CHAPTER V

TAXATION AND REVENUE
IMPORTANCE AND NECESSITY OF SOUND FINANCES:

Sound finances are absolutely necessary for a stable and prosperous State. The importance of this proposition was well realized by ancient Indian political thinkers. They have included prosperous treasury and ample revenue funds among the essential constituents of the State\(^1\) and have declared that any deterioration in this connection would be a most serious national calamity.\(^2\)

Taxes are regarded as the sinews of all forms of government whether monarchical, republican, oligarchical or democratic. The question of taxation is inseparably linked with the oft-debated question of the ownership of land as well. Various types of taxes have been levied from earliest times for the efficient governance of States. In ancient India, available sources, both literary and epigraphic, reveal various types of taxes levied from time to time and it is interesting to note that with the development of political institutions there has been a growth in the number of taxes from time to time. It would,

---

1. सत्यामत्यजनपदुर्ग्रहकोष वर्णमूलाणि प्रकृति: ।
A.S., VI. 1.

2. कृषिमूला हि राजान: कृषी वृद्धिकरो महेरः ।
Mbh., S.P., 119.16.
कृषिपूर्वः सत्यामतः । तस्मात् पूर्व कोषम्बेशेत् ।
A.S., II. 8.
therefore, be permissible to submit a few words about taxes and the policy of taxation in ancient India.

HISTORICAL SURVEY OF TAXATION OVER THE AGES:

Vedic literature, being predominantly religious, supplies meagre information about the revenues of the State in the contemporary times. In the earliest period, the King’s power was not well established and the taxation seems to have been occasional and voluntary, the King probably supporting himself, his retinue and meagre administrative staff out of the proceeds of his own lands, pastures and herds. The earliest references to taxes being levied are to be met with in the Rigveda itself, where the King is referred to as Balihrita. The term Bali, originally used to denote voluntary offerings made to gods for securing their favour, came to be applied later to the presents and taxes offered to the King, more or less voluntarily. It seems that people were not yet accustomed to pay regular taxes to the State as a matter of normal liability. It should, however, be noted that in the earlier stages the tax was paid to the King in return for services rendered, in the form of a contribution for the maintenance of the royalty.

This clearly points towards a sort of contractual theory between the King and the people, as the tax guaranteed the latter protection by the head of the State.¹ Later on, Bali became a part of royal dues along with other taxes like Bhaga and Bhoga² and continued to be a major source of royal revenue.³ Some authorities treat the two synonymously but we are convinced by Sircar that the two were separate taxes.⁴

All literary data points to the firm establishment of the four-fold social system; during the Vedic period, Brahmanas were engaged in the unproductive profession of priesthood,⁵ and the Kshatriyas were mostly occupied in

1. G.D.S., X. 28; Narada., XVIII. 48; Raghuvamsa, II.66; V. 8; XVIII. 65; Manu., VII. 35, 110; Cf. Sarkar, B.K., Political Institutions and Theories of the Hindus., p. 183.


3. फिंगकः, षडभागः, लेनभागः, बलः, करः, उल्लंघः, पार्वेः, वारिष्ठीपकः, मौपणिकः, कौशिकः व राज्यम्।
A.S., II. 15.
Maity, S.K., Economic Life in Northern India, pp. 83-84; L.T.A.M.I., pp. 43-46


conquering and annexing new territories and the Sudras held no property. The incidence of taxation therefore, naturally fell heavily on the Vaisyas who were engaged in the productive profession of agriculture, trade and cattle-rearing. The Vaisya is, therefore, often described as the payer of tributes and taxes. It is not, however, to be supposed that the other classes escaped altogether; for the King is often described as taxing all his subjects.

We have already seen how in early times the King was the President of the Council of Nobles. It is most likely that the latter might have often imposed their own tributes on him. Thus early Vedic Kingship depended on the share of the produce offered by the people as also on the presents from the subjects for the maintenance of the State-machinery.

The King was assisted by two responsible officers known as Samaharta and Bhagadugha who were responsible for collection of taxes and deposits in the royal treasury.

