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The Permanent Settlement and the Emergence of a British State in Late-eighteenth-century India*

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Abstract

The Permanent Settlement (1793) was the first major institutional reform introduced by the East India Company state in late-eighteenth-century India. Most studies exploring its origin suggest that the idea was a transplant from England or Europe. That hypothesis begs a question. The case for reform had been made in the 1770s. Why did the policy take so long to materialize if it was no more than a passive copy? It did, the paper claims, because an alternative model of state-making exercised appeal, which prioritized information gathering to serve the fiscal state.

The principle on which [Akbar] secured his conquest was [to show regard] to the right of the Zemindars, the ancient proprietors of the soil.

Philip Francis

[M]uch the greatest part of the Zemindars .. are incapable of judging or acting for themselves, being either minors, or men of weak understandings, or absolute idiots.

Warren Hastings

Two statesmen in charge of building a state in Bengal made these conflicting comments in 1777 about the zamindar, a magnate in the countryside. Philip Francis was an Irish politician, writer, intellectual and a member of the cabinet

* This paper is the revised text of a lecture delivered at the Maulana Azad College, Kolkata, India. The occasion was to celebrate the life of the historian Ranajit Guha (1923-2023). The lecture titled 'Sixty Years after A Rule of Property for Bengal: The Permanent Settlement in Theory and Practice.' I would like to thank the participants for a lively discussion that led to several changes in an earlier version and the organizers for inviting me

(council) advising the Governor General of the East India Company regime in India. Warren Hastings was the Governor General. Not much of a writer, orator or ideologue, his strength lay in another direction. A fluent speaker of Persian, Hastings received intelligence from a string of Indian friends and informers and had developed a feel for the realpolitik. The two men did not see eye to eye. Each knew the other's weaknesses. Francis may have coveted the highest post. Their difference and disagreements have been discussed, often overplayed in historical scholarship. Fundamentally, the two men were fighting the same battle with different weapons. What was the battle?

The Company had significant military successes in Bengal and Carnatic in the 1740s and the 1750s, first against the French and later against the ruler of Bengal. Still, it was more a kingmaker than the king until 1764, when it defeated a northern coalition to acquire the formal rights to manage the revenues of Bengal, Bihar and Orissa. The Company had acquired this power under a peculiar circumstance that left the old regime in control of a big part of the civil administration. No single entity had a monopoly to exercise violence until the 1760s or even the 1770s. Land tax was the primary source of revenue for the Company. In possession of the fiscal authority but not full state power and still under threat from a northern coalition re-forming, the Company started investigating the chances of raising the revenues substantially and making the revenue flow stable to fund a standing army.

That project would require redefining the relationship between the taxpayer and the new state. In that endeavour, however, it was constrained to pose as the inheritor of an ancient Indian tradition rather than as conquerors from abroad so that the taxpayers would accept the project as legitimate. This was a challenging task. A large standing army had no precedence in India, most regional armies being composed of forces supplied by chiefs and vassals. The Company could not trust the chiefs and vassals to be loyal to them and did not have the resources or the appetite to coerce them militarily. The most substantial of the elites in the countryside and former tax collectors were a group called zamindars.

A compromise with the zamindars was inevitable. That sentiment was widely shared. But how much should the Company give away to them – a lot, as Francis suggested citing ‘ancient’ or Mughal tradition, or very little, as Hastings suggested relying on his Indian informants? When a new policy was instituted in 1793, the state did give away some power while taking back power in other ways. The paper explains how this transaction came about.

The new law was the Permanent Settlement. The superior right of landholding until then was associated with tax collection on behalf of the government. Henceforth, superior landholding right would mean ownership backed by a deed that specified a precise plot or estate owned. Being heritable ownership without entails, the deed would be saleable, mortgageable, possibly willable, and secure from state takeover. The deed implied the presence of a judiciary independent of the government. Courts of law would recognize these deeds as property rights and no other political or customary claim.¹

The deed was offered to the zamindars. They were a diverse set in their military, governance, and managerial capacity and had grown more diverse in the eighteenth century when the war between the Nawab of Bengal and the Maratha forces of central India had placed great tax pressure on this class and reduced some of them to subordinates of court officers and regional kings.² Still, in their primary role, zamindars were tax collectors living in the village. They had some policing power and social and political influence over the peasants who paid them rent.

Land revenue demands were set at an amount fixed forever but higher than most zamindars’ capacity to pay. It is a puzzle that the zamindars accepted the deal without protest. Their diversity worked against a concerted resistance. Also, they did receive legal protection from the state, a privilege the mid-eighteenth-

¹ Departures from this principle took shape in the nineteenth century via eminent domain, land lease for plantations, and forest reservations.

² Ratnalekha Ray, ‘The Bengal Zamindars: Local Magnates and the State before the Permanent Settlement,’ *Indian economic and Social History Review*, 12(3), 1975, 263-292.

century experience had made valuable. Both parties understood that the zamindars could raise incomes by converting waste. After 1800, this arrangement, known as the Permanent Settlement, was extended to parts of South India.

The Permanent Settlement has fascinated the historian of colonial India. The scholarship can be divided into two sets, one dealing with three ‘origin’ questions and the other with the legacies. The three origin questions are: What was new? Why the zamindars (and not farmers)? And where did the idea come from? Whereas the sale and transfer of property had happened before, and the notion of private property existed before, the package – ownership plus zamindar plus territorial law plus judicial infrastructure – had no precedence. If this made the settlement radical, the empowerment of the rentier rather than the producer was possibly regressive. At any rate, a great deal of the enormous legacy literature exploring the impact on politics, law, economics, public goods, inequality, and class power, starts from this intuition.

As for its roots, most authors have seen settling with landlords as the transplantation of an ideology from Europe to India. That claim, I will show, does not hold water. Among other problems, it does not answer why it took the Company sixteen years to implement a measure that was no more than a copy. The debate cited at the head of the chapter happened in 1777, and the settlement in 1793. The delay and hesitation suggest that doctrine was not the key impetus. It was a necessary but not a sufficient driver. Two other things mattered crucially. My reinterpretation will argue that the political context and information cost jointly played a role in delaying the settlement and recasting its character.

The rest of the paper is divided into four sections. The following section discusses and criticizes the transplant model. The next two discuss the missing ingredients, political context and information power. The last section brings

these elements together into an interpretation of what the settlement was really about.

