

Administration and Finance of the East India Company

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I

WITHOUT going into the historical development of it, the administration of the East India Company may be conveniently described as follows :

I. The Court of Proprietors

It was “composed of the shareholders of the East India stock to a certain amount, who elect from their own body by ballot a certain number of representatives (twenty-four) to whom the proprietary confide the planning and carrying into effect whatever measures may be deemed most conducive to the interests of India and England, reserving to themselves a surveillance and limited control over the proceedings of the delegated authority.”

The requirements of a seat and a vote in this Court were as follows :

A proprietor of	£ 500 stock was entitled to a seat in this Court.
A proprietor of	£ 1,000 stock was entitled to one vote.
A proprietor of	£ 3,000 stock was entitled to two votes.
A proprietor of	£ 6,000 stock was entitled to three votes.
A proprietor from	£ 10,000 to £ 1,00,000 and upward stock was entitled to four votes.

Besides this, the stock must have been held for at least one year before voting. There was no voting by proxy and minors were ruled as incapable of voting.

The voters counted Lords, Commoners, women, clergy, and officers civil and military, both of the king and the company.

The sessions of the Court were quarterly—March, June, September, December. Nine qualified proprietors were quite sufficient to ask for a special session of the Court. The speaker was ex-officio the chairman who presided at the session, brought forward all motions requiring the sanction of the Court, and laid before the members the accounts of the Company's transactions.

The Court was authorized—

- (1) To elect qualified persons to constitute what is known as the Court of Directors.
- (2) To declare the dividends on the capital stock of the company within certain parliamentary restrictions.

- (3) To frame, alter, or repeal such of the by-laws as hinder the good government of the East India Company, provided they do not conflict with the Acts of Parliament.
- (4) To control in general any increase in a salary or pension above £ 200 a year, or over any gratuity beyond £600.
- (5) To confer pecuniary reward for good service.

II. The Court of Directors

It consisted of twenty-four members. The Directors were elected by such of the Proprietors as were qualified for a vote. The qualification of a candidate for the Court of Directors were :

- (1) He must be a natural, or naturalized subject of Great Britain.
- (2) He must possess £ 2,000 stock (no matter for what previous period).
- (3) He must not be a director of the Bank of England or the South Sea Company.
- (4) He must be a resident of England for two years after holding office in the Court.
- (5) He must not have held any maritime office in the Service of the Company for two years previous to his proposed election.
- (6) He must not have under any plea or pretence whatsoever, endeavored to obtain, directly or indirectly, a vote for the election of himself or any other person to be a Director.
- (7) He must take an oath
 - (a) not to carry on any private trade.
 - (b) not to have any dealing with the company except as a private individual.
 - (c) not to hold any place or office of emolument under the Crown.

In order to fulfill the various duties, the work was assigned to several Committees into which the Court was sub-divided. They were:

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|--------------------------------------|-----------------------------|
| 1. Secret Committee | 8. buying committee |
| 2. Correspondence Committee | 9. Warehouses Committee |
| 3. Treasury Committee | 10. India House Committee |
| 4. Govt. Troops and Stores Committee | 11. Shipping Committee |
| 5. Legal Proceedings Committee | 12. Private Trade Committee |
| 6. Military Proceedings Committee | 13. Civil College |
| 7. Accounts Committee | 14. Military College |

All appointments such as writers, cadets, and assistant surgeons etc. were made by the Directors. The Civil and Military Services were recruited from the graduates of the two colleges which were merely a burden on the revenues of the Company.

III. The Board of Commissioners for the Affairs of India (The Board of Control).

The powers of the Board are :

- (1) "The superintendence and control over all the British territorial possessions in the East Indies, and over the affairs of the United Company of merchants trading thereto."
- (2) "To superintend, direct and control all acts, operations, and concerns, which in any wise relate to the civil or military government or revenues of the British territorial possessions in the East Indies, in the manner hereinafter directed."

"All the members of the said Board, at all convenient times, have access to all palers and muniments of the said United Company, and are furnished with such extracts, or copies thereof, as they require. The Court of Directors are directed to deliver to the Board copies of all minutes, orders, resolutions, and other proceedings of all General or Special Courts of Proprietors of the Company, and of the Court of Directors, so far as relate to the civil or military government or revenues of the British territorial possessions in the East Indies, within eight days after the holding of such respective Courts; and also copies of ail despatches which the Directors receive from any of their servants in the East Indies, immediately after the arrival thereof; also copies of all letters, orders and instructions whatsoever, relating to the civil and military government or revenues of the British territorial possessions in the East Indies, proposed to be sent or despatched by the Court of Directors to any of the servants of the Company in the East Indies; the Court of Directors are required to pay due obedience to, and to be governed and bound by

such orders and directions as they shall, from time to time, receive from the Board, touching the civil or military government and revenues of the British territorial possessions in the East Indies.”