2. A.Br., VII. 29.
Bhagadugha was the collector of the (royal) share,\(^1\) while the Samaharta was the bringer (of tributes),\(^2\) both being members of the King's Council (Ratnins).\(^3\) In all probability, the former collected the taxes and tributes which were mostly in kind and the latter, viz. the Collector-General, stored them in the royal treasury and granary. The Samaharta continued to be an important official of the Taxation Department even in the subsequent Hindu administrative machinery.\(^4\)

The Vedic State derived its revenues from the agriculturists and cattle-breeders. Scholars generally do not agree regarding the exact share of the King from out of the produce from the fields.\(^5\) The cattle-breeders formed a much more important class in the Vedic age than in the succeeding ages. They paid taxes in the form of cows, bulls

\(^{1}\) Ghoshal, U.N., Hindu Revenue System, p. 9; Cf. T.S., I. 8.9; S.Br., V. 3.1.
\(^{3}\) A.S., II 6; H.P., p. 195; T.S., I.8.9; S.Br., V.3.1.
\(^{4}\) Raychaudhuri, H.C., P.H.A.I., pp. 293-319.
\(^{5}\) जनपद प्रबन्धमालयम् वा वेरवमात्र प्राप्तस्य म् भाग्यमवरे तृतीय पुरुष वा गृह्यत।
A.S., V. 2.

Manu., VII. 130; G.D.S., X. 24; Vishnu Dharma Sutra, III. 22.
and horses, a certain percent of the herds being claimed by the State. The cattle-breeders had to pay taxes in lieu of the grazing grounds which they used and which were obviously regarded as the King's land.

Apart from taxes from their subjects, Vedic Kings often used to receive tributes from conquered chieftains. Trade and commerce were not held in high esteem in the Vedic age and do not seem to have made any appreciable contribution to the royal exchequer. We do not know whether mines were regarded as State property and actively worked or not.

In the later Vedic literature, the King is described as the "eater of his subjects", this metaphor was obviously suggested by the regular payment of taxes by the people to the King which enabled him and his officers to live in dignity and pomp. Hopkins has advanced the view that the taxation in the Vedic period was oppressive and grinding. The view is however, untenable. Hopkins is misled by the

1. यम भज गामि मरवेषु गोषु।

   A.V., IV. 22.2.

2. Ibid., Manu., VIII. 237; IX. 219; A.s., V. 2.


4. A.Br., VII. 29.

phrase Visamatta,¹ the eater of the people, used to describe the King. In the Brahmana literature, the term atta is often used in the sense of “the enjoyer”; the husband is described as the atta (enjoyer), and the wife as adya, “the subject of enjoyment”.² It would be too far-fetched to argue that the term indicates that the husband was the eater of his wife. The expression, “eater of his subjects”, is obviously used metaphorically and not literally. The term atta also means controller or oppressor.³ Since the King had to be paid a share of one’s own labours without his having contributed in any way, to the produce, he may have been called as such. If the above suggestion is accepted, then it can be inferred that taxation was not heavy. We have seen already how the King’s position was far from secure in the Vedic period and how the Samiti exercised a fairly effective control over his actions. It is therefore unlikely that people would normally have suffered from grinding taxation in that age.

With the growth in civilization, trade and industry, various types of taxes now came to be levied, but very little definite is known about the system of taxation during

1. A. Br., VII. 29; Mookerji, R.K. H.C., p. 80; Cf. A.S., II. 1.
2. S. Br., I. 8.3.6.
3. Ibid.

1
the post-Vedic and pre-Mauryan period. The Later Vedic age was succeeded by the Buddhist period when Northern India was fragmented into several States, monarchical and oligarchical. The Jatakas do give us an interesting glimpse of this age, but their information is meagre. They tell us how good Kings levied only legal taxes and how bad rulers oppressed the subjects so much by illegal imposts that, they would often flee to forests to escape from tax-collectors. We learn from the Jatakas that King's officers and agents were often present when harvesting took place, so as to guarantee the proper share of the King as tax. There are references to enlightened Kings who provided facilities to traders and cultivators, like Bimbisara and Prasenjit. But only a century or two later, we find Northern India groaning under the heavy taxation policy of the Nandas. But these references hardly enable us to have a proper picture of the taxation system. However, there is ample evidence to

suggest that various types of taxes were in vogue during the above period.\textsuperscript{1} It is inconceivable that the \textit{Arthasastra} could enumerate different types of taxes so comprehensively had they not been prevalent before the days of the Mauryas.