The transplant model

Without exceptions, the historiography of the origin of the Permanent Settlement takes it for granted that the new arrangement was a transplant from Europe. In a cruder version of the theory, it was an expression of faith in English institutions. The root of that idea goes back to James Mill, the early-nineteenth-century intellectual and historian of the Company's territories in India. '[T]he aristocratical person now at the head of the government,' Mill wrote, 'avowed his intention of establishing an aristocracy upon the European model.'³ Thomas Munro, a critic of the Permanent Settlement, said something similar: 'We have, in our anxiety to make everything as English as possible in a country which resembles England in nothing, attempted to create at once throughout extensive provinces, a kind of landed property which had never existed in them.'⁴ It is unclear what Munro had in mind by 'a kind of landed property,' the landholding right or the privileges that came with it. He also voiced his worry over the fact that the new rulers were giving up sovereign powers in favour of the landlords.

Mill's original transplant model had a lasting effect. In a twist to the idea, the settlement with zamindars was a case of mistaken identity. 'In Bengal... the zamindars... were mistaken for 'landlords' in the English sense,' Vera Anstey said, 'and . . . were left to make their own terms with their 'tenants,' the land rights .. of the latter being entirely ignored.'⁵ Jawaharlal Nehru added a claim on the precolonial condition to embellish the point. 'The whole [Indian] conception of ownership of land... had been one of communal ownership ... Possibly not fully

³ Mill, *History of British India* (1817), cited and discussed in H.R.C. Wright, 'Some Aspects of the Permanent Settlement in Bengal,' *Economic History Review*, 7(2), 1954, 204-215.

⁴ F.D. Ascoli, *Early Revenue History of Bengal and the Fifth Report*, Oxford: Clarendon Press, 1917, 209.

⁵ Vera Anstey, *The Economic Development of India*, London: Longmans, Green, 3rd ed. 1936, 98.

appreciating this.., the British governors, themselves representing the English landlord class, introduced ..the English system in India.’⁶

The idea that Bengal copied an ‘English system’ faces two difficulties. In the documents that record contemporary debates, there is almost nowhere a statement suggesting that Bengal needed a system like the one in England. The most articulate debaters of the proposal did not seriously refer to English or European benchmarks. Instead, they (especially Francis) used the word ‘ancient’ repeatedly, always to mean Mughal precedence. Secondly, transplant theories beg the question: why did it take so long? The words permanent and settlement figured in policy documents and opinion pieces over two decades. Why was the discourse necessary if the outcome was no more than a passive copy?

In a book published in 1963, Ranajit Guha took the transplant theory to another level.⁷ The Permanent Settlement reflected a doctrine – making it highly likely that it entailed a misreading of Indian prehistory. The book does not see it as a copy of English precedence but as a particular legacy of the European Enlightenment working upon the minds of some of the key contributors to the discourse in Bengal. The French physiocrats regarded land as the source of the wealth of nations, and some of them saw capital invested in land as a risk-taking enterprise, thus combining capitalism (virtuous investment) with landed society (land as the ultimate source of economic, military, and legislative power). These ideas had sway over three Bengal debaters (Francis, Henry Patullo, and Thomas Law). Seen in this way, the Permanent Settlement was a colonial experiment to create capitalism in landed property.

Guha’s work was path-breaking because it broke the spell James Mill had cast upon generations of writers. Most reviewers found the attempt to connect Bengal with Europe, where new thinking on land was taking shape and landlords

⁶ Jawaharlal Nehru, *The Discovery of India*, London: Meridien, 1946, 357-8.

⁷ Ranajit Guha, *A Rule of Property for Bengal: Essay on the Idea of Permanent Settlement*, Paris: Mouton, 1963.

represented a progressive force, refreshing in an otherwise too region-bound historiography. Guha showed himself to be ‘.. as much at home in the European world of the Enlightenment as he is in the tumult and confusion of mid-eighteenth century India,’ Holden Furber wrote.⁸

There is a third version of the transplant theory. The Permanent Settlement was later extended to estates in Andhra and Tamil Nadu. Some historians think South India copied Bengal. There was, however, a significant difference between Bengal and South India. The zamindars in the north were the legacy of a Mughal fiscal system. In South India, no one knew what their counterparts were a legacy of. It made no sense for the officers to cite ancient tradition. The historian, in turn, must reconstruct tradition based on little serious data. The foremost work along these lines is that of Nicholas Dirks.⁹ Dirks says that in precolonial south India, the king’s power was based on a notion of exchange of entitlements with the cultivators and cemented by gifts exchange. Land rights were a part of this exchange system. Inam, or tax-free land, was both symbolic and practical in this exchange system. This partnership was broken as the British introduced private property that eliminated the kings from the scene.¹⁰ Important as Dirks’ work is, parts of it merely voice a widely shared illusion among historians that the British misunderstood something of precolonial India. No one can show what it was the British misunderstood in this case. The evidence does not exist.

In the rich scholarship on the economic transition in Bengal, the debate on land policy has yet to be discussed with the attention it deserves. One of the earliest

⁸ Holden Furber, review of Guha, *A Rule of Property*, in *Journal of Asian Studies*, 25(2), 1966, 358-359.

⁹ See Nicholas B. Dirks, ‘From Little King to Landlord: Property, Law, and the Gift under the Madras Permanent Settlement,’ *Comparative Studies in Society and History*, 28(2), 1986, 307-

¹⁰ The political unit the British engaged with was the poligars or palaiakkarars. On the assumption that they were like the northern zamindars and inherited their rights to land from another king or emperor, a role the British had now assumed, an intervention was justified. However, the history of land settlement in South India suggests that this assumption was not always present. Settlement with these agents co-existed with repression and removal, or a move to a property system that assumed these agents did not matter or even exist. All three roads were taken in different regions of South India around 1800: in parts of the arid interior, repression, nearer the coast compromise and settlement, and in Baramahal, ryotwari.

systematic histories skips the episode.¹¹ Narendra Krishna Sinha's authoritative *Economic History of Bengal* offers a blow-by-blow account of the actions of the government leading up to the Permanent Settlement but does not pay much attention to the policy debate.¹² Two subsequent studies of eighteenth-century Bengal concentrate on the peasants and their conditions.¹³ Marshall mentions the debate. In this account, Francis and Charles Cornwallis were 'doctrinaires,' Hastings was engaged with administrative matters more than doctrinal debates. The delayed implementation of the action plan had owed to Hastings' resistance to the plan. This is correct but too dependent on personalities. It does not say where the resistance came from.¹⁴ A short article compiling citations illustrates the struggle to understand ancient rights but does not offer an interpretation.¹⁵ Sirajul Islam deals with the aftermath of the settlement.¹⁶ Robert Travers discusses the debate in greater detail but does not offer a new reading of it.¹⁷ It is fair to say that Guha's *A Rule of Property* has remained a kind of last word on the origin question, which is remarkable considering that it was published sixty years ago.