“Whenever the Court of Directors neglect to transmit to the Board their intended despatches on any subject, within fourteen days after requisition is made, it is lawful for the Board to prepare and send to the Directors (without waiting for the receipt of the copies of despatches intended to be sent by the said Court of Directors, as aforesaid), any orders or instructions to any of the governments or presidencies aforesaid, concerning the civil or military government of the British territories and possessions in the East Indies : and the Directors are required to transmit despatches, in the usual form (pursuant to the tenor of the said orders and instructions to be transmitted to them), to the respective governments and presidencies in India, unless on any representation made by the Directors to the Board, touching such orders or instructions, the Board shall direct any alteration to be made in the same, which directions the Court of Directors are bound to conform to.”

The Board of Control was sub-divided into six departments to answer its functions : (1) Accounts, (2) Revenue, (3) Judicial, (4) Military, (5) Secret and Political, (6) Foreign and Public.

The mode of local administration in India was as follows :—

The country was divided into three presidencies namely, Bengal, Madras and Bombay, the seat of government being respectively at Fort William, Fort St. George, and Bombay itself.

In the beginning the Supreme Local Administration of India was distributed among these three governments, each one enjoying coordinate status. With a view to centralization, the Supreme Local Administration of India was vested in the Governor of Fort William in Bengal, making the other two Governors subordinate to that of Bengal who was made the Governor-General of India.

The appointment of the Governor-General was made by the Court of Directors subject to the approval of the Crown. The Governor-General was aided by a Council known as the Supreme Council, originally composed of four members, three of whom necessarily had to be the servants of the Company in India of at least ten years' standing. The fourth one must not have belonged to the Company's Service. The Commander-in-Chief of forces in India was an ex-officio member of the Governor-General's office. This Supreme Council of five members was expanded by adding to it in 1853, six Legislative members who were authorized only to sit and vote on the framing of Laws and Regulations. Four of these six Legislative members were required to be the Civil Servants of the Company of ten years' standing in Bombay, Madras, Bengal and the North-Western Provinces. The two remaining places were filled up by the Chief Justice and one other Judge of the Supreme Court of Calcutta. The Governor-General was authorized to add two more members to this Council of eleven, under Section 22 of Statute 16 and 17 Victoria Chapter 95, but the power was not exercised at best up to the time of the mutiny.

This Supreme Council of India, therefore, was composed of six members including the Governor-General and the Commander-in-Chief for the purposes of Executive Government and twelve members for the purposes of the Legislatures: seven members were deemed sufficient to form a quorum.

The power of the Governor-General was so great that he was nearly an autocrat. He could not only veto all legislation in the Council but could initiate and carry out measures independently of the Council. All "political" appointments including those of the Residents to the native States and the Commissioners to the non-regulated provinces were made by him. He could appoint the Lieutenant-Governor of Bengal and of the North-West Provinces and the judges of the lower courts and controlled military patronage in Bengal and the North-West provinces.

All districts not included within the limits of any of the four Subordinate Governments were under the direct jurisdiction of the Governor-General in Council who also exercised such power over the native states as accrued to him through treaty obligation. The official staff of the Governor-General was divided into four departments, each one represented by a Secretary. These were :

- (1) The Foreign Department (foreign in relation to the native states).
- (2) The Home Department, handling the judicial and revenue correspondence.
- (3) The Financial Department.
- (4) The Military Department.

Besides these the Political and Finance Secretaries had their respective Secret Departments which were entrusted with secret despatches.

The Subordinate Governments of Madras and Bombay were administered thus : Each had its respective Governors and Councils consisting of three members (including the Commander-in Chief). Both the Governors and the Councillors were appointed by the Court of directors. Bengal and the North-west Provinces were each governed by the Lieutenant-Governors who were appointed by the Governor-General. The Subordinate Governments were denied the power of legislation or creating any new office, nor could they “grant any salary, gratuity, or allowance without the previous sanction of the Governor-General of India in Council.” This extreme strictness though required by law was not required by custom : in order not to overburden the Governor-General, minor matters were executed by the Governor who submitted a quarterly report of the same to the higher authorities who reviewed it and as a matter of fact sanctioned it. The Bombay and Madras Governments were privileged to hold direct correspondence with the Court of Directors and did send the abstracts of their proceedings to the Court and to the Government of India. The instruments of Indian Government were furnished by what was and is known as the Civil (covenanted and uncovenanted), the Military, the Naval and the Ecclesiastical Service. The collection of revenue and administration of justice were relegated to the Civil Service.

