

CHAPTER VIII.
THE GRANT OF THE DIWANI OF BENGAL, BIHAR AND
ORISSA, 1765.

“ I observed to him [Lord Chatham] that it was necessary for him to determine whether it was an object for the Company or the State ; for I was persuaded, if the State neglected it, the Company, in process of time, would secure it for their greater quiet and safety, exclusive of gain.” Walsh to Clive, 26th November, 1759.

Lord Clive arrived in Calcutta, on his second period as Governor, on the 3rd of May 1765, but in the past half year, the Calcutta Government, under Spencer's brief regime, had done much to increase the Company's power. Feeling that he was possessed of a mandate “to cleanse the Augean stable” Clive, but for an unfailing belief in his own personal power, might well have been dismayed by the thought he was about to pit himself against a Council which could credit itself with the completion of a difficult war, the increase of the Company's territory, and an improved treaty with the Subahdar of Bengal. A farman from the Emperor, dated December 29, 1764, had assigned to the Company “the country of Ghazipoor and the rest of the Zemindari of the Rajah Bulwant Singh, belonging to the Nizamut of the Nabob Shujah-ul-Dowla ; other regulation and government thereof we have given to their disposal, in the same manner as it was in the Nabob Shujah-ul-Dowla's. The aforesaid Rajah having settled terms with the chief of the English Company, is, according thereto, to pay the revenues to the Company.”

In February, 1765,¹ moreover, the old Nawab Mir Jafar had died, and his son, Najm-u-daulah on February 20th entered into a treaty by which he signed away one of the most important elements of sovereignty.

“IV. I do confirm to the Company, as a fixed resource for defraying the ordinary expenses of their troops, the Chucklahs of Burdwan, Midnapoor and Chittagong in as full a manner as heretofore ceded by my father. The sum of five lacks of sicca rupees per month for their maintenance, was further agreed to be paid by my father and I agree to pay the same out of my treasury, whilst the exigency for keeping up so large an army continues. When the Company's occasions

¹ Mill says (*History of British India*, vol. iii, p. 250) that Mir Jafar, “after languishing several weeks at Calcutta, returned to Moorshedabad, loaded with disease, and died in January 1765.” Mir Jafar seems to have returned to his capital on December 19, 1764, and on December 20 he ordered Nanda Kumar “to manage the business of the country and revenues.” Mir Jafar died on February 6, 1765. Imperial Record Department: *Calendar of Persian Correspondence*, vol. I, p. 377. During the administration Vansittart, Nanda Kumar's treacherous and criminal character had been exposed.

will admit a diminution of the expenses they are put to, on account of their troops, the Governor and Council will then relieve me from such a proportion of this assignment as the increased expenses incurred by keeping up the whole force necessary for the defence of the provinces will admit of : and, as I esteem the Company's troops entirely equal thereto and as my own, I will only maintain such as are immediately necessary for the dignity of my person and government, and the business of my collections throughout the provinces."

The second article bestowed on Muhammad Riza Khan the office of Naib Subah, in which was vested the management of the Subahdari, and of this trust he was not to be dispossessed without the consent of the Company.

So affairs stood on Clive's arrival in May. Having set in motion his principal machinery of reform—the Select Committee,¹ Clive started up-country on June 25. He had already, on the occasion of a visit from the Nawab, turned a willing ear to the tale of how the Naib Soubah had depleted the treasury of Murshidabad by payment of presents to the English who had come thither as a deputation on the occasion of the Nawab's accession. Clive's present business at the capital, however, was not to listen to complaints, but to prepare for the virtual cession of the whole civil authority of the Nawab to the English Company.

"Regulating the country government was the next object of our attention. We found the Nabob highly dissatisfied² with those plenary powers vested in Mahomed Reza Cawn, who by virtue of the treaty acted in quality of prime minister and enjoyed uncontrolled authority. This unlimited sway, lodged in the hands of a single person, appeared dangerous to the present establishment, which we thought it becoming to maintain, as having been formally ratified by the Governor and Council. To amend the very obvious defects in the treaty without reversing the principles on which it was founded, was consistent with equity, whilst it met with the Nabob's own approbation,³ and the most effective means of doing this seemed to us to consist in an equal partition of ministerial influence. As Mahomed Reza Cawn's short administration was irreproachable, we determined to constitute him in a share of the authority, at the same time that we associated with him men of weight and character ; so that each became a check

¹ This Committee, which had been given extraordinary powers during a crisis Clive turned into a permanent organ of government. *Vide Mill: History of British India*, vol. iii, p. 275: (5th edition) 1858.