The long shelf-life is also surprising because *A Rule of Property* is seriously limited in its method. It is an intellectual history, which is the book's strength and weakness. It is naïve to think that a large-scale institutional change can primarily result from doctrines. This point is echoed in some of the critical reviews. Reviewing *A Rule of Property*, Marshall says that 'nearly everyone else in the Company's service was reaching the same conclusion, if on practical rather

¹¹ S.C. Ray, *The Permanent Settlement in Bengal*, Calcutta: M.C. Sarkar, 1915.

¹² N.K. Sinha, *The Economic History of Bengal: From Plassey to Permanent Settlement*, Calcutta: Firma K.L. Mukhopadhyay, 1960.

¹³ Rajat Datta, 'Rural Bengal: Social Structure and Agrarian Economy in the Late Eighteenth Century,' PhD Dissertation of King's College London, 1990; Sugata Bose, *Peasant Labour and Colonial Capital. Rural Bengal since 1770*, Cambridge: Cambridge University Press, 1993.

¹⁴ P.J. Marshall, *Bengal: The British Bridgehead*, Cambridge: Cambridge University Press, 1988.

¹⁵ S. Nurul Hassan, 'Warren Hastings and Zamindari Rights,' *Proceedings of the Indian History Congress*, 32, 1970, 138-146.

¹⁶ Sirajul Islam, *The Permanent Settlement in Bengal: A Study of Its Operation, 1790-1819*, Dacca: Bangla Academy, 1979.

¹⁷ *Ideology and Empire in Eighteenth-Century India*, Cambridge: Cambridge University Press, 2007.

than theoretical ground.’¹⁸ ‘Mr Guha,’ said Ashin Das Gupta in a review of the book, ‘shies off from administrators because he cannot fit them in within the pattern of European thought ...’¹⁹ The reviews do not say what practical problems the administrators were trying to solve. The political agency of doctrinaires in Guha, and the intellectual agency of administrators in the reviews, both remain obscure.

An incomplete version of a theory did exist in the late nineteenth century. ‘[T]he conferment of a landlord title,’ wrote B.H. Baden-Powell, ‘was solely or chiefly the result of inquiries and conclusions as to the Indian laws.’²⁰ Baden-Powell was the most systematic chronicler of land rights in British India. The quotation did not express his views on the origin of the Permanent Settlement but cited the opinion of the historian of Bengal, William Hunter. The statement raises more questions than it answers. What are ‘Indian laws’? What are ‘inquiries’? Why the inquiries? Despite the openness, Hunter was right to suggest that key players (like Hastings) believed that the Company needed information of a specific type to strengthen its hand in any bargain it struck with the taxpayer. Looking for that data caused a delay.

Without disregarding doctrinal influence, it is possible to say that two other things were needed for an action plan to emerge. An action plan needs theory, information (on practice, precedence), and a contextual justification to take action. If data is weak or missing, action may still happen if the context demands action, but the result may not follow the doctrinal blueprint. The historiography I have discussed above overplays just one of these axes. Context is underplayed, and information is overlooked completely. What is ‘context’? All versions of transplant theory, from Guha to Dirks, left the role of conflicts, fiscal conditions, and the challenge of making a state with a permanent army out of account. What

¹⁸ P.J. Marshall, Review of Guha, *A Rule of Property*, in *History*, 50(170), 1965, 397-398.

¹⁹ A. Das Gupta, Review of Guha, *A Rule of Property*, in *Economic History Review*, 19(2), 1966, 452-3.

²⁰ B.H. Baden-Powell, ‘The Permanent Settlement of Bengal,’ *English Historical Review*, 10(38), 1895, 276-292, cited text on p. 282.

is ‘information’? A permanent army needed the state’s income to be stable, which needed a permanent contract between the state and the taxpayer, and to negotiate that contract from a position of strength, the state needed to know the taxpayer’s ability to pay. The accent on information reconnects this story with state formation in Europe and the emergence of industrial capitalism, where, as recent studies have shown, access to information plays a critical role. The European roots of the state in India did matter in this way.

Let us look at context next. I suggest below that ‘permanency’ had a precise meaning in Bengal, the permanency of British power. Directly or indirectly aiming for it would need working on the fiscal system.

Context

The need for money to defend its power was acute. And yet, the Company was trying to raise more money with a broken fiscal system. The system was broken in two ways. The officers did not know the taxpayers’ ability to pay. The first step in that project would be to find the correct value of estates, adjusted for their extent and yield. The Company officers did not trust Nawab’s officers. In 1769, supervisors were appointed to investigate the subject. In 1770, Councils of Revenue were created. In 1772, another new office Naib Dewan (chief accountant and bridge between the Nawab’s court and the Company administration) was abolished, and a Committee of Circuit was formed mainly to collect and process data. The Committee’s work was controversial, as we see later.

The flow of revenue throughout was unstable and insufficient to meet expected military needs. In these years, the Company worked on the assumption that the zamindars were hiding their capacity to pay, and Nawab’s officers had secret deals with them to defraud the Company. An army of trusted contractors and officers cultivated that impression. The enquiries led by amins (then local officers, now court clerks) sent to the districts had led to corruption and misinformation. Paid officers created more problems than they solved. The

exercise ran ‘the risk of becoming the dupes of uncandid investigations.’²¹ Acting on the instinct that the zamindars were short-changing the state, revenue collection rights were auctioned out, usually to moneyed people from outside the estate.

Further, an overlap between the commercial and political interests diverted money into trade and damaged the state’s credibility. After 1757 on a modest scale, and 1765, on a large scale, the Company could use the Bengal taxes to fund its business investment. The local officers favoured increasing investment utilizing this resource instead of imported silver. This had caused a ‘drain of specie’ and ‘decay of commerce.’ The exact implications of the system for the fiscal system are not well known. In any case, a massive famine in 1770 represented, for some contributors, a sign that this state system was rotten.

In this milieu of distrust and misinformation, the Company decided to go for auctions of the estates. Instead of leaving the management of the estates to the proprietors and collecting a tax from them, the government took over the administration of the estates, leaving the proprietors with a fee.²² This amounted to taking back control in a manner. And the decision to go for auction would not be an outlandish one to the contemporary statesmen.