For Civil and Military recruitment, the East India Company had maintained two colleges in England (1) the Haileburg College and (2) the Adiscombe Academy: Each student cost the Company about £ 96 a year during his period of training.

All revenue was collected in the name of the Supreme Government of India and was transferred to and controlled by the Supreme Treasury. There was absolutely no local fiscal autonomy: the deficit in one province was made up by the surplus in another and the entire India revenue was held responsible for the debts borrowed for wars in one particular province: in short, both Finance and Administration were absolutely centralized as in France under the *ancienne regime*.

So much for the pure system of Administration. The criticism of it we will postpone till we come to the next chapter.

The last chapter must have made it clear how and why Western Europe was at a death grapple for the control of India. We followed the armies of the different leaders of different nations—fighting for a country the people of which had very little to choose in the final destiny—the Cama, the Albuquerque, the Busseys, the Lallys, the Clives, the Malcolms, the lakes and the shores as though enacting the train of ghosts of Banquo's line all that terrified Shakespeare's Macbeth out of his senses.

II

In this chapter we have more particularly to deal with the East India Company as a Political Sovereign and the Finances without dilating upon its development from a Commercial Concern into a Political Sovereign.

There is nothing strange in the fact that the East India Company succeeded in establishing its suzerainty over India as might have been seen from our past discussion. Having gotten a foothold in the various provinces it extended its rule over the entire peninsula and established by law what is known as the British Government in India: in other words, it established the State and carried on the political and commercial functions jointly. As a result of this combined activity the fiscal administration of the Company in India was an entangled phenomenon. The commercial and

revenue returns were merged together without any attempt at distinction. Any student of finance, therefore, has to pass over the entire period ending in 1814 when by an Act of Parliament the Company was compelled to keep separate accounts of Finance and Commerce.

With this caution we will now turn to the heads of Revenue.

(1) The Land Revenue

In spite of the early industrialization in parts of India, the country as a whole maybe classed as an agricultural country and land, today as in former times, furnished the state with a major part of its revenue.

The British Government rightly or wrongly established the principle of state landlordship versus the principle of private property and regulated its land revenue system in keeping with that policy.

There are different systems of land revenue in India : It may be well to describe them in the words of Parliamentary Blue-Books.

(I) The Zemindary Settlement of Cornwallis

The most obvious feature of advantage in this system is the facility of collection, as it is a much more simple thing to obtain the revenue of a large district from a certain moderate number of Zemindars or contributors, than it is to perform the collection in details by the officers of the government themselves, and another advantage undoubtedly is the greater degree of certainty in the result of 1831 C. 3339.

This system of land tenure arose thus : When the East India Company came into possession of the revenues of the Dewanee of Bengal, Behar and Orissa, they found the land revenue collected through the mediation of officers (subhedars) under the Mohamedan government, who had charge of districts sometimes of more, sometimes of less extent, with various titles, such as Zemindars and Talookdars, and who paid the revenue into the treasury in one sum, for which they were found managing considerable districts whose obligations consisted in paying a certain annual amount to the Government. Many of them held their districts or estates under this condition hereditarily. [2. cf.

1831 C. 3114, 3115, 3215.] On the East India Company becoming possessed of the Bengal territory, great abuses were found to prevail, and to be practised by the different sorts of people employed in the collection of the revenue. The detail of the business was so great, that it frightened Lord Cornwallis and the Government of the day, and they conceived that no better method for the protection of the Ryots or small cultivators, could be invented, than to create a species of landlords, from whom they expected much benefit to arise : the ground upon which they principally went was this, that those zemindars, having a permanent interest in the land assigned to them, would have an interest in the prosperity of the Ryots, in the same manner as a landlord in England feels an interest in the prosperity of his tenants. This was expected to produce two good effects, to create a landed aristocracy in the country, and above all to afford protection to the Ryots or small cultivators, from the kind of paternal feeling that was expected to pervade the zemindars. [1. cf. 1831 C. 3136.] With a view to the protection of the whole mass of agricultural population, and with the best motives, the zemindars in 1793, whether cultivators or officers in actual charge of districts, hereditary or by special appointment, were created landholders of the country by which a property in the soil was vested in them, in nearly as full a sense as it is to the holder of a fee-simple in England. The sum which a zemindar had been in the habit of paying was ascertained by the observation of a few prior years, the assessment or tax was *fixed forever*, and an engagement was made that this amount of land revenue should never be raised on him. Such is the nature of the settlement known by the name of “the Zemindary or Permanent Settlement”. [2. cf. 1831. C. 3115, 3116, 3136, 3215; 1832. R.C. p. 21.]

