The British in the Madras Presidency
The term Madras Presidency was applied to certain areas in South India which passed to the British through historical causes in course of time and its basic formation was completed by the beginning of the 19th century. The establishment of the three presidencies of Madras, Calcutta and Bombay was the natural outcome of the efforts of a foreign naval power to secure footholds on the Indian subcontinent for enlarging its commercial prospects.

Of the three presidencies, Madras held a place of prime importance in the early history of British India. It was the first territorial acquisition of the East India Company in India. Fort. St. George was built before the cession of Bombay and the founding of Calcutta. Above all Madras was strategically the most vital place to the English in the early stages of their consolidation.

The Presidency of Madras was formed by the acquisition of territories from the native rulers through conquest and union. Both war and diplomacy played their parts in its formation.
The East India Company¹ emerged from a humble beginning marked by hardship and distress of great magnitude at home and abroad to a height of opulence and power.

The Company came into existence when Queen Elizabeth, on the last day of 1600, granted a charter to some 220 gentlemen and merchants enabling them to engage in trade "as one body corporate and politic by the name of the Governor and Company of merchants of London trading to the East Indies" with a capital of £30,135-6-8 divided into 101 shares.²

The charter authorized them to carry on a business of separate risk and profit for each shareholder till 1613 and thereafter on a joint stock basis.

¹ The title East India Company originated with the Act of Parliament 324 Wm. IV, Cap. 85 (A.D1833) section III says that the company may be described as the "East India Company". At first the company was called, the Governor and Co. of Merchants trading to the East Indies. Then a rival company was formed, called the English Company Trading to the East Indies. These two companies were afterwards united and by the Act of Queen Anne, the style became "the united company of Merchants of England trading to the East Indies". Last of all, the Act of William IV, first quoted legalized the formal use of the designation ever since its use". B.H. Baden-Powell, The Land Systems of British India, Volume, I, The Clarendon Press, Oxford, London, 1892, p. 30-31.

The first settlement at Surat in A.D. 1613, on the Coromandal coast at Fort Saint George in A.D. 1640 and at Fort William in Bengal in A.D. 1698 were mere 'factories' for trading purposes. The management of the Company was entrusted to a Governor and twenty four Directors. The Company enjoyed the exclusive privilege of trading with all parts of Asia.

In the early periods of its existence the Company encountered formidable difficulties. Its charter was annulled in 1693, when it failed to pay the duty of five per cent on capital stock imposed by the King.

Its privileges were, however, restored subsequently by a new charter. In 1698 the exigencies of the state, caused by the wars in which Great Britain was involved induced Parliament to permit a new society to trade with India by the name, the English East India Company, in spite of the opposition raised in a petition presented to the House of Commons by the London Company.

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3 The traders were the tenants of the Mughal Emperors. The first actual possession was the island of Bombay, ceded by Portugal, in 1661 to Charles II, as part of the marriage dowry of the Infanto. This island was granted to the company in 1669, B.H. Baden Powell, Land Systems of British India, p. 31, 32.

4 Frazer, British India, Ashish Publishing House, New Delhi, 1974, p. 46.

5 Auber Peter, op. cit., p. 196.
The two Companies could not compete for long. In the year 1708 under the award of Lord Godolphin, an Act of Queen Anne united them into one society called the "United Company of Merchants of England trading to the East Indies."

In the year 1713, the Company acquired against considerable opposition the right of exclusive trade for a period of another twenty years till 1733. This was renewed every twenty years till 1773, when the Regulating Act imposed parliamentary control over the affairs of the Company.6

Its trading privileges were continued by such periodical renewals of the charter till 1833, when the charter of that year deprived the Company completely of its trading rights in India.7 In consequence of its territorial acquisitions in India the Company in 1766 raised the dividends from six to ten per cent.8

This sudden enhancement and prospects of still greater dividends induced a number of people to become proprietors of India stock, many of them by means of money borrowed at exorbitant rates of interest.

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6 Ibid.,
7 Ibid.,
Many of them even talked of fifty per cent as the probable quantum of the future dividends. By such propaganda they raised the price of East India stock so high that they always clamoured for large dividends.