The universal and fundamental rationale for auction is that individuals hold private information. Their valuation of an asset is revealed through a process of competitive bidding and strategic disclosure. Private information is vital to the concept. When states auction offices, it is not always a sign of weakness in general, but a sign of increased information asymmetry. Warfare or crises can cause such conditions to develop. The sale of venal offices was not only an established practice in early-modern Europe (especially France and Spain) but

²¹ *Original Minutes of the Governor-General and Council of Fort William on the Settlement and Collection of the Revenues of Bengal*, London: J. Debrett, 1782, 178.

²² *Original Minutes*, 30-31.

was also compatible with absolutism.²³ Indeed, through these sales, the state could build partnerships, albeit an unequal one, with the emerging bourgeoisie. These lessons were not unknown to the eighteenth-century officers of Bengal.

And yet, auctions created problems. It drove a wedge between the old and the new nobility, zamindars and auctioneers, causing a potential for conflict. The countryside now had two magnates who were not friends with one another. While the zamindars' hold over their estates had weakened, their hold over the tenants remained strong.²⁴ The existence of the revenue farmer and the zamindar in the same estate with the division of governance power undefined made some peasants play off one against the other. The zamindars had enough local influence and policing power to thwart the efforts of a tax contractor. That was not the only problem. Deprived of access to revenues, officers of the old regime imposed arbitrary taxes on zamindars, and zamindars, in turn, imposed arbitrary levies on the farmers.

Auctions, therefore, did not deliver either a stable income or an income close to the authorities' expectations. Conflicts between holders of ancient rights and holders of new offices, where they were distinct, worried the Company constantly. Francis spoke of 'the danger of relegating power.'²⁵ Hastings worried about conflicts between those who controlled land and the law-and-order officers.²⁶ A solution to that syndrome was to empower one party. Who would that be? All auctions of public offices entail the distribution of sovereign power. Were contractors capable of using that gift? Did the zamindars deserve that gift?

²³ Richard Lachmann, 'Elite Conflict and State Formation in 16th- and 17th-Century England and France,' *American Sociological Review*, 54(2), 1989, 141-162.

²⁴ *Original Minutes*, 50.

²⁵ *Original Minutes*, 174.

²⁶ He anticipated that '[c]ontinual jealousies and contentions would be excited between the farmer and the Fouzedar. The farmer would suffer by the oppressions of his Ryots if the latter has a superior Influence; or he would make use of such a plea to obtain a remission of his rents; and the Fouzedar would be unable to aft, if the farmers influence prevailed, as the Ryots would always fly to him for protection,' *Original Minutes*, 13.

Answers to questions like these were not readily available. And yet, no one disputed that a single contract between one party and the state would give the fiscal system some permanency. The people who contributed to the permanency discourse spanned an entire generation. The earliest was Alexander Dow (1735/6–1779), army officer and author, who set out a plan for restoring Bengal ‘to its former prosperity and splendour,’ a trope that successive generations of writers would employ to underscore that they represented the long-term public interest and not short-term business interest. According to Dow, the means to do this was to institute a secure title in the land that would place the relationship between the state and the taxpayer on a stable footing. Henry Pattullo was an officer of the Company who wrote similarly about Bengal. His pamphlet on ‘improvements’ appeared two years after the 1770 famine, which had been the immediate impetus to write it. A Jacobite exile living in Paris in the 1750s, he published a pamphlet about landholding in France. The book on Bengal was, in a way, an extension of this pamphlet. But his knowledge of Bengal was theoretical. The one biographical work I am aware of thinks that the Bengal book ‘offer[s] no evidence that the author ever visited India; most references are to French geography and agriculture.’²⁷

The last cluster of works on the subject appeared twenty years later, between 1790 and 1792. Thomas Law (1756-1834), an officer in Bengal service, was encouraged by his boss Cornwallis to write about economic matters and produced a statement supporting the Permanent Settlement. Guha believes this statement persuaded Cornwallis to carry out the idea. This is not credible. Law did not say anything that was not already known. Finally, John Shore (1751-1834), Cornwallis’ successor and, in the 1780s, a revenue officer in Bengal, agreed that the Company’s best hope in raising revenues was to enter an arrangement with the zamindars. Shore believed the basis for the settlement was that the

²⁷ Jacques Voisine, ‘Henry Pattullo’s Contribution to the French Enlightenment,’ *Gentleman’s Magazine*, 1(2), 1974, 97-103. Pattullo does not figure in the Oxford Dictionary of National Biography.

zamindars were landowners in the previous system.²⁸ Again, the idea was an old one.

Between these two clusters came one more, which set out the terms of the debate. Francis (1740–1818) represented that the Company needed to secure authority and that tax reform was the first step to meeting that aim. A second contemporary figure was James Grant, chief accountant, who described the zamindars as tax collectors, turning the Company into the ultimate landowner. Grant also campaigned the view that Bengal could yield more taxes to the Company if the zamindars could be brought under a steady contractual arrangement. Hastings (1732-1818), Governor General for most of the 1770s, did not say much on the subject except to criticize Francis. The criticisms can mislead us into thinking he was stalling. His opposition to Francis came from a different understanding of what had gone wrong.

In 1773, a Parliamentary committee of three, including Francis, reviewed ‘the principles on which the country was taxed,’ which started a dispute over the correct action plan.²⁹ Over the next four years, Francis built an argument to restore estates to hereditary zamindars, some of whom had lost control over their estates because of auctions, and for an agreement with them that would involve a low rate of tax fixed for a long time. In short, the plan was to bring incentive into the relationship between the superior landholders and the state.

Francis based his case on a re-reading of economic history, which said that the early Company rule led Bengal’s economy to decline. When it first acquired the revenues of a part of Bengal in 1757, the Company found a prosperous region and overestimated the wealthier inhabitants’ ability to pay taxes. Thirteen years

²⁸ Two other figures deserve mention, for both wrote about permanency and landlordism after the Bengal system had been working for a decade or more. The Governor of Madras, Thomas Munro (1761-1827), criticized the Permanent Settlement and opposed its implementation there. His argument was not against permanency but against the wisdom of settling with the magnates. But Stephen Lushington (1776-1868), Munro’s successor, advocated the Bengal-style Permanent Settlement in South India. In the end, a mixed system emerged in South India.

²⁹ *Original Minutes*, i.

later, the reality was different. ‘Its decline .. from the decay of commerce, the drain of specie, and the loss of inhabitants’ was so profound that nothing short of radical reform was necessary to restore the region to health.³⁰ One cause for the decline was the stoppage of silver inflow between 1757 and 1770 because of the overlap between commercial and political interests. A second was the drain of repatriated profits.

