee of amateur enthusiasts whose labour till 1871 to improve agriculture failed due to the fact that no preliminary investigations of local conditions were made, and no staff for experimental or propaganda work had been trained.¹²

Besides, commercialization of agriculture began to take place in the 1860s. Dr. Wight, who was appointed to report on the resources of the Presidency, opined that the excessive production of food crops should be discouraged while commercial crops could be developed with great advantage not only to the Presidency but to England. There lay the seeds of commercialization of agriculture, which meant that the agricultural produce was oriented towards a market and agriculture became a marketable economy. It transformed the nature of agriculture from subsistence-to commercial farming.¹³

The year 1872 witnessed discussion of policy and an attempt was made to work out a scheme of agricultural education which resulted in the establishment of a complete and higher class public Agricultural College at Saidapet in 1876.¹⁴ Apart from the experiments no systematic attempts were taken to improve crop production till the Department of Agriculture was created in 1881 in the Madras Presidency. The Department of Agriculture was created on the recommendations of the Famine Commission of 1880, appointed after the disastrous famine of 1876-1878. The Commission stressed

the need of a Department from the point of view of undertaking a definite and permanent administration of famine relief.¹⁵

TAXATION POLICY

The colonial motives of the Government were reflected in its taxation policies. The Madras Government was anxious to enhance the sources of revenue. One of the reasons of course was the compelling financial needs of the Central Government. The Government of India, following the Mutiny of 1857 not only met the expenses of restoring peace; but was obliged thereafter to maintain a number of permanent garrisons throughout the subcontinent and to keep a high proportion of British troops in the Indian army. In these circumstances, the military charges on the Indian revenue grew persistently. Along with that in the half century following 1800, the administration costs almost tripled.¹⁶ But the finances derived from the three major items viz., land revenue, salt and opium taxes barely expanded to meet the increasing costs. The British Government had attempted to find new sources of revenue.

To meet the critical situation, the Government initiated steps to increase revenue and take new administrative responsibilities by successive devolutions of power. The Central Government devolved some of its responsibilities for raising taxes and for administering on to the provincial governments.¹⁷ Under Mayo's devolution of 1879, the provincial governments were to raise funds for administering their provinces and also to contribute to the financial upkeep of the Central Government. For the next half a century the Government of India looked to Madras to supply a large share of its requirements. Madras supplied two fifths of the provincial contribution to military expenditure. Local government gave up to three fourths of the land revenue to Central Government. Of the taxes and general revenue which it collected it kept only thirty percent for its own requirements. The Imperial Government entered into a contract for a term or years with the local governments as to the proportion it was to receive from each of the various items of revenue.¹⁸ Hence the Madras Government was obliged to augment its sources of revenue at the cost of incurring difficulties to the population.

Madras Government looked around for ways to boost its revenue. For a while, it was after all not particularly a rich province. Arguably it was poorer than the other Presidencies and as all India trend indicated, was having difficulty with its revenues. Hence the Government began to first tax liquor more heavily, second tried to increase the customs dues and third to increase income tax.¹⁹ Another pressing need of the Government to effect a permanent increase of the revenue was to provide means for defraying the public expenditure from time to time incurred for relief and prevention of famines.²⁰ Besides, the Government's endeavour after 1858 to undertake greater responsibilities to improve the condition of the British Empire necessitated the Government's need to increase its revenue to meet this huge expenditure.²¹

LAND REVENUE POLICY

It was the revenue derived from the land that formed the main sources of income to the State.²² When the East India Company took the administration of the country, their first anxiety was to make sure of their land revenue. But they had to study the conditions then prevailing and also to acquaint themselves with the descendants and representatives of old vanquished rulers including zamindars or rent farmers through whom the Muhammeden rulers were collecting their revenue.²³

A formative epoch in the land revenue was began in the annals of the Madras Presidency especially in the first quarter of Nineteenth Century. During this period three land revenue systems were considered and adopted Permanent Settlement, Village Settlement and Ryotwari Settlement. Of these three the first and the third continued to exist.²⁴ The Ryotwari Settlement, a settlement of land

revenue with the cultivators of the soil was made by Captain Read and Thomas Munro in the District of Baramahal in 1792 and was gradually extended to other parts of the Madras Presidency ;The first assessments were severe and oppressive and the State demand was about half the estimated produce of the fields. Perceiving this, Thomas Munro in 1807, proposed to reduce the assessment to one third of the produce. Though the Madras Government admitted the justice of the proposal, they could not give effect to it for, the Directors of the Company were hard pressed for money. The Madras peasantry obtained no relief.²⁵