² In the margin of the copy of Verelst's *View* in the possession of the present writer Archibald Swinton, who played no small part in the events of this period, writes against the above passage : "No doubt he (the Nawab) was ; but he had far greater reason to be dissatisfied with his situation afterwards"

³ Swinton asks : "Who gave away the Nabob's treasures, in the Nabob's name against his will, for the appointment of himself to plenary power, diametrically opposite to the Nabob's inclinations ?"

upon the other. Accordingly we fixed on Juggut Seat [Seth] and Roydullub [Rai Durlabh], for the reasons assigned in the Proceedings: and we now have pleasure to acquaint you that the business of the Government goes on with unanimity, vigour and dispatch."¹

Ten years earlier, the idea of "regulating the country government" would have seemed to the Company's servants the dream of a madman. Lord Clive was now to regulate the affairs of the Mughal himself. The Company in England had expressed its disapproval of the recent acquisition of new territory, and therefore in the treaty between the Nawabs of Oudh and Bengal on the one hand and the English Company on the other, dated August 16, 1765, it was agreed:

4. The King (Shah Aalum) shall remain in full possession of Korah, and such part of the province of Illah-abad as he now possesses, which are ceded to His Majesty as a royal demesne for the support of his dignity and expenses.
5. His Highness (*i.e.*, the Nawab of Oudh) Shuja-ud-Daula, engages in a most solemn manner to continue Bulwant Singh in the Zemindaries of Benares and Ghazepore, and all those districts he possessed at the time he came over to the late Nabob Jaffir Ally Khan and the English, on the condition of his paying the same revenue as heretofore.
6. It being firmly resolved to restore to His Highness the country of Benares and the other districts now rented by Bulwant Singh, notwithstanding the grant of the same from the King to the English Company; it is, therefore, agreed that they shall be ceded to His Highness in the manner following:—*viz.*, they shall remain in the hands of the English Company with their revenues, till the expiration of the agreement between Bulwant Singh and the Company, being on the 27th November next; after which His Highness shall enter into possession, the Fort of Chunar excepted, which is not to be evacuated, until the 6th article of this treaty be fully complied with.
7. His Highness shall allow the English Company to carry on a trade, duty-free, through his dominions."²

By articles of Agreement, dated August 19, 1765, it was arranged that the Nawab of Bengal, Najm-u-daulah, should pay to the Mughal

¹ Clive and the Select Committee to the Court, September 30, 1765. Hastings (Consultations, 11th July, 1772,) thus defines the office of "Naib Subah" or "Naib Nizam": "According to its original constitution, (it) comprehends the superintendency of his (the Nawab's) education, the management of his household, the regulation of his expenses, the representation of his person, the chief administration of justice, the issuing of all orders and the direction of all measures which respect the government and police of the provinces, the conduct of all public negotiations, and execution of treasuries, in a word, every branch of executive government."

² Aitchison: *Treaties etc.*, vol. i, pp. 89-91.

Emperor the sum of twenty-six lakhs of rupees per annum, in regular monthly payments of Rupees 2,16,666-10-9, the first payment to be made on September 1, 1765.¹ As the English Company were to be security for the payment of this sum, the Emperor Shah Alam, on August 12, had already made over to the Company,² "the dewanee of the provinces of Bengal, Behar and Orissa, from the beginning of the Fussal Rubby of the Bengal Year 1172 as a free gift and ultungan [*altamgha*] without the association of any other person, and with an exemption from the payment of the customs of the Dewanee, which used to be paid to the court."

This grant of the Diwani necessitated a new agreement between the Nawab Najm-u-daulah. On September 30, the Nawab agreed to accept the annual sum of sicca rupees 5,386,131-9-0 as "an adequate allowance for the support of the Nizamut."³ Of this sum, Rupees 36,07,277-8-0 was to be expended on the maintenance of troops for "the support of my dignity only," and this expenditure was to be controlled, not by the Nawab himself, but by an official named in the treaty.

Lord Clive's estimate of the importance of the new acquisition is set forth in the following passage of the General Letter from Bengal to the Court of Directors, 30th September, 1765 :

"22. The perpetual struggles for superiority between the Nabobs and your Agents, together with the recent proofs before us of notorious and avowed corruption, have rendered us unanimously of opinion, after the most mature deliberation that no other method can be suggested of laying an axe to the root of all these evils than that of obtaining the dewanee of Bengal, Bihar and Orissa for the Company. By establishing the power of the great Mogul, we have likewise established his rights ; and his Majesty, from principles of gratitude, of equity and of policy, has thought proper to bestow this employment on the Company, the nature of which is the collecting of all the revenues, and defraying all the expenses of the army, and allowing a sufficient fund for the support of the Nizamut, to remit the remainder to Delhi, and wherever the King shall reside or direct. But as the King has been graciously pleased to bestow on the Company forever such surplus as shall arise from the revenues, upon certain stipulations and agreements expressed in the sunnud, we have settled with the Nabob with his own free consent that the sum of 53 lacs shall be annually paid to him for the support of his dignity and all contingent expenses, exclusive of the charge of maintaining an army, which is to be defrayed out of the revenues ceded to the Company by this royal grant of

¹ Op. cit., vol. i, p. 229.

² Op. cit., p. 227.

³ Some misleading conclusions have been formed by writers who ignore the fact that this sum does not represent the Nawab's gross personal income, but what was allowed out of the revenues for "the support of the Nizamut."