The 1770 famine, as mentioned, was, in many views, both an effect of misrule and a reason for misrule to persist. The writings of Francis and other contemporary council members and officers like Richard Becher, George Vansittart and Samuel Middleton were filled with anxieties over the ‘depopulation’ of the countryside. In that scenario, the Company’s appointed amins going around the countryside fixing taxes, manipulating auctions, and flexing muscles raised further anxiety that rampant corruption and conflict of interest failed to generate enough taxes and gave the Company a bad name in the bargain.

Francis overdid the decline and fall story. The Company’s business and the governance sides had ceased to overlap before the famine. Within a few years from 1765, as establishment costs rose, investments, ‘hitherto paid for by savings out of the revenues, is now purchased by draughts on England, or by certificates from the Board of Trade, on which bonds are to be granted at eight per cent.’³¹ The charge for the armies on service elsewhere and the support of other provinces had risen sharply. By 1776, the principle was well-established: ‘the East India Company, in their mercantile capacity should go to market for their investment, with no other influence or advantage than that.’³²

³⁰ George Vansittart, *Original Minutes*, 109.

³¹ *Original Minutes*, iii.

³² Francis, *Original Minutes*, 29.

Profits repatriated abroad were a potential drain. The revenue of Bengal formed eight per cent of the gross domestic product in 1763.³³ At its peak, about a third of that went to investments. The profits earned on it, a fraction of that, was too small an outflow. Price data of the time does not reveal a sharp change in the money supply. To insist that the shortage of silver caused a crisis entails making untestable and exaggerated assumptions about the silver multiplier and its role in transactions. Most exchanges were conducted in coins made of cheap metals. In a different reading, the trend in silver flow did not reflect shifts in fiscal rights at all. All European merchant forms operating in India reduced their dependence on silver in the late-eighteenth century because the Indian money market supplied them with credit.³⁴

It is naïve to believe that this weak and unstable government had the capacity either to cause the 1770 famine or to mitigate it. The population of Bengal in 1761 was 41 million; in 1770, perhaps 42-43 million.³⁵ A third of that population, or 14 million, is said to have died in the famine. If the government had spent its entire revenue of 15 million rupees on buying rice at the famine price of 1770 (0.21 rupees per kilogram), it could provide the most affected people with enough rice to postpone death by ten days. The famine raged for over 300 days. The government's known remedy was to offer tax relief, a regressive measure in normal times since it gave proportionately more relief to the rich. Remissions were a proportion of revenue, and if the latter would not save lives, nor would the former. The calamity was just too big a natural disaster to be caused or mitigated by a government.

Was Bengal overtaxed to begin with? Francis and Hastings had an exchange on the point. Between 1728 and 1776, the price of rice increased fivefold. The revenue collected by the state about doubled, from Rs. 14 million in the former

³³ Tirthankar Roy, 'Economic Conditions in Early Modern Bengal: A Contribution to the Divergence Debate,' *Journal of Economic History*, 70(1), 2010, 179-194.

³⁴ Tirthankar Roy, *An Economic History of India 1707-1857*, Abingdon: Routledge, 2021.

³⁵ Rama Deb Roy, Population of the province of Bengal, 1751-1801, European Association of Population Studies, http://www-census.ined.fr/epc2001_history/Authors/Rama/RamaRoy.htm.

year. Citing these figures, Hastings claimed that the real burden of the revenue was not only modest but had fallen since the Company took over the government. Francis disputed the interpretation. Prices, in his view, reflected supply-side forces in Bengal. '[H]eavy taxes tend to raise the price of labour, consequently of every thing it produces.'³⁶ It is pointless to speculate who was right.

Whether the decline was real or imagined, all agreed that the old institutional order on which the land tax system once stood had broken down. In Francis' recreation of the history of the Company state in its first ten years, the state had inherited an agricultural system that bore the marks of Mir Qasim's brief reign (1763-65). Qasim, an able accountant, raised revenues by squeezing the zamindars. He was not the first ruler to do this. In the 1740s, Alivardi Khan imposed new taxes to pay for the war against the Marathas, and his successor Siraj ud-Daula followed suit. The Company added its pernicious business policy to this mix.

Francis saw the auction era 'as a period of violence without system, in which the ancient regulations of the country have been annihilated, and no others, that deserve the name of system, substituted .. them.'³⁷ Although the new state did manage to raise revenues by its experiments, it failed to raise as much money as it needed and made the collection uncertain from one year to the next. This was an 'arbitrary government,' one that, 'by continual variations in the mode of collecting the Revenue, and by continual usurpations on the rights of the people, have fixed in the minds of the Ryots a rooted distrust of the ordinances of Government.'³⁸ This statement helps to see where the accent on permanence came from.

Permanence meant a proposal to reduce revenue demands to a level where the rights-holder could expect to make some profit, acting as an incentive to pay, and

³⁶ *Original Minutes*, 199.

³⁷ *Original Minutes*, 174.

³⁸ *Original Minutes*, 190.

leaving one magnate instead of two in the countryside. From a government 'whose .. object is to exact the greatest possible Revenue from the country .. let us begin with setting an example of justice and moderation to our subjects. A mild and equitable Government will gradually extend and communicate the principles, on which itself acts, to the ranks and powers subordinate to it. Tyranny creates tyranny, and is obliged to support it.'³⁹

The hereditary zamindars would be the partners of the state, for the state did not have the means to govern the estates directly. 'Their local situation makes [the provincial council] unable, from their own knowledge to judge of the state of the distant districts, .. or .. to enter into the detail of government.'⁴⁰ Zamindars 'ought to be the instruments of government in almost every branch of the civil administration' for a transition period until the government was informed enough to dispense with their mediation.⁴¹

Francis was far from alone in thinking about shared sovereignty. Nor was he the first. Several other officers saw the conflict between the contractors and the magnates from close and came to the same conclusion. 'I would also recommend,' wrote Middleton, 'leaving the lands, whenever it can possibly be done with security to Government, in the Zemindars hands, in preference to indifferent Izardars, although the latter may bid more for the farms.'⁴² 'We are unanimously agreed,' said Richard Barwell, council member and an ally of Hastings', on the three principles for a future reform – fixed valuation of land, reduced revenue demand, and permanency of contract.⁴³

The contrast was not between temporary or permanent tax but between arbitrary and stable institutional orders. 'The idea of liability and permanence has not accompanied any of the institutions hitherto framed for Bengal.'⁴⁴ The

³⁹ *Original Minutes*, 131-2.