With the Mauryan period we come on to firmer ground. The \textit{Arthasastra}, Dharmasutras and the Smritis supply considerable data, which can to a great extent, be checked by the statements of Greek writers and contemporary inscriptions. From a study of these sources it would appear that taxes that are generally prevalent today were in some form or the other realized even in Mauryan times. The Mauryan scheme of administration was a comprehensive one.\textsuperscript{2} Kautilya enumerates in detail all items that were to be taxed.\textsuperscript{3} Taxes were imposed on fortified cities,\textsuperscript{4} country-side towns,\textsuperscript{5} villages,\textsuperscript{6} grazing grounds, buildings, private gardens, tools,\textsuperscript{7} slaughter-houses, liquor, oil, ghee,\textsuperscript{8}

\begin{enumerate}
  \item Manu., VII. 130-32, 137-38, 127-28.
  \item \textit{A.S.}, II. 21-29.
  \item Ibid., II. 4.
  \item Ibid., II. 6.
  \item Ibid., II. 15.
  \item Ibid., II. 4.
  \item Ibid., II. 6.
\end{enumerate}
recreation houses, gambling dens, forests and forest produce, animal-rearers, festivals, foreigners, merchandise, imported goods, mines worked by private agencies, guilds, industries, manufactories, minting of coins for private individuals, making passports, issuing of licences to traders, workers, artisans, craftsmen, actors, prostitutes, dancers and other professionals, vassal Kings and scores of other items, barely conceivable. The land tax known as Bhaga was

1. A.S., II. 27.
2. Ibid., II. 6.
3. Ibid.
4. Ibid.
5. Ibid., II. 6.
6. Ibid., II. 22.
7. Ibid., II. 6.
8. Ibid., II. 23.
9. Ibid., II. 21.
10. Ibid., II. 14.
11. Ibid., II. 34.
12. Ibid., II. 6.
13. Ibid.
14. Ibid.
15. Ibid., II. 15.
16. Ibid., II. 6.
collected in cash and kind,\(^1\) when collected in cash it was referred to as *Kara*.\(^2\) *Bali* one of the earliest taxes was now taken as a religious tax though earlier in Vedic times it was considered to be the King's share.\(^3\) *Vyaji* was a compensatory tax on the manufacture of beverages\(^4\) and *Senabhakta* was taken for the army on the march.\(^5\) *Corvee* (*Vishti*) seems to have been a rare practice in the Mauryan scheme of taxation.\(^6\) Royal officers could arrange for substitutes, if the person concerned offered to pay for the substitute.\(^7\) Persons trying to evade payment of tolls and taxes were severely punished\(^8\) and the actions of Superintendents responsible for bringing revenues to the State treasury were scrutinized very carefully too.\(^9\) Subsequently, the same system seems to have continued even in later times. For a century or two, the Sakas and Kushanas

---

4. A.S., II. 6, 7, 12, 15.
5. Ibid., II. 15.
6. Ibid., II. 7; Sircar, D.C., L.T.A.M.I., p. 41.
7. A.S., II. 7; L.T.A.M.I., p. 64.
9. Ibid., II. 17.
held sway over Northern India. But they do not seem to have levied any fresh taxes which could be noted from their epigraphs. But it may be pointed out here that, during the reign of these foreigners, India's foreign trade and industry received fresh impetus during this period. As such, the State must have derived considerable income from taxes from foreign trade.

PRINCIPLES OF TAXATION:

It would be convenient to discuss at the outset the general principles of taxation. Taxes have been described by legislators as the King's share. Nothing can be more admirable and less flawless than the scheme propounded by the Arthasastra, Smritis and epics in this respect.