At this juncture, the Government considered the introduction of permanent settlement on the Bengal model for which the Government appointed a commission in 1802 and the permanent settlement with the zamindars was introduced in 1803.²⁶ By this system the Zamindars were declared proprietors of the land both arable and waste within their Zamindaris. Where the Zamindars did not exist they were created. One of the immediate effects of the permanent settlement was that it resulted in increased facility and regularity of revenue collection in the Northern Circars; but even there elsewhere it trenchd upon the rights of the ryots and left them practically at the mercy of the Zamindars. In the mean time in many places in Dindigul, Salem and the jaghirs and some of the Southern pollams, the Permanent Settlement completely failed and a great part of the land reverted to the government. The Board ascribed it to over assessment and introduction of strangers as Zamindars.²⁷ Finally the Court of Directors ordered that no more the Permanent Settlement should be concluded and in all the districts lately acquired from the Nawab of Arcot, the Ryotwari system should be introduced in 1817.²⁸

In the meanwhile, between 1808 and 1818 a new system namely the Village Lease Settlement obtained recognition in Madras to give real impetus to cultivation and to preserve the best traditions of the village communities by making them real republics.²⁹ The village settlement was made with the Mirasidars in each village.³⁰ The Mirasidars were held responsible for payment of rent wherever the Mirasidari system existed. In non Mirasi villages the village headmen such as the patels, gours, moniagars or even resident ryots were made responsible for the payment of the villagers. This system was however a modified form of the zamindari system.³¹ As the settlement was heavy, they oppressed the ryots. Large number of people especially from Trichy, Salem and Ranmad emigrated from their hearth and home. In many other places there were frequent bickering and clashes between the ryots and the renters the one complaining of unjust demand the other of unnecessary and evasive delay in payment of rent.³²

As an outcome of complaints made, an inquiry was ordered in 1811 in which it was ascertained that it was impossible for the renters to fulfill their contracts. By this time the Court of Directors however began to doubt the expediency of any permanent system of land revenue ministration and definitely resolved to introduce the ryotwari system in all temporarily assessed lands. They were greatly impressed by that system introduced by Munro in the Ceded Districts. Eventually the ryotwari system which aroused so much discussion was adopted in all non-permanently settled lands in the Madras Presidency in 1817.³³

In 1855 the Government of Madras resolved on a survey and settlement of the Madras Presidency. A revenue settlement meant division of all arable lands whether cultivated or waste into blocks, the assessment of each block at a fixed rate for a term of years and the exaction of revenue from each occupant according to the area of land thus assessed which he occupied. The occupants held under an annual lease from the Government and enjoyed all the advantages of absolute proprietorship subject to the payment of revenue due on the lands he had held during the year. A revenue settlement was peculiarly a settlement with peasantry. There were two and a half millions of such occupants in the

ryotwari districts of the Madras Presidency.³⁴

From the beginning of 1858 to the end of 1883-84, operations were in full swing and as a result the Madras Presidency witnessed with the fully settled districts of Tiruchirappalli, Godavari, Krishna, Kumool, Salem, Nellore, Tirunelveli, Chingleput, Cuddapah, Ganjam and Coimbatore and in parts of the districts of North and South Arcot. Operations in Madurai, South Arcot and the Nilgris were also in progress. Besides the districts in hand it was intended to extend operations to the districts of Bellary, Anantapur, Vizagapatnam, Canara, Malabar and Tanjore.³⁵

To conclude, the survey and settlement of Madras Presidency from which so much benefit had been expected scarcely gave the relief that was needed. In the first place the new lands brought under cultivation were poorer in fertility and produce than the lands which were already under the plough in 1860 and the increase in production therefore was not twenty percent. In the second place the price of the produce was lower at the end of the fifteen years than at its commencement and what the cultivators actually got by the sale of their produce was therefore less for garce than it was before. Some good was no doubt done. In the first place the land tax was in a measure equalized. In the second place the settlements for thirty years gave the cultivators relief from annual inquires, harassment and trouble. But judging the State demand in relation to the total produce of the Province and to the prices of that produce, it was undoubtedly a heavier taxation on the people in 1875 than it was in 1860. And the terrible famine of 1877 proved fatally how little the new settlement had added to the security and the staying power of the cultivators.³⁸ In fact the British Government inaugurated an entirely new land revenue system, which caused a revolution in the property relations in land in India and culminated in the destruction of village communities.³⁹

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