II. Village Land Revenue System

The institution of village community was and is mainly to be found in northern India. The proprietary right of land is vested in the entire community residing in the village. The administration of the village is handed over to a headman elected by the villagers and is subject to their removal. Under this system the lands are let out to men sometimes in the same village, sometimes in the

neighbouring village, while certain portions and certain rights are possessed by the different craftsmen or artisans of the village, such as the schoolmaster, the washerman, the barber, the carpenter, the blacksmith, the watchman, the village accountant, etc. who have each a right to a certain portion set aside for certain recognized expenses of the village, and for defraying its hospitality towards strangers [1. cf. 1830, L. 398, 399, 405, 406, 529.] These village communities are little republics, having nearly everything that they want within themselves, and almost independent of any foreign relations. Dynasty after dynasty tumbles down : revolution succeeds revolution. Hindoo, Pathan, Mogul, Maratha, Sikh, English, are all masters in turn, but the village communities remain the same. In times of trouble they arm and fortify themselves; [2. cf. 1832 Commons' Rev. Committee, p. 29.] It is difficult to state the proportion of the produce of the village paid to the Government: the authorities know little of the precise property of any of the proprietors; it is not the interest or the wish of the village that the Government should scrutinize and know their possessions, therefore if any one of the brotherhood fails to pay his proportion, that is a matter for the villagers at large to settle, and they will often come forward to pay it for him, but these are all private arrangements kept to themselves : and the Moceadim has no power from the Government to enforce this assessment, what each man in the village has to pay is an internal arrangement, which it is desirable for the Government not to interfere in, the villagers settling among themselves what each has to pay, the total assessment being calculated after enquiry into the state of prosperity in the village : what it has hitherto paid : what it is capable of paying : the state of the village lands, and what assessment they ought to bear with reference to the produce. [3. cf. 1830 L. 401, 402, 404, 528, 583, 584.]

Surveys of considerable expense have been made by the Government : a minute account taken of the state of the land in each village, the fields examined in the presence of surveying officers with all the assistance they can procure, not only from their own servants, but from the village communities, the people themselves interested, and also the ryots and people of the

neighbouring villages who are invited to attend. The exact limits of the village are put down, and even the details of land within the village, the productions, the houses, fruit-bearing trees, and son on : the assessment is grounded upon these particulars [1. cf. 1831 C. 3492.]

III. The Ryotwar System

The peculiar principle of the third sort of assessment termed Ryotwar is to fix a maximum of assessment upon all the lands of the country [2. cf. 1831 C. 45, 65.] The money rent of each individual outlivator for the fields in his occupation is defined with as much permanency as possible, the aggregate of such rents making the total assessment, which varies each year with the increase or decrease of cultivation. Another main principle of the Ryotwar system is to protect the rights of all ryots or cultivators, as they now exist in every village, from infringement: and to prevent all encroachment upon those rights [3 cf. 1831. C. 5156:] Thus, in the Ryotwar system, the details of the interest of the respective Ryots are known completely, and not at all in the zemindary system; and the former effectually does what the latter proposes to do, but never has done, and never can do, that is, fix an assessment upon all lands in the country. Under the Ryotwar system, the assessment goes from land to the aggregate : it respects property of every class, that of the largest landholder, and that of the smallest: it measures and assess every portion of an estate, and thus facilitates the transfer of landed property, as the first question when taken into market is—What is the amount of public demand upon the land ? [4 cf. 1831 C. 4565, 4567, 4568.] The Ryotwar Settlement is applicable in every state of things : where there are proprietors it may be concluded with farmers or cultivators : it may be equally made for the largest or for the smallest quantity of land, for millions of acres or for only a few. The owner of a single field may make his terms directly with the Government, and turn to his cultivation, knowing that he cannot be called on to pay more than a certain sum : for although the assessment under this system varies according to the value of the land, difference of soil, population, situation, and other localities : and although inferior land, paying a lower assessment, becomes

liable when sufficiently improved to pay the higher assessment, there is nevertheless, a maximum for the best land beyond which all produce is for the benefit of the landholder, and there are remissions in cases of urgent distress. [1. cf. 1832 C.R. P. No. 20.] Another advantage which the Ryotwar system possesses over the Zemindary is in the creation of a great body of independent proprietors, instead of a few who are proprietors only in name : and there is an advantage for the great mass of the people, but in the case of the Zamindary they accumulate for the benefit of the few, while in the Ryotwar system there is also tendency in a considerable degree to the accumulation of capital. [2. cf. 1831 C. 4577, 4578, 4579.]