In the meantime the scramble for East India stocks and disputes among the proprietors for increased dividends attracted the attention of the public and the Government. The Government now advised the Company not to increase the dividend beyond ten per cent.

It also gave notice that the affairs of the Company and its transactions with the princes of India would be subjected to investigation by Parliament. A committee was actually appointed in November 1766 to make a rigorous scrutiny of its affairs.9

The Cabinet asserted that the fruits of all conquests made by subjects, though at their own expense and risk, must belong to the sovereign, and thereby claimed the territorial revenues of India for the Crown.10

By the Parliamentary Act of 1767 the Company was forced to buy the privilege of retaining its territorial acquisitions by an annual payment of £400,000 to the Exchequer.11 This was the position of the Company at home prior to the passing of the Regulating Act.

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Parliamentary Control over the Company

Right from the victory at Plassey and its related developments, which placed Bengal at the feet of the English, it was recognized as inevitable that the Crown should assume the ultimate responsibility for the administration of the East India Company’s territorial possessions in some form or other.

Between 1757 and 1784 the development of the Company from a commercial power into a territorial one undermined the stability of its government at home. India House became a synonym for corruption. Contemporary statesmen anticipated the danger of a great empire being created and ruled by Britons independent of the authority of the Cabinet.\textsuperscript{12} But action was taken only by slow degrees and that too with much hesitation. Marked by scandals in India and blunders in Leaden hall Street, the demand both inside and outside Parliament for the ministry attempted to meet the situation by passing the Regulating Act, which was hailed as the first piece of parliamentary legislation for India.\textsuperscript{13}

This gave the Government for the first time a share in the responsibility for the administration of India. By passing this Act there began the “period of indirect control by the Government over the East India Company.”\textsuperscript{14}

\textsuperscript{12} J.W. Foster, \textit{John Company}, (London, 1926). \textsuperscript{13} Sutherland Lucy \textit{The East India Company in Eighteenth Century Politics} (Oxford, 1952) p. 267. \textsuperscript{14} \textit{Ibid.},
The Act of 1773 was almost complete failure and to ensure a stable and steady administration and the consequent reports of the Select and Secret Committees of 1781 which were appointed to renew the charter of the Company necessitated the reconsideration and adoption by Parliament of a new system for the administration of India not only in England but also in India by the Company. "Ministries meddled and the Company muddled, but it was not until the North-Fox coalition produced a large majority in the House of Commons that a determined attempt was made to reorganize the Company's system of Government."\(^{15}\)

On July 6, 1784 Pitt's India Bill was introduced in Parliament. It was easily carried through both the houses and became law on August 13, 1784. It established an effective instrument of control, direction and supervision in the form of a Board of Control with a Cabinet Minister as its President. It operated with slight alterations till 1858.\(^{16}\)

The Company's charter and exclusive trading privileges were renewed for another twenty years by the Charter Act of 1793.

The Charter Act of 1813 is a landmark in the history of British administration of India. By this the Government of India, was left in the hand of the Company for another twenty years allowing the continuance of


its trade and the exercise of its patronage. But the Company's monopoly of
Indian trade was abolished while it was allowed to retain its China monopoly
for another twenty years. Trade to and from India and other places within the
charter limits except with China was thrown open after April 10, 1814 to
every one.\(^{17}\)

Thus the Company lost its monopoly of its eastern trade was steadily
decreasing. When the time for the renewal of the charter approached in 1833
there arose the question of the Company retaining this privilege of trade at
all.