⁴⁰ *Original Minutes*, 65.

⁴¹ *Original Minutes*, 60.

⁴² *Original Minutes*, 106.

⁴³ *Original Minutes*, 138.

⁴⁴ *Original Minutes*, v.

alternative would be ‘to acquire revenue without territory, that is, without any direct interference of the Company or influence of their servants in the internal government of the tributary dominion.’⁴⁵

From the time the discourse began, permanency meant the permanency of the government in Bengal. Permanent represented a project concentrating the authority to tax, govern, legislate, and fight wars. It would mean a government that would effect a ‘union of different authorities,’ to quote a Parliamentary committee explaining the essence of Cornwallis’ reforms.⁴⁶ No doubt, external threats were not the only drivers behind that idea. The Company also witnessed successor states collapsing under a financial burden as they engaged more with fighting each other. ‘It is time,’ Francis said in a letter to Henry Strachey in 1776, ‘that something should be proposed for a permanent Settlement of the Country. For my Part I would begin by giving it a Government.’⁴⁷ Almost repeating that idea word for word, he wrote a little later, ‘It is our duty .. to establish some general and permanent system of policy for the internal government of this country; and not to aim at purchasing immediate advantages, inconsistent with the permanency of our dominion ...’⁴⁸ That project entailed distancing the Company as a state from the Company as a firm: ‘[t]he general question is, whether the real interests of the East-India Company, as a permanent body, are best consulted by a system, which looks only to temporary profits, .. or by another.. aiming at permanence?’⁴⁹

The case was a sound one. But its success rested on two things. First, if the state were to give up auctions and price discovery, it must discover the land value itself to set a fair tax level; second, the zamindars must be competent enough to respond to the incentive and cooperate with the state. They knew the actual value of their estates. Would they reveal that value to the state? The state may

⁴⁵ *Original Minutes*, 7.

⁴⁶ Ascoli, *Early Revenue History*, 115.

⁴⁷ Francis to Henry Strachey, 22 Jan 1776, cited in Sophia Weitzman, *Warren Hastings and Philip Francis*, Manchester: Manchester Uni Press, 1929, 268.

⁴⁸ *Original Minutes*, 26.

⁴⁹ *Original Minutes*, 190.

see them as inheritors of ancient rights and a partner. Did the zamindars see the state as a partner?

Information

Hastings did not think permanency would follow from a deal with the zamindars when they had the information advantage. 'All that I would here propose is, to collect .. every other information, which may .. enable the Board hereafter to establish a more permanent and regular mode of taxation.' The land's ability to pay and the correct tax rate must be discovered first. Hastings communicated with the Indian officers in the departments. Based on that knowledge, he was hostile to the average zamindar. If Francis thought the zamindars represented the just proprietors of the soil, Hastings thought that most of them were 'men of weak understandings, or absolute idiots.'⁵⁰ Or worse, they cheated the state and exploited the farmers.

In saying this, he threw his weight with the tenants, whose property must be secure from arbitrary exactions by the zamindars. The real right-holder was the peasant so that settling a concessional rate with the zamindar would be unfair and inefficient. 'All that I now propose is to collect materials of information on this subject .. for .. determination on the most effectual means of regulating the Pottahs' (contract between the zamindar and tenant).⁵¹ 'Unless the rights of the common people are well defined and well secured,' Barwell echoed, 'I am persuaded all our speculations will only tend to enrich the Zemindars.'⁵²

The land's ability to pay was 'known only to the Zemindars and old farmers, from whom it was not to be expected that they should part with their knowledge.. To find out the real value, the most probable method was to let them to the highest bidders.'⁵³ But what if auctions failed too? Then the only option left to the state

⁵⁰ *Original Minutes*, 153.

⁵¹ *Original Minutes*, 155

⁵² *Original Minutes*, 141.

⁵³ *Original Minutes*, 132.

was to gather data on taxable capacity. ‘I have already said that the general design of it was to obtain an accurate state of the real value of the lands, as the only ground-work on which the new settlement could be constructed ...’⁵⁴ He acted on that premise but had no resources to act effectively.

Hastings and Barwell offered their plan in 1775, which insisted that more data were needed before a permanent arrangement could be considered feasible. They followed this up with a few other proposals that had significant consequences for the future, such as the conversion of vast tracts of land in the swamps and forests of the 24 Parganas into new zamindaries. In 1776, the Governor General set out ‘to obtain accurate states of the real value of the lands, as the grounds on which a new settlement of the Provinces was to be constructed.’⁵⁵ ‘[T]wo junior servants, with the assistance of a few natives, are employed to collect and digest materials.’ The level of effort in a region of forty million people left the Court of Directors unimpressed.⁵⁶ The state had no means of conducting a full public enquiry of the produce of the land and then setting taxes based on the data. This was unpractical because of the huge costs of the enquiry and the slight chance that the people employed for the purpose would do the survey with ‘skill and integrity.’ Moreover, the scheme would alarm the zamindars and induce them to hide more data.⁵⁷

Reference to ancient rights was no help. It only sustained a fiction. The Mughal land registers provided obsolete information because ‘wars and revolutions .. inundations of rivers, the Increase of cultivation in some parts.., and the decrease in others, and the .. depredations of the famine, have totally changed the face of the country.’⁵⁸ Therefore, new assessments have been based on a ‘conjectural valuation’ of land, which entailed an unhealthy dependence on local officers and the information they delivered to the state. The temporary

⁵⁴ *Original Minutes*, 143.

⁵⁵ *Original Minutes*, ix. emphasis in original.

⁵⁶ *Original Minutes*, letter to Hastings 1777, 203.

⁵⁷ *Original Minutes*, 55.

⁵⁸ *Original Minutes*, Hastings, 145.

settlements produced a wealth of data held by the tax farmers. ‘To collect these different accounts, and to digest and methodize them for our guidance in forming a new settlement, is one of the principal objects of the temporary office which I have proposed.’⁵⁹

Francis agreed that it would be good to have the data. But the scheme was not practicable because the land value was so variable for a geographical reason that neither the state nor the zamindar had a firm idea of the average. The value fluctuated from year to year due to climate and seasonality. The zamindar and officers took advantage of this uncertainty by citing weather to cover up poor efforts. That was a recipe for corruption. Fixing land value was necessary, even if it created some anomaly. ‘fixing [land value] from rising in proportion to improvement will prove an encouragement to industry.’⁶⁰ But because the root of the uncertainty was the climate, ultimately, the zamindar deserved help.