Such was and is the system of land revenue in India under the regime of the East India Company. A critical estimation of the system we will reserve for the future.

The next important head of revenue is the *Opium revenue*. The opium revenue yielded next in amount to the land revenue and was levied in two different ways :

- (1) "By an exclusive system of cultivation and sale carried on by the Government in Bengal."
- (2) "By a high export duty levied in Bombay on opium grown in the native states of Malwa and shipped from Bombay."

By Regulation VI of 1799 section 3, poppy cultivation was prohibited in Bengal, and in the North-West Provinces by Regulation XLI of 1803 Section 2.

"Annual engagements are entered into by the Government with the Ryots in certain selected districts, to sow a certain quantity of land with the white poppy, under a system of pecuniary advances, the produce to be delivered in the form of opium to the Government at a fixed rate.....The total net receipts from the opium monopoly in Bengal amounted in 1856 to 2,767,136."

The revenue derived from transit of opium has a pretty little history : prior to 1831 the British used to buy the opium from the native states (to keep a strict monopoly of the article) through the Resident and hammer it out at Bombay or at Calcutta. But to prevent the large smuggling into the Portuguese Settlements the

monopoly policy was given up in favour of the transit duties recovered by way of "passes" at a specified rate to cover the transportation cost to Bombay. The transit duty was at first fixed at Rs. 175 per chest of 140 lbs. each. This process showed a diminution in the returns, consequently the rate was reduced to Rs. 125 per chest.

The conquest of Sindh closed the additional gate of smuggling the opium into the Portuguese territories: consequently it was hoped and rightly that a higher transit duty would give added return as the change in the direction of the trade was impossible. So in 1843 October, the rate was increased to Rs. 200 per chest, in 1845 to Rs. 300 per chest and in 1847 to Rs. 400 per chest.

III. The Salt Tax

Salt is obtained in India in different ways and is taxed in different ways in different parts of the country.

It is obtained either by boiling sea water as in Bengal, or by solar evaporation as in Bombay and Madras or from natural resources such as the salt mines in Punjab and the salt lakes in Rajputana.

In Bengal the Company had a salt monopoly. It was manufactured by the natives who contracted to deliver ail manufactured salt to the Government at a fixed low price. The Government then sold this quantity of salt at six different agencies, Hidgelee, Tumlook, Chittagong, Hiracan, Cuttack, Balasore and Khoredah, at a price which was composed of the actual cost plus the additional amount equivalent to the duty levied on imported salt. As a result of this "the average retail price to the consumer" amounted to about a penny per pound.

The private manufacture of salt was also allowed at Calcutta under a system of excise only equal in amount to the import duty.

But on the recommendation of the select committee of the House of Commons in 1836, there was introduced the system of fixed prices, and open warehouses, at which the sales, instead of being as before periodical "were constantly going on."

In Madras, salt was manufactured on behalf of the Government and was sold for internal consumption. The duty on imported foreign salt was lowered from Rs. 3 per pound to equal the difference between the cost price and the sale price of the article.

In Bombay the salt manufacture was handed over to the individuals under the system of an excise duty equivalent to the import duty on the article. The salt mines of Punjab were worked by the Government and the salt was sold on the spot.

The North-West Provinces depended upon the Lower Provinces of Bengal, the Sambhur Salt lake in Rajputana and parts of western India for their supply of salt. The duties were so arranged that the salt from all parts when it reached the North-West Provinces tended to be equal in price.

IV. Customs

There were innumerable transit or inland duties levied at every town and on every road in the shape of tolls. But they were abolished in Bengal by Act 14 of 1836 : in Bombay by Act 1 of 1838 : and in Madras by Act 6, of 1844 : and uniform system of customs was established all through British India. The evil effects of these inland transit duties will be discussed later on.

There remained two sources of customs revenue :

- (1) The sea customs on exports and imports, the former on salt and indigo.
- (2) The land customs levied mainly on articles crossing the frontier lines between the native and British territories.