The public in England was strongly in favour of the view that trade
between England and India should be left altogether in the hands of private
traders without the unfair competition of a Company with territorial
possessions in India. They repeated the words of Adam Smith that the duties
of traders were not consistent with the duties of the rulers of an empire.\(^{18}\)

The traders of London and the other large commercial centres of
England, who were jealous of the unfair advantages possessed by the
Company in India, hoped to increase their own trade if the Company
could be stopped from carrying on trade at all. Thus the United Company of


\(^{18}\) *Ibid.*,
Merchants trading to the East Indies were fast ceasing to be a merchant company at all.\textsuperscript{19}

Accordingly the Company's trade was abolished altogether in 1833 by the passing of the Charter Act of 1833 and from thenceforth it simply stood as administrators of India drawing its dividends from the revenues of India.\textsuperscript{20}

The company true to its origin clung to its pacific vocation to the end, inspite of every temptation to play a sovereign part. Greatness was forced upon it by the many remarkable men who appeared in its service for sixty years after Clive.\textsuperscript{21} Clive's success in making the Company a revenue collector in Bengal opened wide vistas of profit to the Directors who saw themselves relieved of the necessity of exporting silver to India.\textsuperscript{22}

In the early years of its history in India, the Company adhered to the commercial policy of Sir Thomas Roe. Its first settlements were purely commercial in nature containing nothing more than factories, warehouses and residences for its local representatives of the Company and most of them were near the sea or a river-Surat, Ahmedabad, Calicut, Madras, Armagon, Masulipatnam, Balasore, Ganjam, Calcutta, Cossimbazaar and Patna.

\textsuperscript{19} J.W. Kaye, \textit{The Administration of the East India Company} (Kitab Mahal, Delhi, 1966, Indian reprint), p. 86.
\textsuperscript{20} A.B. Keith, \textit{op. cit.}, p. 85.
\textsuperscript{22} J.W. Kaye, \textit{op. cit.}, p. 9.
The merchants of London who were no more than adventurous traders. "They were never stirred by dreams of conquest or perplexed by prospects of Government. The company's servants in India were only settlers.

The commercial character of the early activities of the Company is brought out convincingly by its early records. In the minutes of the Court of Directors and the consultations, letters and despatches from India the bulk of the reference was of a commercial nature. They pertained mostly to arrival or departure of ships, the purchase and export of long cloth, broadcloth, and various other products of the country.

The Presidents and Councils were pre-occupied with investments and accounts, with advances made and payments received with monopolies and land customs. The people of the country with whom they first had dealings were Gomasthas, Shroffs and Dubashas. Even the early administrative policy of the East India Company was governed by its commercial factors. Thus the system of government which prevailed in the early settlements of the company was essentially commercial in character. It was a government by Council.

The Council in the three Presidencies of Madras, Bombay and Calcutta was like a Board of Directors. In Madras it consisted of six
members in the period of 1676-1681 and ten in the time of Lord Pigot. In Calcutta it consisted of as many as sixteen. Only after the passing of the Regulating Act was the number reduced to five at Calcutta and three at Madras.\(^\text{23}\)

Not for long, however did the company preserve unmodified its commercial character. Force of circumstances soon placed territorial ambitions before it. But the circumstances were not always political. Prof. Holder pointed out, "it was the decay to Mughal authority in India which forced the company to consider exerting greater control over the lands which produced its staple import cotton piece goods".\(^\text{24}\) Thus the early expansionist activities of the company were due to its own commercial motives, the difficulties in to which the commerce of the company drifted led to war and consequent territorial advance.\(^\text{25}\)

Till about 1765 the balance of trade between India and England was made up of the export of silver from England to India. Later it was diminished. To make up for this deficiency a certain portion of the revenue of the company was set apart for purchase of goods for export to England. This was the much noted "investment" which played a celebrated part in the


\(^{24}\) J.W. Kaye, *op. cit.*, p. 17.

\(^{25}\) M. Ruthnaswami, *op. cit.*, p. 4.
history of the company. It is this which, influenced greatly the company’s polity and administration in the Presidency.

It was towards providing for this investment in Bengal, Madras and other centres of East India trade that the external and internal policy of the Company was directed. Ruthnaswamy has aptly remarked: “It was the investment that was largely responsible for that endless chains of wars into which the company in violation of its original instincts was plunged.”

The commercial motive influenced the English policy and administration from the beginning till almost the end. Though the Company became an imperial power, by exigencies of trade and commerce it did not indulge in territorial ambitions without much searching of a commercial heart. The commercial preoccupations also never ceased to govern the conduct of the Company and its government even after it began to take a more political role.