INTRODUCTION.

dewanny ;¹ and indeed the Nabob has abundant reason to be well satisfied with the conditions of this agreement,² whereby a fund is secured to him, without trouble or danger, adequate to all the purposes of such grandeur and happiness as a man of his sentiments has any conception of enjoying ; more would serve only to disturb his quiet, endanger his government, and sap the foundation of that solid structure of power and wealth, which, at length, is happily reared and completed by the Company, after a vast expense of blood and treasure.

" 23. By this acquisition of the Dewanny, your possessions and influence are rendered paramount and secure, since no future Nabob will either have the power, or riches sufficient, to attempt your over-throw, by means either of force or corruption. All revolutions must henceforward be at an end, as there will be no fund for secret services, for donations, or for restitutions. The Nabob cannot answer the expectations of the venal and mercenary, nor will the Company comply with demands, injurious to themselves, out of their own revenues. The experience of years has convinced us that a division of power is impossible without generating discontent, and hazarding the whole ; all must belong either to the Company or the Nabob. We leave you to judge which alternative is the most desirable and the most expedient in the present circumstances of affairs. As to ourselves, we know of no other system we could adopt, that would less affect the Nabob's dignity, and at the same time secure the Company against the fatal effects of future revolutions, than this of the Dewanny. The power is now lodged where it can only be lodged with safety to us, so that we may pronounce with some degree of confidence that the worst which will happen in the future to the Company will proceed from temporary ravages only, which can never become so general as to prevent your revenues from yielding a sufficient fund to defray your civil and military charges, and furnish your investments."

It is necessary to pause at this stage, in order to show that the momentous transfer of the office of Diwan from the Nawab to the Company was no original idea of Lord Clive.

In the General Letter to the Court, of December 31, 1758, the President and Council write (para. 9) :

"The success in Bengal has acquired us so great a reputation at the Court of Delhi, that the Vazier has several times addressed himself to the President to use his interest with the Subah to

¹ Contrast this statement with the terms of the Agreement with Najm-u-daulah.

² Swinton comments : "By this is to be understood that he would rather have this sum than less ; and, in short, that he consented to be called Nabob on these terms rather than not be Nabob at all. The next section gives a more just statement of the case, acknowledging that a division of power is impossible without generating discontent and hazarding the whole, and that all must belong to the Company or the Nabob."

comply with the Royal mandate in paying the revenue due to the Mogul from his Subahship ; and you will observe in the book of correspondence by letters from Setaub Roy the Vazier's agent, that the Court is extremely desirous of appointing the President the Collector of this revenue, amounting to 50 laack of rupees annually. The person invested with this employ, who is stiled the King's Duan, is the second man of rank in the kingdom ; such a dignity annexed to your Presidency would give extraordinary weight to the Company in the Empire, which nothing could be able to remove ; however, though repeated proposals have been made to the President, yet, at this critical conjunction, he has been under the necessity of evading them, and managing his answers in such a manner as to protract time in the expectation of a more favourable opportunity. The accepting this employ might occasion jealousy on the part of the Subah, and we are unwilling to cause him any dissatisfaction at a time when our small force is engaged another way, especially as you, Gentlemen, give us so little hopes for reinforcement from home."

The suggestion that the English should become Diwan thus originated in 1758 with the Mughal, and, as will be seen, it was pressed on the English again in 1761 and 1763. Lord Clive, however, had reasons for hesitancy over and above those explained in the foregoing extract. He had been, in fact, on the point of proposing to Pitt that the Diwani should be accepted in the name, not of the Company, but of the English Nation. On the 7th January, 1759, he wrote to Pitt :

"So small a body as two thousand Europeans will secure us against any apprehensions from either one or the other (Mir Jafar or Mir Miran) : and that in case of their daring to be troublesome, enable the Company to take the sovereignty upon themselves.¹ There will be the less difficulty in bringing about such an event, as the natives themselves have no attachment whatever to particular princes ; and as, under the present Government, they have no security for their lives or properties, they would rejoice in so happy an exchange as that of a mild for a despotic Government ; and there is little room to doubt our easily obtaining the Moghul's sunnud in confirmation thereof, provided we agreed to pay him the stipulated allotment out of the revenues, *viz.*, fifty lacs annually. This has of late years been very ill-paid, owing to the distractions in the heart of the Moghul Empire, which have disabled that court from attending to their concerns in the distant provinces ; and the Vizier has actually wrote to me, desiring I would engage the Nabob to make the payments agreeable to the former usage ; nay, further, application has been made to me from the Court of Delhi, to take charge of collecting this payment the person entrusted with which is

¹ These assertions it is interesting to compare with Col. James Mill's "Scheme for an Expedition under the Imperial [*i. e.*, the Austrian] Emperor for detroning the Nabob of Bengal," drawn up in 1746. Bolts: *Considerations*, vol. iii, p. 16 *et seq.*

styled the King's Dewan, and is the next person both in dignity and power to the Soubah. But this high office I have been obliged to decline for the present, as I am unwilling to occasion any jealousy on the part of the Soubah; especially as I see no likelihood of the Company's providing us with a sufficient force to support properly so considerable an employ, and which would open a way for securing the Soubahship to ourselves. That this would be agreeable to the Moghul can hardly be questioned, as it would be so much to his interest to have these countries under the dominion of a nation famed for their good faith, rather than in the hands of people who, a long experience has convinced him, never will pay him his proportion of the revenues, unless awed into it by the fear of the Imperial army marching to force them into it.