V. Besides the salt and opium monopolies the East India Company had the tobacco monopolies as another source of revenue.

VI. *Abkarree* or revenue obtained from the sale of monopolies to sell spirits and liquors. Licences were sold to the highest bidder who contracted to sell at his own price, the hours of business and the location of the shop being regulated by the Government.

VII. The Wheel-tax was levied upon hackneys, carts, buggys, etc.

VIII. The “Sayer duties” was a collective name for unclassified taxes. In different parts of the country it included different taxes. Once it included the irregular collections made by native revenue officers. In Madras it included the transit duties, in Bengal the pilgrim tax was included under this head. In the Deccan “this source of revenue” was “divided into two great heads the first denominated *mohturfa*, which embraces taxes on shops, trades,

etc.: the other ballootah,* which “comprehended” taxes upon the fees in kind received by the village artisans from the cultivators, and upon their *enam* (rent free) lands when they hold them. In one instance, the percentage upon bad coins was found to be included under the head Sayer.”

IX. The Judicial Fees were realized in the form of stamps requisite in cases of different amounts in order to defray legal charges; the value of stamps varied with the amount of the suit.

Suits ranging up to Rs. 16	...	the stamps amounted to Re. 1
From Rs. 16 to Rs. 32	...	Rs. 2
From Rs. 32 to Rs. 64	...	Rs. 4
From Rs. 64 to Rs. 150	...	Rs. 8
From Rs. 150 to Rs. 300	...	Rs. 16
From Rs. 300 to Rs. 800	...	Rs. 32
From Rs. 800 to Rs. 1,600	...	Rs. 50
From Rs. 1,600 to Rs. 3,000	...	Rs. 100
From Rs. 5,000 to Rs. 10,000	...	Rs. 250
From Rs. 10,000 to Rs. 25,000	...	Rs. 500
From Rs. 25,000 to Rs. 50,000	...	Rs. 750
From Rs. 50,000 to Rs. 1,00,000	...	Rs. 1,000
From Rs. 1,00,000 and above	...	Rs. 2,000

Besides this the exhibits filed, summons, answers, replications, rejoinders, supplemental pleadings, the authorization to a lawyer to plead (sanad) are required to be stamped, the stamp only varying according to the status of the court.

X. The Stamp Duties first established in Bengal in 1797 were incumbent on all instruments such as contracts, deeds, conveyances, leases, powers of attorney, policies of insurance, promissory notes, receipts, bail bonds, and legal proceeding generally (bills of exchange under Rs. 25 and receipts under Rs. 50 were being exempted).

In Madras stamp paper was first introduced in 1808, chiefly on legal proceedings: and in 1816 the duties were extended to bonds, deeds, leases, mortgages, bills of exchange and receipts.

In Bombay the tax was first introduced in 1815.

The English mode of distributing stamps was adopted in India.

* In the Ms. the word is typed as ‘balloobeh’—Ed.

“The stamp vendors receive their supply from the collector: the vendors give security for the stamps, and distribute them to the parties by whom they are required, receiving a percentage on the sales”.

XI. The Mint Revenue was collected in the shape of a seignorage for coining of two percent on the produce, after allowing for the difference of standard and deducting the charges of refining when such were chargeable.

XII. The Marine Revenue was recovered by means of the port and anchorage dues, etc. in order to keep up the useful establishments at Calcutta, Madras and Bombay.

XIII. Subsidies from the native states payable under treaty obligations, amounting to about a half million pounds.

These were the thirteen sources of revenue under the East India Company, many of which continue to be so even today.

III

It will be also interesting to note the entire revenue raised from the different sources and the percentage ratio of each to the whole.

First **the land tax** : its yield and ratio to the entire revenue of British India.

Periods		Land Tax Average Annual Revenue	Ratio of Land Tax to Total Revenue (Per cent)
1792-93 to 1796-97	...	4,068,000	50.33
1797-98 to 1801-02	...	4,126,000	42.02
1802-03 to 1806-07	...	4,582,000	31.99
1807-08 to 1811-12	...	5,078,000	31.68
1812-13 to 1816-17	...	9,018,000	52.33
1817-18 to 1821-22	...	13,263,000	66.17
1822-23 to 1826-27	...	13,567,000	61.83
1827-28 to 1831-32	...	13,112,000	60.90
1832-33 to 1836-37	...	11,942,000	57.00
1837-38 to 1841-42	...	12,380,000	59.05
1842-43 to 1846-47	...	13,432,000	55.85
1847-48 to 1851-52	...	14,947,000	56.06
1852-53 to 1855-56	...	16,183,000	55.40
1792-93 to 1855-56	...	10,349,000	54.07

The Opium Revenue : its yield and ratio to the entire revenue of British India.