Even as late as 1800 as the Chief representative of the Company in its commercial capacity, the Governor General in Council exercised immediate superintendence of it commercial concerns in Bengal and a general control over investment in the other presidencies and to a considerable extent over the affairs in China.

\[26\] Ibid, p. 7.
\[27\] Ibid.,
We are told that these trading elements survived so late as 1835 for in that year the Collector of Salem was selling broad cloth though the Company ceased to be a trading concern. The Marquess of Wellesley who was disgusted with the commercial policy of his masters complained that in his time “India was ruled not from a place, but a counting house; not with the ideas of a prince, but with those of a retail dealer in muslin and indigo.”

The government by Council which was adopted during the early years when the Company was purely a commercial organization was continued even after it assumed responsibility for the governance of millions. The collegial system which was adopted at the gubernatorial level was also extended to the lower grades of governmental organization when the functions of the Company increased consequent on its acquisition of territory.

The Boards of administration of different departments not only at Calcutta but also at Madras from very early days. Select committees of the Council of Fort St. George were in charge of military and political affairs and that system lasted upto 1778. In the year 1786 saw the emergence of the Board of Trade, the Military Board and the Board of Revenue composed of one or the other members of Council and other subordinate officials of the Company and charged with the details of administration.

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Of all the boards, as was natural, it was the Board of Trade that held the pride of place at the beginning. It was to it that the commercial agents of the Company were made responsible. Till the abolition of the Company’s monopoly of trade in 1813 it formed one of the most important branches of the Company’s machinery of administration.31

It was in 1765 that the question of land revenue first came up before the servants of the Company, first in Bengal and then in Madras Presidency. Upto this time the English in India had been “buyers and sellers of produce.” But in 1765 the Company was granted in perpetuity the Provinces of Bengal, Bihar and Orissa by the Moghul Emperor and the whole civil military administration of this fine tract of country came under its control. From that time onwards, the servants of the Company were vitally concerned with matters like taxation and land revenue in India.32

The Board of Revenue had the longest history and the most distinguished record of work. It was constituted in Madras in 1786 and individual collectors took charge in the circars.33 As the administration of the departments and ultimately the administration of the country required deliberation, administration by a board seemed justified.

31 Ibid.,
32 Ibid.,
33 G.O dated 20th June 1786.
The Board of Revenue not only supervised the collection of land revenue but also administered the public lands. It also settled the rates of assessments, provided amenities, made advance of money for promoting cultivation and exercised judicial authority.

The zamindari settlement, the village settlement and the ryotwari settlement each had its advocates both in India and in England and each in its turn was adopted, established and abandoned. In the initial stages of their rule, the authorities in India and England thought it highly inexpedient to interfere hastily and ignorantly with the method of collecting revenue.

The nature of land tenures and the philosophy of the question of right to the soil were quite out of their reach and their peculiarities were equally beyond the comprehension of the servants of the Company. They, therefore felt it expedient to allow the status quo to continue i.e. the collection of revenue by the Indian officers of the Nawab on behalf of the Company under the same terms and conditions obtaining under his administration.

The first general acquisition of the territory by the East India Company- the first from a revenue point of view was of the country around Madras – known as the Jaghir, because it was originally granted by the Nawab of the Carnatic as a Jaghir.\(^{34}\)

\(^{34}\) An assignment of the governments' share of the produce of a portion of land to an individual, generally, as a reward for military service.
The revenue thus assigned, as intended as a contribution towards the expenses of the wars, undertaken in aid of the Nawab. The final acquisition of the territory can be dated between 1750 and 1760 being finally confirmed by the Emperor Shah Alam in 1763. The Jaghir now forms the Chingleput district, out of which a single taulk forms the separate district of Madras.\textsuperscript{35}

The next acquisition, in point of time, was that of the Northern Circars. These territories were granted in 1765 by the Delhi emperor, but the Madras Government, looking to the practical claim of the Nizam of the Deccan, who was hardly even in name subject to Delhi, also obtained a grant from him in 1768.\textsuperscript{36} The Circars of Chicacole, Rajahmundry, Ellore, Condapilli and Guntur were known as the Northern Circars. They formed the present districts of Vishakapatnam, Ganjam, Krishna and Godavari.