"But so large a sovereignty may possibly be an object too extensive for a mercantile Company; and it is to be feared they are not of themselves able, without the nation's assistance to maintain so wide a dominion; I have therefore presumed, Sir, to represent this matter to you, and submit it to your consideration, whether the execution of a design, that may hereafter be still carried to greater lengths, be worthy of the Government's taking it into hand. I flatter myself I have made it pretty clear to you, that there will be little or no difficulty in obtaining absolute possession of these rich kingdoms and that with the Moghul's own consent, on condition of paying him less than a fifth of the revenues thereof. Now I leave you to judge whether an income of upwards of two millions sterling, with the possession of these provinces abounding in the most valuable productions of nature and art, be an object deserving of public attention; and whether it be worth the nation's while to take the proper measures to secure such an acquisition—which, under the management of so able and disinterested a minister, would prove a source of immense wealth to the kingdom, and might in time be appropriated in part as a fund towards diminishing the present heavy load of debt under which we at present labour."¹

¹ *The Life of Robert Clive, collected from the Family Papers communicated by the Earl of Powis.* By Major-General Sir John Malcolm, G. C. B., F. R. G. S., London, 1836, vol. ii., p. 121 *et seq.* Walsh, a relation of Clive's, by whom this letter was submitted gives an account of his interview with Pitt, in a letter dated 26th November, 1759. Pitt regarded the proposal as "very practicable," but of a "very nice nature." "He mentioned the Company's charter not expiring these twenty years; that upon none of the late transactions it had been enquired into whether the Company's conquests and acquisitions belonged to them or the Crown, and the judges seemed to think to the Company: he said the Company were not proper to have it, nor the Crown, for such a revenue would endanger our liberties, and that you have shown your good sense by the application of it to the public. He said the difficulty of effecting the affair was not great under such a genius as Colonel Clive; but the sustaining it was the point, it was not probable he would be succeeded by persons equal to the task." "I observed to him that it was necessary for him to determine whether it was an object for the Company or the State, for I was persuaded that, if the State neglected it, the Company, in process of time, would secure it, that they would even find themselves under a necessity to do it for their greater quiet and safety, exclusive of gain. He seemed to weigh that: but, as far as I could judge by what passed then, it will be left to the Company to do what they please."

In 1761, the Emperor Shah Alam, on his way to Delhi, offered to Major Carnac, who was "in attendance on the stirrup," a confirmation of all existing privileges enjoyed by the Company and the grant of the Diwani, provided that the Company would guarantee the remission to Delhi of the Emperor's share of the revenues.¹ At that time, however, the strain between the English civil and military authorities had reached its highest tension, and Governor Vansittart, who had characterised Carnac's conduct as "unbecoming and arrogant" was not prepared to accept a boon coming through such a channel. On the 9th March, 1763, the Court expressed its approval: "Your refusal of the Dewanee offered by the King" wrote the Directors, "was certainly very right, and we are well satisfied with the just and prudent reasons you give for declining that office." It may be mentioned that on March 11, 1762, in a letter of protest against Vansittart's act in substituting Mir Kasim for Mir Jafar as Nawab, Coote, Amyatt, Carnac, Ellis, Batson and Verelst, had urged the Court of Directors either to accept the offer Shah Alam had made of the Diwani, or to sanction an expedition to Delhi in order to subdue the rebels to the Emperor's authority. Holwell's comment on the first offer of the Diwani is as follows: "With regard to the offer of the Dewanee, the objections against it were strong and unanswerable, unless we could have been invested with the Soubadaary as well."

The letter in which the Court of Directors acknowledged the gift of the Diwani breathes their usual *sancta simplicitas*. They—on May 17, 1766—approve of the acquisition as terminating a state of things in which the Company was gradually sinking to decline, while their servants in Bengal were "laying hands upon everything they did not deem the Company's property"; but they admitted that they were alarmed by the contemplation of added responsibilities. They write:

"We observe the account you give of the office and power of the King's Dewan, which in former times was 'the collecting of all the revenues, and after the defraying the expenses of the army, and allowing a sufficient fund for the support of the Nizamut, to remit the remainder to Delhi.' This description of it is not the office we wish to execute. The experience we already have had in the province of Burdwan convinces us how unfit an Englishman is to conduct the collection of the revenues, and follow the subtle native through all his arts to conceal the real value of his country, and to perplex and elude the payments. We, therefore, entirely approve of your preserving the ancient form of government, in upholding the dignity of the Soubah.