Hastings’ insistence that information was power had considerable influence among contemporaries. Everyone used the word, and it occurs all over the policy debate documents.⁶¹ Not only at the time of the Permanent Settlement in Bengal, but every time a property rights policy was framed in the rest of India, the discussion began with information. Information was needed on land values, amounts collected by previous regimes and local rights and usages.⁶²

⁵⁹ *Original Minutes*, 148.

⁶⁰ *Original Minutes*, 128.

⁶¹ The word appears 22 times or once every ten pages in the compilation of documents from the 1770s, *Original Minutes*. A second compilation of records and reports has the word occur 43 times, or once every six pages, Ascoli, *Early Revenue History*.

⁶² A move to implement the permanent settlement in the Ceded Districts was postponed ‘to give time for more ample information being transmitted to the court of directors, than has yet been furnished, respecting the nature and resources of the new acquisitions, the extent of the land cultivated, and of that capable of being made so the quality and value of the produce, the land tenures, the mode of collecting the rent, whether in money or by a division of the crop, with the proportions of the latter, allotted to the government, Its officers, and the cultivator, the recent history of the revenue administration, and the local usages, the character of the inhabitants, with other objects which might suggest themselves in the course of a local enquiry.’ Ascoli, *Early Revenue History*, 209.

Indirectly, the struggle to gather data reflected a desire to influence and control the actions of others. But there was also a sense that the Company's officers functioned under pervasive information asymmetry. Hastings said that the Mughal record of rights and classification of revenue villages (*tumar-i-jumma*) had long become obsolete as a guide to understanding the current situation because too many taxes and exemptions were introduced during the mid-eighteenth century. The zamindars would now try to overplay the excess taxes and omit the remissions. Since then, there was some reshuffling among the zamindar class. And below them, the situation of the peasants was practically unknown. Nothing like a system existed to gather this information without the agency of the zamindar. The Nawab's court had some data, but the Company did not trust it. The *tumar* based itself on a standalone survey done centuries ago. Since then, neither the Mughals nor the successor states conducted a large-scale survey of land records, land values, and holdings.

The accent on the significance of information in the making of the early British state in India is not novel. C.A. Bayly's work shows how the new regime revived and reused pre-existing channels to keep itself well-supplied with current data on economic conditions, public sentiments, and military intelligence. Bayly acknowledged a link between the Permanent Settlement and information gathering: 'The debate about the Permanent Settlement of the revenues of Bengal and Banaras incidentally founded the Indian statistical movement.'⁶³ This is the only time the Permanent Settlement is mentioned in the book.

Bayly does not go as far as to claim that the desire for information was a distinctive feature of the Company's efforts to create a military-fiscal state. I believe this was the case. The new state knew more than its rivals that in a competitive field, information was a weapon by creating divergent capacities for implanting institutional change. The argument is in spirit closer to Jeremy Black's, who shows how evidence-based information contributed to the transformation of states in Western Europe. The prehistory of transcontinental

⁶³ C A Bayly, *Empire and Information*, Cambridge: Cambridge University Press, 1996, 54.

voyages and encounters with unfamiliar landscapes and peoples contributed to the need for collecting, exploiting, and processing data, often with unintended consequences.⁶⁴ In recent global history scholarship, there is an explicit recognition that information gathering and exchange were an Enlightenment legacy that consolidated industrial capitalism.⁶⁵ Confirming these claims about the emergence of the modern world, the history of European empires in Asia and Africa shows that information gathering and exchange was a tool of state power.

In 1776, it was the ambition that a firmer knowledge of land value would enable the Company to take hold of the fiscal system. It did make some progress but needed to do more. When Cornwallis assumed power in 1786, there was not ‘information sufficient to enable his lordship to proceed to.. the conclusion of a settlement of land revenue .. with a view to perpetuity.’⁶⁶ The data project was unfinished. ‘Much was yet to be ascertained with respect to the ancient laws and local usages of the country; the nature of the land-tenure was yet imperfectly understood, and the relative situation and condition of the natives concerned in the production of the revenue, had not been fully explained.’⁶⁷ Cornwallis’ successor Shore, reflecting on the antecedents, ‘admits that it was impossible, in the state of the revenue administration at that time, to gather such information. The attempts made by Supervisors in 1769 and by Amins in 1777 had proved failures; the attempt of the Committee of Circuit in 1772 to discover the extreme value of each estate by temporary settlement with the highest bidders had proved disastrous.’⁶⁸

And yet, the enquiries did yield three critical pieces of information. First, they produced a clearer picture of the zamindars. There was considerable data on who the tenants were and what tenancies they worked under, though this enterprise remained a patchwork. Further, the ‘Committee [of Circuit] were able to judge

⁶⁴ Jeremy Black, *The Power of Knowledge: How Information and Technology Made the Modern World*, New Haven and London: Yale University Press, 2014.

⁶⁵ Steven Marks, *The Information Nexus*, Cambridge: Cambridge University Press, 2016.

⁶⁶ Ascoli, *Early Revenue History*, 118.

⁶⁷ Ascoli, *Early Revenue History*, 118.

⁶⁸ Ascoli, *Early Revenue History*, 63.

from all the information laid before them,' to quote the 'Fifth Report,' 'the subjects of the Mogul empire in that province derived little protection or security from any of these courts of adawlut, .. though forms of judicature were established and preserved.'⁶⁹ In other words, any regulation on property would need the backing of territorial law and the expansion of the judicial infrastructure. The third lesson was that the zamindar, however incompetent or untrustworthy, had much more data on their estates' management than the state did. They knew the value of land, knew their tenants, and shared some things with them. '[T]he control that the zamindars had on their tenants or people was considered to be of immense value by the British.'⁷⁰ No arrangement could secure the permanency of British power that excluded this agent.

The outcome would involve utilizing that knowledge in the service of the state but with added checks and balances.

Outcome

Cornwallis took over almost immediately after Hastings left. And he waited seven years to implement the Permanent Settlement. It is specious to suggest that the case for the settlement dawned on him after seven years in office. The terms of the debate were set in the 1770s and repeated like a broken record ever since. It is more likely that he faced Hastings' dilemma that the zamindars were not up to the job. And yet, the state did not have enough resources to remove them and make the fiscal system work.