The later additions to the Company's territorial possessions were the districts of Salem and Krishnagherry (composing the Baramahal) and the province of Dindigul and Malabar (the latter was under the Bombay Government until 1800). These were ceded by Tipu Sultan to the British Company on 18 March, 1792. The province of Pulicat and Sadara, were obtained from the Dutch in 1795.\textsuperscript{37}

\textsuperscript{36} \textit{Ibid.},
\textsuperscript{37} \textit{Ibid.}
In 1799, some of the provinces were transferred to the Company as a result of the treaty of partition with the Nizam and the Peshwa. They were the province of Canara, the district of Soondah, the province of Coimbatore, the Circar lands and the Pollams of Ballagha and the island of Seringapatnam. In the same year, the British also obtained the province of Tanjore from the Raja of Tanjore. The next year i.e. in 1800 the Company got the ceded districts, ceded by the Nizam.\textsuperscript{38}

In the year 1801, Southern Pollams consisting of the Trinelvely and Manapara Pollams, Ramnad and Sivaganga and the Western Pollams, in all of which the Company had collected peshkash and tribute since 1792 (under a treaty with the Nawab) were transferred to the company by the Nawab.\textsuperscript{39}

The remaining part of the Carnatic consisting of the districts of Palnadu, Nellore and Ongole and the province of Arcot, the pollams of Chitoor and the districts of Satevaid, Trinelvely and Madura were also transferred to the Company by the Nawab of Carnatic in 1801.\textsuperscript{40}

**The Jaghir**

When the Jaghir was acquired by the Company’s Government, it was placed under the charge of the “Committee of Revenue”, which was appointed in 1780 to manage the Nawab’s possessions in the Carnatic.\textsuperscript{41}


\textsuperscript{39} Ibid.,

\textsuperscript{40} Ibid.,

\textsuperscript{41} S. Sundararaja Iyengar, Land Tenures in Madras Presidency (Madras. 1933), p. 7.
This Committee in 1783, let out the country in fourteen large farms on leases of nine years, at increasing rents. The renters with a few exceptions repeatedly failed in their payments, their estates were sequestrated and several of them were put into confinement. In 1788 the Jaghir was placed under Collectors, who let the districts in smaller portions to the inhabitants, on leases of three years.  

In November 1794, the country was placed under the management of Lionel Place, who directed this attention particularly to internal improvement regarding the rights and privilege of the ryots. He introduced the system of village rents on the produce being commuted for a money payment. The parties who entered into engagements held the principal shares of the lands they were left to adjust their rights with others who owned fractional share. This system continued until the Permanent Settlement was introduced in 1802.

The Northern Circars

When acquired by the East India Company, it consisted of Zamindari lands and Havelly lands. The practise that prevailed in the Zamindari lands was to allow the zamindars appropriate the revenues of the district to their

\[\text{Ibid., p. 9.}\]
\[\text{Ibid., p. 15.}\]
\[\text{Ibid.,}\]
own use after paying a certain sum called the jumma or rent to the government.

The Zamindars realized the revenues by collecting them from the ryots or actual cultivators, either in kind or money or by farming them from the ryots or actual cultivators, either in kind or money or by farming them to persons, on annual or longer leases, the contracts including one or more villages, districts or sometimes entire zamindaries.

The Havellies of Northern Circars consisted of household lands of the Circar or Government. They were composed of districts in the vicinity of each capital town and had been annexed to those towns for the supply of the garrisons and numerous establishments, both civil and military of the Mussalmans. Some of the Havellies had been taken from the Zamindari lands on account of rebellion or misconduct or in consequences of failure of heirs in a zamindari. The Havellies were thus lands which were not in the hands of Zamindars but those of the Government.45

The mode in which the land revenues of the Havellies were collected by the Company's Government was by renting them to individuals. The general plan was to form settlements with the head inhabitants for the whole of their respective villages and they sub-rented every field and arranged with each cultivator for the rent he was to pay.