"14. We conceive the office of Dewan should be exercised only in superintending the collections and disposal of the revenues; which, though vested in the Company, should be

¹ *Calendar of Persian Correspondence*, vol. 1, Nos. 1291-92. Auber: *Rise and Progress*, vol. 1, pp. 82-83. Holwell: *India Tracts*, p. 92.

officially executed at the Durbar, under the control of the Governor and the Select Committee. The ordinary bounds of which control should extend to nothing beyond the superintending the collection of the revenues, and the receiving the money from the Nabob's treasury to that of the Dewanny or the Company; and this we conceive to be neither difficult nor complicated; for that at the annual *Poonah* (punia) the Government settles with each Zemindar his monthly payments for the ensuing year: So the monthly payments of each Zemindar, which must be strictly kept up, and if deficient, the Company must trace what peculiar province, Rajah or Zemindar has fallen short of his monthly payments, or, if it is necessary to extend the power farther, let the annual *Poonah*, by which we mean the time when every landholder makes his agreement for the ensuing year, be made with the consent of the Dewan or Company. The administration of justice, the appointment of officers, zemindarrees, in short, whatever comes under the denomination of civil administration, we understand to remain in the hands of the Nabob or his ministers."

The Court of Directors imagined that all it behoved their servants to do was to lie beneath the tree and let the ripe fruit tumble into their open mouths. They would take the produce of the people's labour, and, in return, offer the people no protection against injustice and oppression. Fortunately for our national honour the Court was asking for what was impossible. The English were soon to learn that if they were to accept the revenues, they must undertake the care of the country.

It has been observed by James Mill that the dual system of government which the accession of the English to the Diwani for a time established was the "favorite policy of Clive, to whose mind a certain degree of crooked artifice seems to have presented itself pretty congenially in the light of profound and skilful politics."¹ The dual system presented itself in a different way to Clive on the one hand and Verelst on the other. While Verelst honestly believed that the ancient institutions could be revived and made to do good work, Clive regarded the Nawab's authority as a "name and a shadow," and when he spoke of "throwing off the mask" (i.e. declaring the Company Subah of the provinces), he, in as many words, admitted that his system was one of artifice. So far as the Nawab's power and wealth was concerned, he was aware that the English had, so to speak, sucked the orange dry, but he imaginad that the skin and the pulp left behind on the table, would serve to delude the other foreign guests in Bengal into the idea that the English had not as yet devoured everything worth eating.

That the power had in reality passed into English possession, Clive never doubted. The Select Committee, in their Consultations of 10th

¹ Mill: *History of British India*, (5th edn.), vol. iii, p. 305.

September, describe the Company as having "come into the place of the country Government by His Majesty's grant of the dewanee." In a letter, dated 16th January, 1767, the Governor and Select Committee write: "We are sensible that since the acquisition of the dewanny, the power belonging to the Soubah of these provinces is totally and in fact vested in the East India Company. Nothing remains to him but the name and shadow of authority." Under the system which Clive established the English were to do the work, but the Nawab's shadow was to cover it all, so that all that the English did was in outward seeming to emanate from the Nawab himself.

"This name, this shadow, it is indispensably necessary we should seem to venerate. Under the sanction of the Soubah, every encroachment that may be attempted by foreign powers can effectually be crushed, without any apparent interposition of our own authority;¹ and all real grievances complained of by them can, through the same channel be examined into and redressed. Be it, therefore, always remembered that there is a Soubah; and that, though the revenues belong to the Company, the territorial jurisdiction must still rest in the chiefs of the country, acting under him and this Residency in conjunction. To appoint the Company's servants to the office of Collectors, or indeed to do any act by any exertion of the English power, which can easily be done by the Nabob at our instance, would be throwing off the mask, would be declaring the Company Soubah of the provinces. Foreign nations would immediately take umbrage: and complaint preferred to the British Court might be attended with very embarrassing consequences. Nor can it be supposed that either the French, Dutch or Danes, would readily acknowledge the Company's Subahship, and pay into the hands of their (*i. e.*, the English) servants the duties upon trade, or the quit-rents of these districts which they have long been possessed of by virtue of the royal phirmauns, or grants from former Nabobs."

The acquisition of the Diwani, it must be observed, had no immediate effect on the condition of British administration in the ceded lands (*i. e.*, Chittagong, Midnapur and Burdwan). The executive organised at Murshidabad for the collection of the revenues in what was now known as the "Diwani portion" had no jurisdiction in the three districts of Chittagong, Burdwan and Midnapur, for the possession of which the Emperor Shah Alam had granted a separate *farman*, confirming thereby the past acts of Mir Kasim and Mir Jafar. The districts which made up the Diwani portion are enumerated by James Grant as follows:²

¹ And yet the Nawab now had no effective army of his own.

² Grant: *Analysis of the Finances of Bengal*. Included in the *Fifth Report from the Select Committee on the Affairs of the East India Company, 1812*, p. 336. It must be observed that No. 17 "Mahomedameenpore," as described by Grant, p. 391, is a partition of the old *sarkars* of Satgaon and Salimabad.