Periods		Average Annual Revenue	Ratio to the Total Revenue (Per cent)
1792-93 to 1796-97	...	264,000	3.27
1797-98 to 1881-82	...	312,000	3.18
1802-03 to 1806-07	...	579,000	4.04
1807-08 to 1811-12	...	767,000	4.79
1812-13to 1816-17	...	958,000	5.56
1817-18 to 1821-22	...	1,090,000	5.44
1822-23 to 1826-27	...	1,641,000	7.47
1827-28 to 1831-32	...	1,747,000	8.12
1832-33 to 1836-37	...	1,677,000	8.00
1837-38 to 1841-42	...	1,547,000	7.38
1842-43 to 1846-47	...	2,965,000	12.33
1847-48 to 1851-52	...	3,840,000	14.50
1852-53 to 1855-56	...	4,943,000	16.91
1792-93 to 1855-56	...	1,667,000	8.71

The Salt Tax : its yield and ratio to the entire revenue of British India

Period		Average Annual Revenue	Ratio to the Total Revenue (Per cent)
1792-93 to 1796-97	...	1,207,000	14.93
1797-98 to 1801-02	...	1,188,000	12.10
1802-03 to 1806-07	...	1,589,000	11.09
1807-08 to 1811-12	...	1,785,000	11.14
1812-13to 1816-17	...	1,882,000	10.92
1817-18 to 1821-22	...	2,256,000	11.25
1822-23 to 1826-27	...	2,603,000	11.87
1827-28 to 1831-32	...	2,590,000	12.03
1832-33 to 1836-37	...	2,036,000	9.72
1837-38 to 1841-42	...	2,593,000	12.37
1842-43 to 1846-47	...	2,798,000	11.65
1847-48 to 1851-52	...	2,438,000	9.14
1852-53 to 1855-56	...	2,677,000	9.17
1792-93 to 1855-56	...	2,118,000	11.07

Customs Revenue : its yield and ratio to the entire revenue of British India.

Periods	Average Annual Revenue	Ratio to the Total Revenue (Per cent)
1792-93 to 1796-97 ...	192,000	2.38
1797-98 to 1881-82 ...	304,000	3.10
1802-03 to 1806-07 ...	596,000	4.16
1807-08 to 1811-12 ...	807,000	5.04
1812-13 to 1816-17 ...	1,159,000	6.68
1817-18 to 1821-22 ...	1,667,000	8.32
1822-23 to 1826-27 ...	1,663,000	7.58
1827-28 to 1831-32 ...	1,747,000	8.12
1832-33 to 1836-37 ...	1,506,000	7.19
1837-38 to 1841-42 ...	1,418,000	6.76
1842-43 to 1846-47 ...	1,449,000	6.02
1847-48 to 1851-52 ...	1,439,000	5.40
1852-53 to 1855-56 ...	1,611,000	5.52
1792-93 to 1855-56 ...	1,190,000	6.22

Miscellaneous Revenue : its yield and ratio to the Entire Revenue of British India.

Periods	Average Annual Revenue	Ratio to the Total Revenue (Per cent)
1792-93 to 1796-97 ...	2,315,000	28.64
1797-98 to 1801-02 ...	3,809,000	38.79
1802-03 to 1806-07 ...	6,857,000	47.87
1807-08 to 1811-12 ...	7,452,000	46.49
1812-13 to 1816-17 ...	3,990,000	23.16
1817-18 to 1821-22 ...	1,392,000	6.94
1822-23 to 1826-27 ...	1,986,000	9.05
1827-28 to 1831-32 ...	1,789,000	8.31
1832-33 to 1836-37 ...	3,059,000	14.60
1837-38 to 1841-42 ...	1,434,000	6.84
1842-43 to 1846-47 ...	1,636,000	6.80
1847-48 to 1851-52 ...	1,977,000	7.40
1852-53 to 1855-56 ...	1,575,000	5.39
1792-93 to 1855-56 ...	3,043,000	15.90

This much for the sources of revenue and amounts raised from each one of them and their proportions to the whole.