45 Ibid.,
Sometimes the community of the village was left to settle among themselves the amount of their respective rents, the inhabitants becoming jointly and severally responsible for the aggregate demand upon the village.

These village settlements were formed on the produce; that is the share of the produce which belonged to the Government was commuted for a money payment, regulated with reference to the market price of grain or with reference to its price on the average of certain of years. This was called the grain rent.\textsuperscript{46}

These settlements were of a very imperfect kind because they were not founded on a survey of lands, nor does it appear that the renters granted pattas to the ryots are that any other systematic precautions were taken to prevent the head inhabitants from oppressing the inferior cultivators.

The Collectors appear to have left the details of the revenue investigation to their native Dewans and Dubashes chiefly owing to lack of knowledge of the native languages. There was no fixed principle of revenue management.

Sometimes the Board of Revenue collected the revenue according to their sentiments and at the other times, the local authorities left them no option or choice by delaying the transmission of necessary information till the season had been far too advanced.

Thus annual or periodical settlements were made with the zamindars in the Zamindari lands and with the renters and farmers in the Havelly lands. None of these, however, had any fixed revenue management.47

The remaining part of the company’s old possession consisted of small extents of land in and near Cuddalore, called Fort St. David and in Devacottah, Nagore and Nagapatnam. They were partly rented, on longer or shorter leases and partly restored under money rents.

The later acquisitions

A considerable portion of these territories was held by poligars and the remaining, by far the largest part, was under the government. The poligars* bore a strong affinity to the zamindars of the Northern Circars. Some of them derived their descent from the ancient Rajahs or from those who had held high offices of trusts under the Hindu governments, whose ancestors had received certain villages, partly on the feudal principle of supporting a body


* Poligars - Military Chieftains of different degrees of power.
of horse and foot which were to be at the call of the Sovereign whenever they might be required. Others had been renters of districts or revenue officers who had revolted in times of public disturbance and had succeeded in usurping possession of the lands.

The Civil Government and Police of the Pollams were nominally left in the hands of poligars on condition of paying a stipulated peshkash and of providing a military force for the service of the state.

Some of the poligars had been allowed to manage the affairs of other villages besides their pollams and they went on exacting in the most arbitrary manner contributions from the people inorder to supply the resources necessary to recruit and augment their means of military defence. The course pursued by the Government of Madras with respect to the Poligars were as follows:

Of the superior Poligars, there were some, who having been long deposed, were subsisting on allowances which they received from the former Government these allowances, were either continued to the respective individuals or they were provided for by territorial grants on Inam tenures.** Those who were found in the actual possession of their pollams *** and

** Inam tenures – In the form of gifts.
*** Pollams – Territories of the poligars.
those who had been obliged to retire from the country, during the wars with Tipu Sultan were reinstated in the possession of their lands provided they were loyal subjects.  

In 1799, a formidable, insurrection broke out in the Southern Pollams of Trinvelvi. This occasion was utilized for disarming the poligars, demobilizing their forts and strongholds and reducing them to mere employees of the company’s government.

In the remaining territories, which were under the government, agreements were entered into, with the head inhabitants, who again subrented each field. Deceptions and frauds were practised by the head inhabitants who inflicted serious and extensive injuries on the cultivators. It was to prevent such abuses that the Madras Government adopted the Ryotwari Settlements by which direct engagements were entered into with each ryot for the revenue he was to pay.

In a nutshell, the early revenue management in the Madras Presidency before the introduction of the Permanent Settlement was not uniform throughout the presidency.

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48 Selections from the old Records, Papers relating to Zamindaries, Mittahs etc, Trinvelvi District, 1892, pp. 118-119.
49 Ibid.,
50 The Circuit Committee Report, 1802, Madras, p. 3.
51 Reports of Collectors on the extent to which the provisions of the Patta Regulations were compiled with, by the zamindars and ryots, 1802, Madras, p. 3.