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| <ol style="list-style-type: none"> 1. Rajeshay [Rajshahi]. 2. Dinagepoore [Dinajpur]. 3. Bheerbhoom [Birbhoom]. 4. Purneah. 5. Rungpore [Rangpur]. 6. Dacca. 7. Nuddeah [Nadia]. 8. Hidjeelee [Hijili]. 9. Rajemahal. 10. Sylhet. 11. Jessore. 12. Mahmoodshay [Mahmudshahi]. 13. Lushkerpoor [Laskkarpur]. | <ol style="list-style-type: none"> 14. Rokinpore [Rokanpur]. 15. Edrackpore [Idrakpur]. 16. Futtehsing. 17. Mahomedameenpore. 18. Silberis [Salburi]. 19. Chunakly. 20. Bishenpore [Bishnupur]. 21. Pachite [Pachet]. 22. Tipperah 23. Ichangurpore [Jahangirpore] elsewhere Grant writes "Jehangeerpoor." 24. Zemindary Khurdeah. |
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It has been noticed that Lord Clive had appointed at Murshidabad a Council of Control for the administration of the affairs of the Nawab. Muhammad Riza Khan, who had been appointed Naib Subahdar by the agreement of 1764, was entrusted by the English with the office of Diwan to the Company. This individual, to whom the Company allowed a prince's income of nine lakhs per annum,¹ has been credited by Grant with "honour, sagacity, moderation, *locally understood*," and is described by the same authority as "the great defaulter."² Jagat Set (Seth), the head of the great Jain firm of Shroffs or bankers, was according to Grant "solely interested in the benefit of money dealings, which were great in proportion to the gross receipts of cash from the country."

The Native officers, however, were not suffered to do their work unchecked by the supervision of a resident British official. There had previously been Residents at the Durbar³ but, after the acquisition of the Diwani, such importance was added to the post that it practically became a new one, and was assigned to one of the most senior of the Company's servants. The duties of this officer were: ⁴

¹ *Fourth Report of the Committee of Secrecy, 1773*, p. 8. Roy Durlabh was allowed 2 lakhs per annum, and Shitab Roy at Patna Rs. 99,996. The latter was also granted a monthly allowance of Rs. 25,000 by Lord Clive and the Select Committee. In 1771 the Court of Directors ordered Muhammad Riza Khan's salary to be reduced to five lakhs per annum.

² *Analysis* [5th Report, p. 250]. Grant's opinion is that Muhammad Riza Khan, who, he says, had confessed to having in two years incurred a balance of 2 krores of rupees of the Bengal revenues, was a wholesale plunderer. Grant also holds 'that the actual system of revenue in Bengal was from the beginning (1765) taken upon mistaken grounds. It is a baseless fabric reared in ignorance, corruption, chicanery of the natives, intended to conceal from superficial popular view or perhaps ultimately to destroy the symmetry, convenience and simplicity of the outward structure.'

³ Luke Scrafton held this office after Plassey, and was succeeded in it by Warren Hastings; the office is recognised by the Treaty with Mir Jafar, 10th July, 1763, Article VII.

⁴ *Vide Verelst's View, etc.*, Appendix, p. 136-37.

GRANT OF THE DIWANI OF BENGAL, BIHAR AND ORISSA, 1765. cxi

1. To "execute officially" the disposal of the revenues.
2. "To stand between the administration and the encroachments always to be apprehended from the agents of the Company's servants" and to "prevent the oppression of the natives."
3. To correspond monthly with the Select Committee through the channel of the President, and to forward copies of this correspondence with its enclosures to be sent to the Court of Directors.

At first the Resident at the Durbar¹ held also the lucrative post of Chief of Cossimbazar, but on 20th November, 1767, the Court sent the following order:

"Being convinced that the employments of Resident at the Durbar and Chief of Cassimbazar cannot from the importance and extent of the business of each department, be properly executed by one person, we, therefore, direct that they be from this time forward separated, and that some other member of Council be appointed to the said chiefship. We do not make this regulation from any failure of attention on the part of Mr. Sykes, with whose conduct we are perfectly satisfied. And in consequence of the extraordinary trouble and attention which the resident at the Durbar must necessarily have in the due execution of that important post, we direct that he be allowed four shares and a half (*i.e.*, in the commission of $2\frac{1}{2}$ per cent. on the revenue collections);² but this is to be

¹ The first to hold the newly constructed office was Francis Sykes, afterwards created a baronet. In addition to his official salary, he in two years received £35,757-18-0 as commission on the revenues, about £6,200 from the *mathaut*, or additional cesses, and close on £2,000 in complimentary donations at the time of the *punia*. He enjoyed a sumptuary allowance of £4,450 and a residence at Maidapur in the suburbs of Murshidabad. He had also been a private trader on an extensive scale. For the resident's sumptuary allowance of Rs. 1,000 per mensem, see Long: *Selections*, No. 801.