The taxation was to be reasonable and equitable; the King was never to forget that nothing exposed him to greater hatred than oppressive taxation. The gardener plucks fruits and flowers, but does not harm the trees; the bee sucks the

1. A.S., IV. 2; VII, 12.
3. A.S., II. 6; Manu., VII. 127-33; Raychaudhuri, H.C., P.H.A.I., p. 294.
4. प्रियेिति परिष्कार राजानितितवाण्डीः।
Mbh., S.P., 87.19.
Manu., VII. 111-112; A.S., V.2; VII.5; II.6; P.H.A.I., pp. 237, 268.
honey but does not damage the flowers; in the same way the King should collect his taxes but should not cause any sufferings to his subjects. One who kills the goat can at best get one meal; one who feeds it well can get milk for several years.  

The criterion of equitable taxation was that the State on the one side and the agriculturist or the trader on the other should both feel that they have got a fair and reasonable return for their labours. In the case of trade and industry, the taxation was to be on net profits and not on gross earnings. An article was to be taxed only once and not twice. If increase in taxation becomes inevitable, it should be gradual and not sudden and steep. 

The Panchatantra and the literature of India provide many examples of this principle. The stories in the Panchatantra, which are usually illustrated with moral lessons, often contain examples of equitable taxation. For example, in the story of the goat and the farmer, the farmer is allowed to keep the goat for milk, but he is not allowed to kill it for meat. This is a clear example of equitable taxation, where the rights of the farmer are balanced against the rights of the goat. Similarly, in the story of the king and the jeweller, the jeweller is allowed to keep the gold for his own use, but he is not allowed to use it without the king's permission. This is a clear example of equitable taxation, where the rights of the jeweller are balanced against the rights of the king.

The Panchatantra, I. 243.

Panchatantra, I. 242.

Cf. Sukra., IV. 219-222.

Cf. Sukra., IV. 218.

Mbh., S.P., 88. 7-8.
was to be imposed only in times of national calamity on the people of unaffected areas after taking comprehensive steps to explain the situation to the people with a view to ensure a willing response.

The above principles are universally recognized as sound and applicable as much in modern times as in ancient times. How far they were actually practiced, we shall discuss later in this chapter.

PRINCIPLES OF EXEMPTION AND REMISSION OF TAXES:

Equally sound principles have been laid down about partial or total remission of normal taxes, when the situation justified such concession. It is recommended that if enterprising persons bring fresh land under cultivation or seek to make it more fertile and productive by themselves, the State should charge only a nominal tax in the beginning and gradually raise it to the normal rate during a period of four or five years. Also, the State provided facilities to needy cultivators, and encouraged clearance of forests for cultivation.

1. कोडमकीर्ष: प्रस्तुतप्रभुपालकों: संगृहनिविवालं। हति वाकवारिष्ठ श्रद्ध। जनं शांतमयस्यप्रमाणेः वा देवमानुष ग्रामङ्गांवें सकुशलेः न हि: प्रयोज्य: भानास्यां तुतीयं पर्वतम वा वाष्पात। हति कष्टकेष श्रद्ध।
   A.S., V.2.


Exemption from taxation has been recommended also on the ground of incapacity for the dumb, deaf, decrepit and blind persons, who are usually poor. Similarly, students, hermits, learned Brahmanas (Srotriyas) and those who had entered into the fourth stage of life (Sanyasa) were to be exempted from taxation as they were not earning members of the society.

Some types of concessions were also granted through royal charters. Emperor Asoka granted partial remission of taxes to the people of Lumbini village where the Buddha was born.