On the expenditure side we note the following heads :

- (1) Charges incident to the collection of revenue.
- (2) Military and naval charges.
- (3) Civil, judicial and police.
- (4) Public works.
- (5) Interest on Bond Debt in India.
- (6) Allowances and assignments to native princes under treaties and their engagements.
- (7) Home charges which included :
 - (a) Interest on Home Bond Debt.
 - (b) Dividends to Proprietors of East India stock.
 - (c) Payments on account of Her Majesty's Troops and establishment.
 - (d) Charges of the East India House and Board of Control.

A tabular arrangement of the expenditure in chronological sequence may be of some value.

Selecting the period 1800 to 1857 we may take every tenth year as a representative year and mark the percentage ratio of Charges to the Revenue of that particular year.

		Net Revenue	Charges	Mili- tary Charges	Inter- est of Debt.	Civil & Poli- tical Charges	Judi- cial Char- ges	Provin- cial Police Charges	Bldgs. & For- tifica- tions
		£	£	%	%	%	%	%	%
1809-10	...	11,238,000	11,076,000	58,877	18,010	7.221	7.525	1.991	1.639
1819-20	...	13,016,000	12,934,000	64,290	12.805	8.900	6.800	2.093	1.756
1820-30	...	14,200,000	13,107,000	53,754	12.124	9.575	7.107	1.535	2.810
1830-40	...	13,742,000	13,004,000	57,721	9.756	12.296	9.565	2.062	1.428
1840-50	...	19,510,000	16,404,000	51,662	10.512	8.902	7.100	2.062	1.661
1857	...	33,303,000	28,079,000	45,55	7.19	9.62	9.38		

Public Works

According to Professor Adams the finances of a country are to be judged from the viewpoint of developmental expenditure : and

among the developmental expenditure of a country the Public Works take a prominent position.

Applying the same criterion we are compelled to condemn the entire fiscal system of the East India Company.

Before 1853 the administration was engaged in war operations and not only did not project any new scheme of public works, but it allowed the old ones to fall rapidly into decay.

Dr. Spry in his "Modern India" (1837) says "It is in the territories of the independent native chiefs and princes that great and useful works are found and maintained. In our territories the canals, bridges and reservoirs, wells, groves, etc., the works of our predecessors from revenues expressly appropriated for such undertakings are going fast to decay."

Speaking of the Public Works in India, Mr. John Bright said "With regard to public works, if I were speaking for the natives of India, I would state this fact, that in a single English country there are more roads—more travelable roads—than are to be found in the whole of India; and I would say also, that the single city of Manchester, in the supply of its inhabitants in the single article of water, has spent a larger sum of money than the East India Company has spent in the fourteen years—from 1834 to 1848—in public works of every kind throughout the whole of its dominions. I would say that the real activity of the Indian Government has been an activity of conquest and annexation."

Before the "Department of Public Works" was made uniform for all the Presidencies of India the important branch of administration was conducted in various ways.

In Bombay it was conducted by the Military Board : Though subordinate, the Superintendent of Roads and Tanks was outside the Military Board.

In Bengal the Military Board had the entire control.

In Madras the administration of this department was threefold : There was—

- (1) The Public Works Department of the Board of Revenue.
- (2) The Superintendent of Roads.
- (3) The Military Board.

This variety in the system was reduced to uniformity by Lord Dalhousie who created a separate department of the state for dealing with questions connected with Public Works.

We will review in brief the Public Works that were executed under the regime of the East India Company.

(1) Canals

Ganges Canal—449 1/2 miles.

East and West Jumna Canal—445 miles of the West Jumna Canal were completed.

Punjab Canals—425 miles of the Boree-Doab Canal in the Punjab were executed in May, 1856.

Madras Irrigation Works—Tanks, reservoirs, and “annicuts” or dams, across the beds of the Cauvery, Godavery, and Kistna Rivers.

(2) Truck Roads	miles	cost
From Calcutta to Peshawar	1,423	1,423,000
From Calcutta to Bombay	1,002	500,000
From Madras to Bangalore	200	37,121
From Bombay to Agra	734	243,676
From Rangoon to Prome	200	160,000

(3) Railways

From Calcutta to Burdwan	120
From Bombay to Wassind	50
From Bombay to Compoorie	10
From Madras to Vellore	81

(4) Electric Telegraphs

From Calcutta to Peshawar	} in all about 4000 miles
From Agra to Bombay	
From Bombay to Madras	

Mr. Hendricks says “Comparative to area and population, the extension of these works has not been either so great or so continuous as might be desired. If we exclude those undertakings that are of a purely military character, and review the items which may be classed under Land and Water Channels of Communication and Irrigation Works, or in other words, the Revenue—productive Public Works, in recent years of most activity, it