² The history of this commission is as follows: On November 20, 1767, the Court of Directors, in forbidding their servants to take part in inland trade and condemning their salt monopoly, directed that an allowance of $1\frac{1}{2}$ per cent. commission on the Diwani revenues, which had hitherto been received by the Governor, as compensation for his relinquishing his share in the salt trade, should cease on 1st September, 1767. The Court continue: "As the trade of our servants is to be confined to the articles of import and export only, in which they will be considerably affected by the great demands for extending the Company's investments and considering the great increase of business in which our principal servants are necessarily engaged, and which demand their utmost care and attention, we are come to a resolution to give them a reasonable encouragement to exert themselves with zeal and alacrity in their several departments, but which they are to look upon as a free gift from the head of their employers to them annually, so long as the present revenues shall remain with the Company, and their behaviour shall continue to merit such a reward. That you draw out an annual account of the sums received from the Dewannee, deducting thereout the stipulated payments to the King and the Nabob, and the allowance of the Nabob's ministers, also the revenue of the provinces of Burdwan, Midnapur and Chittagong, and the Calcutta pergunnahs from which are to be deducted Lord Clive's *jaghire* and the ordinary charges of collection. Upon the amount of the said nett revenues, you are hereby indulged to draw a commission of $2\frac{1}{2}$ per cent." The sum so obtained was to be divided into 100 shares, which were to be distributed as under:—

| | | | | |
|---|-----|-----|-----|-------------------|
| The Governor | ... | ... | ... | 31 shares. |
| The Second in Council | ... | ... | ... | 4 $\frac{1}{2}$ " |
| The rest of the Select Committee not having a Chiefship | ... | ... | ... | 3 $\frac{1}{2}$ " |
| " " Council | " | " | " | 1 $\frac{1}{2}$ " |
| The Resident at the Durbar | ... | ... | ... | 4 $\frac{1}{2}$ " |

INTRODUCTION.

understood to be in full, and instead of such shares as are assigned, as above mentioned, to his rank in Council, or as a member of the Select Committee."

In addition to the general supervision of revenue affairs, the Resident at the Durbar inspected the Courts of Justice at Murshidabad. The Resident and the Nawab received appeals from the district courts, caused inquiries to be made, and ultimately decided the causes so brought before them. Sykes seems even to have increased the number of courts at Murshidabad. In October, 1770, Muhammad Riza Khan in company with the Resident at the Durbar, asked for the President and Council's directions as to the administration of justice. In reply the Governor and Council gave it as their opinion that the administration of justice should be continued "on the same footing as formerly, but that the Council of Control should interfere as there should be occasion," adding that "every transaction relative to the Government should ultimately come before the Council." The Murshidabad Council of Control therefore resolved:

"That in all criminal cases throughout the province, the trial should be transmitted to them for their approbation before the sentence be executed; that all causes relative to property in land and to the revenue, shall be tried in the country Government courts; that two courts should be established by the Council of Control, consisting of all the members of Council, to revise the proceedings of the country courts, and finally to determine upon them."¹

It is, therefore, not possible to say with Lord Macaulay even in regard to the Diwani portion, that "the police, the administration of justice, the maintenance of order" were left to "the Naib Subahdar." It would, however, be too much to say with James Mill, that "the phirmaun (*farman*) of the Dewannee, which marks one of the most conspicuous eras in the history of the Company"² constituted "them masters of so great an empire, in name and in responsibility, as well as in power."

The Chiefs of Cossimbazar, Patna, Dacca and Chittagong were not to have shares. The Court reserved to itself the appropriation of the remaining shares, a reservation which the Select Committee disregarded. In the benefit of this commission, the principal military officers were also included. The whole subject is dealt with in great detail in the *4th Report of the Committee of Secrecy, 1773*. I may take this opportunity to say that I do not see how Mr. P. E. Roberts (*The Cambridge Modern History*, vol. vi, p. 566) arrives at the figures he gives as to Verelst's salary and commission. Verelst's salary, according to this letter from the Court, was £3,000 per annum, not £4,800 as stated by Mr. Roberts, and Verelst's shares in the commission must have reached to more than the £45,800, mentioned by him.

¹ Proceedings of Murshidabad Comptrolling Council, October, 1770.

² James Mill: *History of British India*, vol. viii, p. 286. On December 29, 1767, the Select Committee write to the Resident at the Durbar:

"We are sorry to observe in these regulations you have made the Honourable Company coadjutors to the Government, whereas it has ever been our intention to acknowledge the latter as principals, and content ourselves with enjoying our privileges under them, in like manner with the other European nations trading in Bengal. This we now repeat, and desire that you will be no means, in future, to make the Company appear as a principal in any measure or act of government." Bolts: *Considerations*, Appendix A., vol. iii, p. 168.

Lord Clive's metaphor of a man wearing a mask aptly characterises the situation. The Court of Directors were insisting on their servants in Bengal maintaining an attitude of non-intervention in the administration, while their servants, anxious to venerate the shadow of the Nawab's no longer extant authority, were actually ruling under the guise of superintending or giving advice. The mask was not discarded till long after the whole world knew whose was the face behind it.