Certain concessions according to the Arthasastra, were granted to cultivators in times of distress. Failure of rains, frost and destruction by locusts were some of the occasions when the State granted remissions. But it should be kept in mind that the State also maintained a record of rainfall in every district. The same tendency is noted in subsequent periods as well. During the period of Saka

1. A.S., II. 1.
2. फ़िॉमाणॉक्याबत्ति न राजा श्रोत्रियालर्म्।
   Manu., VII. 133.
5. Ibid., II. 24.
Satraps, in an inscription, Rudradaman proudly states that he carried out the huge project of the Sudarsana Lake without troubling the people either with forced labour or benevolences.¹ The inscription also records the terrible loss which the people suffered due to the heavy floods and the widespread damages to the old dam suffered due to the inclemency of nature.²

AREAS AND RATES OF TAXATION:

Let us now survey the field of taxation. Land tax³ was the mainstay of the government revenue. It is referred to in inscriptions, sometimes as Bhagakarna and sometimes as Udranga.⁴ Bhaga was the King's share of the produce, as stated earlier.⁵ Udakabhaga was another combination of Bhaga.⁶ It was prevalent during the Mauryan times⁷ though

1. E.I., VIII. p. 6.
2. Ibid.
5. सीता भागो बलि: करों वणिक नवीपालस्तरो नाव: पट्ठन दिविने वर्तनी रङ्ग्यूप्योररङ्ग्यूप्च राष्ट्रभ।
A.S., II. 6.
Cf. Ibid., II. 15.
noted in later inscriptions. The *Arthasastra* makes reference to it, and its purpose was to utilize the sum so realized for the construction of dams and reservoirs.\(^1\) It is possible that the Sudarsana Lake was caused to be constructed by Rudradaman out of the revenue realised as *Udakabhaga*.

Some confusion is to be met with regarding the rate of taxation as prescribed in Hindu texts. Normally, the maximum is noticed in the *Arthasastra* which in certain cases, recommends as high as one-fourth of the produce,\(^2\) and it finds support in the *Ramayana*.\(^3\) Smritis lay down no uniform rate of taxation, the amount they recommend varies from eight percent to thirty three percent.\(^4\) This variation must be partly due to the quality of land.\(^5\) The non-agreement among the Smritis must be partly due also to the varying practices of the different States or to the different rates charged by one and the same government at different times to meet its varying needs.\(^6\) A land-tax at

---

1. A.S., II. 1.
2. Ibid., V. 2.
5. Manu., VII. 130.
sixteen percent, however was found insufficient for their needs by States which had chalked out a policy of imperial expansion. The testimony of the Arthasastra\(^1\) and the Greek writers\(^2\) shows that the Mauryan State charged one-fourth tax on agricultural incomes. Land irrigated by royal or State-run agencies was taxed additionally.\(^3\) Mookerji has suggested that in the latter cases rates come to one-third of the produce.\(^4\) Some believe that though one-sixth was the theoretical ratio, a higher proportion was realized in practice.\(^5\)

It is difficult to state whether the percentage rate of the land-tax, mentioned above, refers to gross or net produce. The Jataka literature shows how the government agents were present on the fields when the yield of the crops were garnered; so the share they claimed must have been of the gross produce.\(^6\) We have no definite evidence to show that the government did not make an allowance for the cost of agriculture when it was charging a tax as high as

---

1. A.S., V.2.
5. A.S., II. 24; V. 2.
one-fourth or one-third. The Sukraniti definitely states that the cultivator should get as his net income twice the amount which he spends by way of the land-tax and the cost of production. This would show that the share claimed by the State was of the gross produce and of the net income. Land dues were collected both in cash and kind, but usually in kind; if the yield was less, the State naturally got less.

The evidence to show that the land-tax was usually paid in kind is overwhelming. The very term used to denote it, Bhagakara, the tax in the form of a share, suggests that it was paid as a part of what was actually produced in the field. In the Jatakas the tax collecting officer is called Dronamapaka, the measurer of the corn by the drona measure. They narrate the stories of over-scrupulous land-owners regretting their conduct in casually taking a handful of rice blades from their corn-fields, because the King could not thereby get a share in that part they had thus removed earlier and the Arhasastra imposes a fine for such conduct. The State used to have huge granaries at

2. A.S., II. 15.
different centres, where the corn collected in taxes was stored. Officers in-charge used to dispose it off before its quality started to deteriorate on account of the action of time or insects.¹

There was no permanent settlement of the land-tax. The large variation in rate permitted by the Smritis naturally rendered its enhancement possible, when required by the exigencies of the State finance.