There were two new things in his time. Cornwallis spent a lot of time and energy on judicial reforms and district administration; both institutions could watch over the zamindar if necessary. And documents leading to the settlement used an argument that had not appeared before. The peasants, it went, de facto had

⁶⁹ Ascoli, *Early Revenue History*, 22.

⁷⁰ Hetukar Jha on Hathwa and Bettia raj, 'Permanent Settlement in Bihar,' *Social Scientist*, 9(1), 1980, 53-57.

the ‘dominant right,’ the ‘proprietary right of the zamindar was a very limited one; it was so greatly restricted that it not *dominium*, but *servitude*,’ and so the new settlement did not mean their expropriation from a right and handing it to the zamindar.⁷¹ This was no more than a new language, but it did bind the state to a commitment to hold rents at the level of custom. Almost sixty years later, legislation acted on that promise.

In 1793, the state did yield to the zamindars. Still, the difference from the 1770s was the expectation that the marketability of the property deed, backed up by legislation and the judicial infrastructure, would aid the state. The checks and balances were partly market-based. Francis had anticipated this: ‘The fear of the sale of their lands is the only probable instrument of keeping them to their engagements; and the actual sale of them is the only means of reimbursing the Government if they fail’.⁷² The threat of the sale of the estate would encourage the zamindars to govern the estates themselves. At present, ‘[t]hey are for the most part ignorant of or inattentive to business, and trust to their servants, who defraud or impose upon them.’⁷³ The solution sought in the Permanent Settlement entailed weakening the political zamindar and strengthening the entrepreneurial zamindar, thus eliminating the uncertainty of collection.

Landholder’s right was legally redefined as ownership alone. Notwithstanding many other differences, this legal step was shared among all types of settlements between the taxpayer and the state. Revenue demand was set higher than past collections, on the expectation that only those able to pay will stay. From Francis to Cornwallis, there was a shared understanding that the move would eliminate the political landlord leaving the entrepreneurial ones in the game: ‘Lord Cornwallis intended that the elimination of unsatisfactory landowners should be hastened by the sale of lands for arrears of land-tax ..’⁷⁴

⁷¹ R.H. Hollingberry, *The Zemindary Settlement of Bengal*, vols. 1-2, Calcutta: Brown, 1879, 18.

⁷² Francis, *Original Minutes*, 12.

⁷³ *Original Minutes*, 12.

⁷⁴ Wright, ‘Some Aspects.’

By relying on the land market, the state left a road open for capital to move in (if not by the auction route). 'In such instances as those above mentioned, a transfer of landed property to monied people, who are able to make improvements, will be in some degree advantageous to Government and to the country.'⁷⁵ The land mortgage was another desired field of change. During the auction years, many zamindars borrowed to pay revenue, which loans were stressful for some but left a positive legacy. An interdependence developed between land rights and credit markets. This was no mortgage market; rather, loans were made on the zamindar's personal security. Francis, however, saw the prospects of integrating the two closer with some government intervention on the credit side.⁷⁶

From the state's point of view, the move delivered in the early nineteenth century. Between 1793 and 1837, the Company enjoyed a revenue surplus in Bengal.⁷⁷ Revenue of greater Bengal at £2.6-2.8 million between 1706 and 1768; rising to £5.8 around 1796.⁷⁸ Works by Pamela Price, Sirajul Islam, Binay Chaudhuri and Nicholas Dirks show how rapidly estates divided up, changed hands, became smaller, fell in debt, and demilitarized within decades, even years. But from the second quarter of the nineteenth century, Permanent Settlement stopped delivering any benefits to the state. Thanks to the commitment to hold the nominal tax unchanged, deprived the state of tax rises even as agricultural prices started to rise from the 1860s. If zamindars became entrepreneurial, the state could not gain directly but might still gain by taxing trade. It seems safe to conclude that the average zamindar did not change the game to become entrepreneurial.

⁷⁵ *Original Minutes*, 58.

⁷⁶ *Original Minutes*, 64.

⁷⁷ S. Gopal, *The Permanent Settlement in Bengal and its Results*, London: Allen and Unwin, 1949.

⁷⁸ British Parliamentary Papers (vol. 106) (1796-7). *An Account of the Annual Revenues of the East India Company*.

Conclusion

The paper offers three conclusions on the emergence of a British Indian state in the last quarter of the eighteenth century. First, information was crucial to state-making – this and not physiocratic ideas was the major Enlightenment legacy driving the Bengal discussions. Faced with a growing need for money but little data on the taxable capacity of land and little appetite for coercion, the new state had two choices. To enter a deal with the zamindars on their terms or gather more data on land value and offer them a deal on the state's terms. In the 1770s, both roads were open. By 1792, the data project did not deliver enough results, but the court system was fully operational. A contract was now possible with the added check imposed by a marketable deed and the courts to honour the deed. 1793 was that contract.

Second, permanent Settlement was a project to create a strong state, concentrating authority to tax, govern, legislate, and fight wars – constrained by a lack of data on precedence, practice, and taxable capacity. The choice of zamindars as owners acknowledged that the magnates and not the state had more local data. But the added checks and the design of the deal tilted the balance for the state. In the short run, the project delivered more revenue, demilitarized landlords, and broke up estates. It also possibly led to underinvestment in the long run. But that is another story.

Third, thinking that the Bengal model was copied anywhere is a mistake. The Bengal pattern was not replicable. The reference to Mughal heritage made no sense in South India. Where a bureaucratic legacy did not exist, British policy depended on whether the rural magnates threatened their military power and whether direct governance could potentially add to the tax base. Over a vast area in Andhra Pradesh and Tamil Nadu, the magnates lived on semi-arid lands that produced little revenue and posed little threat. They were left alone as zamindars and princely states, often in command over tiny slivers of territory, because a deep intervention would yield little and cost much.

In the Peshwa's territory acquired after 1818, conditions were different again. In the Maratha areas, the bureaucratic legacy was present. But this was a different legacy from the Mughal one. The Maratha chiefs were primarily military agents, not revenue administrators. Declaring them as zamindars would make no sense. Besides, the 25 years that elapsed since 1793 had made the Company state wealthier and secure enough to invest in information, do cadastral and yield surveys, and settle a new contract system with the cultivators. The Bengal story did repeat in a manner. The ryotwari settlement that followed was again a data-gathering project under information asymmetry and again a constrained choice.⁷⁹

⁷⁹ Neeraj Hatekar, 'Information and Incentives: Pringle's Ricardian Experiment in the Nineteenth-Century Deccan Countryside,' *Indian Economic and Social History Review*, 33(4), 1996, 437-457.

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