The net revenues of the Diwani portion in these early years are given in the *Fourth Report of the Committee of Secrecy, 1773*.

| | 1765-1766 | 1766-7 | 1767-8 | 1768-9 | 1769-70 | 1770-1 | 1771-2 |
|-----------------|-----------|-------------|-------------|-------------|-----------|-----------|-------------|
| Murshidabad ... | £ 937,864 | £ 1,149,469 | £ 1,091,823 | £ 1,138,629 | £ 962,730 | £ 820,438 | £ 1,227,345 |
| Bihar ... | £ 150,854 | £ 6,68,180 | £ 551,110 | £ 623,084 | £ 459,246 | £ 446,175 | £ 461,461 |

It may be observed that the Select Committee, and not the Council, represented the Company's supreme authority in matters of revenue. Clive had undoubtedly carried on the activities of the Select Committee beyond the term set for its existence, but, in their General Letter to Bengal, 12th January, 1769, the Court of Directors wrote :

" 9. We have experienced such great advantage from the establishment of a Select Committee that, although the ends for which it was first instituted are happily obtained by the establishing of peace, tranquility and subordination, yet we find the nature of those important charges which now fall under the management of our servants requires that they should be conducted by a small number, and we therefore confirm the Select Committee, and their department and powers are to be as follows :—

" 10. They are to conduct everything that relates to the Country Government, either with respect to the Duannee or the Company's political interests with the neighbouring powers together with the military operations depending thereon. They are to negotiate with the Soubah and the country powers, but to conclude no treaty of Commerce or alliance without the approbation of the Council at large. They are to superintend the collection of the revenues arising from the Duannee, but without the power of disbursing them, nor do the revenues arising from the Company's other possessions fall under this jurisdiction, their general superintending power ceased with the abuses that gave rise to that power with which they were entrusted; and all other branches of the Company's affairs fall under the General Department. The members of this Committee are to stand conformable to Lord Clive's appointment, *vis* :—

| | | |
|------------------------|-----|------------------------|
| Harry Verelst ... | ... | President |
| John Cartier ... | ... | Second |
| Col. Richard Smith ... | ... | Third, but not to rise |
| Mr. Francis Sykes ... | ... | Fourth |
| Mr. Richard Becher ... | ... | Fifth. |

- " 11. We have in the foregoing paragraph directed that the military operations shall be conducted under the orders of the Select Committee but the Supreme Military power is vested in the Board at large, conformable to the usual practice. We have already in our letter of 24th December, Para, 54, expressed our sentiments on the nature of your power over the military, not only that it is supreme, but that you may delegate your authority to any civil servant you please, and that the highest officer in our army must obey that civil servant in the same manner he is bound to obey the orders of the President and Council; and, upon any doubt or disobedience, or indeed for whatever cause may appear sufficient to the majority of the Council, they may dismiss any officer, be his rank what it will, without assigning such officer any other reason but your own pleasure, reserving the justification of your conduct to us, from whom you derive authority, and to whom alone you are accountable.
- " 12. Upon the decease or coming away of Colonel Smith, no other military officer is to succeed him in the Select Committee but the Commanding Officer for the time being is to be consulted upon military affairs only, at which time he is to have a seat and voice at the Board as the 3rd in the Committee."

It will be convenient to conclude this chapter with a succinct statement of the Company's position in Bengal at the end of the year 1765.

1. The Company had acquired the right to defend by military force the three Mughal provinces of Bengal, Bihar and Orissa. Within those geographical limits there were vast districts into which the Mughal arms had never penetrated, *e.g.*, the wild western lands. Only a part of Orissa came into the English sphere, for the Marathas remained masters of Cuttack till 1803. In the East the Assam Valley remained independent, Goalpara or Rangamati representing the most advanced outpost of the Empire. Assam was not annexed by the Company till 1826, and Kachar till 1830, Cooch Behar was annexed in 1773, but subsequently became a feudatory sovereign State. By the surrender of Benares in 1765, Clive had given proof of his sense of the just extent of the English occupation. In 1762 Eyre Coote, Carnac and three members of Council (of whom Verelst was one) had prepared to march the English forces to the gates of Delhi, but Clive, referring to his bold plan,¹ wrote (September 30, 1765): " My resolution, however, was and will always be to confine our acquisitions, our conquests, our possessions, to Bengal, Behar and Orissa; to go further is in my opinion so extravagantly absurd no Governor-General, no Council, in these times can ever adopt it unless the whole system of the Company's interest be first entirely remodelled."²

¹ Holwell: *India Tracts*, p. 97.

Elphinstone: *Rise of the British Power in India*, p. 447.

2. Calcutta was held in free tenure and in the adjacent Twenty-four Pergunahs the English held the position of Zamindar.
 3. In the Ceded Districts, *i. e.*, Burdwan, Chittagong and Midnapur, they had been in the direct management of the revenues, and had directly administered every function of government, save that of criminal justice (which, however, they had supervised from 1760).
 4. For the rest of Bengal the Company was Diwan; and as the Nawab was a minor, they had appointed a Naib Subah of their own preference, and every matter of importance came before the Resident at the Durbar for decision.
 5. As Diwan the Company not only administered the land revenue, but controlled and collected customs, its commercial supremacy was now beyond all question.
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