It would be convenient here to discuss the question about the ownership of cultivable land too. For if we regard the State as its owner, the amount which the cultivator paid would be land revenue and not land-tax; if on the other hand, the ownership vested in private persons, the same amount would be a land-tax.

It is but natural that opinion should have differed on this important point. Manusmriti states that the King is the owner of the treasures buried under ground, because he is the owner of the land;² this suggests the ownership of all land, including the cultivable one. The Arthasastra

1. Sukra., II. 26,29.
2. नियोताः तु पुराणानां भाजनमेव त शितोः।
   अर्थार्थाक्षणार्थाः भूमेरीपिपलिभ्य सः !
   Manu., VIII. 39.
avers that private ownership can have no application in the case of land, tanks and water pools.\(^1\) It clearly differentiates between the crown-lands and private lands.\(^2\) Narada points out that it would be wrong on the part of the King to interfere in the ownership and possession of houses and lands.\(^3\)

It is suggested that in pre-historic times, the ownership of land was vested in the whole community.\(^4\) The State restricted an individual's power of disposal of land to prevent the introduction of an unwanted or undesirable person into the village community, to disturb its peace. Even the Vedic King was bound by this restriction, for he was permitted to gift a piece of land only when the adjacent residents agreed to the proposal.\(^5\)

In historic times, the ownership in waste-lands, forests and mines, was claimed by the State. From 600 B.C. the ownership of private individuals in their arable land

\(^1\) A.S., II. 24.
\(^2\) Ibid.
\(^3\) Of. Narada., XI. 42.
\(^4\) Yaj., II. 113.
could not be affected by the action of the State, except when there was a failure to pay the land-tax. People could freely gift away, mortgage or sell their lands; the State could not interfere with it except for the non-payment of the land-tax. What is claimed from the average cultivator was thus not a land rent but a land-tax.

It would thus appear that while there were divergent views regarding the ownership of land, taxation was a general rule in all types of governments, whether monarchical or otherwise. Taxation was justified by legists as something necessary in return for the services rendered by the rulers to their subjects. These services were of different kinds; the ruler was expected to guarantee, protection to the people engaged in husbandry or craftsmanship, further, he was to be considerate and even extend free financial and other aids in times of distress.

We will now proceed with our survey of taxation. Trade and industry had to bear their own burden like agriculture. Traders had to pay octroi duties levied on

5. Ibid.
most of the articles imported into the town or village at varying rates, as the State had to spend a considerable amount on the up-keep and protection of the roads on which the merchandise was carried. They had to be paid in cash or kind according to the local usage. The Smritis suggest that the payment was usually in kind.

Customs duties varied according to the commodities involved differing from province to province and age to age according to the needs and policy of the different governments. The Arthasastra recommends that articles intended for religious ceremonies and Samskaras, should be exempted from octroi duties. Along with customs duty, a ferry tax had to be paid for passengers, goods, cattle and carts. As a general rule it must have been a small impost. Apart from customs duties and ferry tax, some States used to test and stamp weights and measures and charge a small fee for the same.

1. स्वतपन्न वारिपयव वाणिज्यः ||
   A.S., II. 6.
   मगसिंहस्कारकार्याय मागिश्यः फलं हरेत् ||
   Sukra., IV. 240.

2. A.S., II. 22; Manu., VII. 131-32.


5. Ibid., II. 28, 6.

6. Ibid., II. 19.
We will now consider the taxes payable by industry. In the *Arthasastra* there are vague references to varying rates of taxes on industrial products. As far as petty artisans like smiths and carpenters were concerned, it appears that they were usually required to work one or two days a month for the State. The Central government thus received a labour-tax from artisans and there is a possibility that it might have transferred the right to receive labour-tax to the local bodies which could utilize it for their schemes of public utility works.

Trade in wine was under strict State control. It was manufactured partly in State distilleries and partly by private agencies; the wine prepared by the latter had to pay an excise duty of five percent according to the *Arthasastra*. All mines were regarded as State property. Some of them were worked by the government but others were often leased out as well. When such was the case, the lessee had to pay a fairly heavy excise duty. Excise duty was levied on salt too. Salt deposits could be worked only by the State or its licencees.

1. A.S., V. 2.
Cattle-breeding was an important trade and had to bear its own share of taxation. Manu recommends taxation on the corpus of the herd, while Sukra imposes it on the increase in the herd effected during the year. The Arthasastra lays down the rate from one-sixth to one-tenth. Breeders of fast-multiplying birds and animals like hens and pigs had to surrender half of their stock to the State. Since these animals did not need much care and multiplied easily, the State was deemed justified in levying taxes on hen-hatcheries and pig-sties.

Corvee (Vishti) was fairly common in ancient times. Poor people could afford to pay a tax neither in cash nor in kind, but it was felt that they also should pay something to the State in return for the protection they got from it. This they could do most conveniently by offering free service to the State; so they were required to work for the State free for one or two days during the month. The State was to feed them during this period.

1. Manu., VII. 130.
4. Ibid., II. 23, 7; G.D.S., II. 1.31; Manu., VII. 138;
5. G.D.S., II. 1.35.
Apart from the usual taxation, the State was naturally empowered to levy extra cesses to meet unforeseen calamities, or to finance costly works of public utility, or to carry out plans of ambitious expansion. The *Mahabharata* is reluctant to sanction extra taxation even on such occasions, but it admits that there is often no alternative to it. It however, urges the State to send out special messengers to the people to explain the gravity of the situation and to win their willing assent to the new taxation proposals.\(^1\) The *Arthasāstra* describes these extra contributions as benevolences or *Pranaya* and lays down varying rates for agriculturists and merchants.\(^2\) Rudradaman proudly states in his Junagarh Inscription that he carried out the huge project of the Sudarsana Lake without troubling the people for corvée or benevolences.\(^3\) It is clear from this that extra levies were normal when such huge works were undertaken.

We will now proceed to consider the items of State revenue other than taxation. The important ones among these were the income from State-properties and State-industries,

---

tributes from vassals, fines, heirless or ownerless property, natural tanks and reservoirs.¹

As shown already, the ownership in arable lands was vested in private owners in historic times,² but their lands would often lapse to the State on account of the absence of heirs, non-payment of State taxes or commission of heinous crimes involving forfeiture of property. To supervise over the administrative arrangements of the crown-lands was the work of a special officer called the Sitadhyaksha³ in the Arthasastra and his duty was to cultivate them either directly through labourers or indirectly through tenants by leasing them out; what his designation was in latter years we do not know.

Waste-lands, being under nobody's occupation were naturally regarded as State property. Steps were taken to induce enterprising persons to bring them under cultivation,⁴ by granting them certain incentives discussed earlier.

In almost all times, the ancient Indian State claimed ownership in mines and their products.⁵ Mines always

---

2. A.S., II. 23.
3. Ibid., II. 24.
4. Ibid., II. 1, 16; Cf. Sukra., IV. 232-233.
5. A.S., II. 12; Manu., VIII. 39.
included salt-deposits and sometimes stone-quarries as well. ¹

The State claimed ownership in treasure-troves also,² either because it claimed to be the heir to heirless property³ or because it regarded them as similar to mineral yields, both being recovered from the bowels of the earth.

Forests were an important item of State property.⁴ The Superintendent in charge of forests was styled as Kupyadhyaksha in the Arthasastra and Aranyakyaaksha in the Smritis,⁵ and it was his duty to develop the forest resources of the State. The forests were preserved for breeding elephants for the army, for the King's game and for fuel and timber.⁶

The State in ancient India used to organize several industrial concerns. It used to have a Weaving Department to produce cloth. It had its own distilleries for manufacturing wines.⁷ It used to have its own slaughter-

¹ Altekar, A.S., S.G.A.I., p. 286.
² Manu., VIII. 39.
³ A.S., II. 16.
⁴ Ibid., II. 17.
⁶ A.S., II. 17.
⁷ Ibid., II. 23, 26.
houses and used to rear herds of sheep, buffaloes, goats, cows and elephants. It would often mint money for private individuals after charging a small fee. It would often engage or license goldsmiths to manufacture ornaments for the public. It would hire its boats for transporting the merchandise of private individuals. It would license and control gambling and prostitution. All these activities brought considerable income to the State treasury.

Tributes formed a considerable source of income in the budget of imperial States. Its amount, however, was uncertain; it could be regularly received only as long as the feudatory Kings were too weak to refuse it and the imperial army strong enough to enforce its payment. The State thus derived a considerable income, both in cash and kind from vassal chiefs and conquered rulers. These chiefs presented gold, silver, precious stones, costly clothes, elephants, horses and the like.

Fines were naturally one of the items of the State’s income.

2. Ibid., II. 14; Cf. II. 12.
3. Ibid.
4. Ibid., II. 27.
5. Ibid., II. 15.
6. Ibid., II. 17.
income.

It can be suggested that petty fines for small offences tried by Village courts were assigned to the Village-headman or community while in the case of crimes tried in the State-courts, the fines may have gone to the Central treasury.

Ownerless and heirless property was naturally claimed by the State. All lost property went to the royal exchequer.

Literature suggests that royal treasuries were generally full of precious metals and stones, and so were their granaries along with the royal cattle wealth. There are numerous references to bestowing of wealth in the form of cattle, gold and cloth, on learned men, scholars, philosophers and the like, by the Kings.

The epigraphs detail a large number of taxes which do not find mention or sanction in the religious texts. All this makes it clear that, with the passage of time, the rulers began to levy taxes regardless of the injunctions prescribed in the Smritis. This could be due to several

1. A.S., II. 18.
2. Ibid., II. 15.
factors. In the first place, the Smriti writers could at best be only theorists and form generalizations on the basis of current practices. They could even be biased and prone to side with the ruler. On the other hand, the ruler whether a King or a republican head, had to take the practical aspects of administration into consideration and levy taxes accordingly. Kautilya has made it abundantly clear that a good ruler was the best judge of the amount of taxes to be realized from his people.\footnote{1} As such, Kings seldom adhered to the prescribed texts. They were also supposed to invest a large part of their State income in beneficial schemes meant for their subjects. They had to maintain a large army, a sizable bureaucracy, perform charity and donations, maintain reserve funds, engage themselves in wars, fight famines, floods and other natural calamities and maintain themselves in royal splendour.\footnote{2} All this was not possible if the ruler conformed strictly to the Smriti rules. Literature reveals that the smaller a Kingdom, the greater was the percentage of the State revenues spent on the King, his court and his retinue, while the percentage of the revenue spent on the works of public utility was small.\footnote{3}

\begin{itemize}
\item[1.] A.S., I. 11.
\item[2.] Sukra., 316-7; Altekar, A.S., S.G.A.I., p. 288.
\item[3.] Ibid.
\end{itemize}
Gradually, the authority of the King increased, with regard to levying taxes on various pretexts. The Mauryas are accused by Patanjali of levying a number of taxes which had not been levied by earlier Kings or were hitherto, unknown. But it does not seem that taxation in ancient India, during the period under review, was excessive, barring stray incidents. One of the reasons stated for the downfall of the Nandas was their oppressive and excessive taxation policy. But this may be an exception, for there is hardly any reference to a popular uprising in Kashmir, owing to the harshness of taxes.

It is indeed noteworthy that though taxes in some cases amounted to one-third of the produce of the land yet, it was not regarded as excessive. There may be an explanation for this. Land was fertile, and it yielded enough in proportion to the labour invested by the cultivators. Then again, normally taxes ranged from one-fourth to one-sixth of the produce and it was only such cultivators who received extra facilities from the State who had to pay more taxes. Thus, on the whole, taxes were liberal and people were generally satisfied. A change in the dynasty, did not matter to them, leaving them indifferent to the political upheavals which mark the history of ancient India.

2. P.H.A.I., p. 268.