

## Permanent Settlement Act

② Why was the permanent settlement act introduced?

⇒ Permanent Settlement was introduced by Governor-General Lord Cornwallis in 1793. It was an agreement between the British East India Company and the landlords of Bengal to fix the land revenue. It was first introduced in Bengal, Bihar, Odisha and later it was introduced in Madras and Varanasi.

The reason why the permanent settlement act was introduced is discussed below

① The Diwani Right (managing and collecting tax) was awarded to the British

East India Company. The company's officials were neither trained nor had any knowledge of local law. Thus the unsupervised landlords became corrupted.

- ⊗ The artisans were forced to sell their products at low rates and peasants were forced to pay high taxes. Thus the Bengal economy fell into deep crisis.
- ⊗ The problem of agrarian crisis and distress had resulted in lower agricultural output.
- ⊗ The farmers would leave the land and flee away for the fear of depression as there was no development of land and ~~for~~ because the land was uncultivated, the price ~~too~~ of land would go down.
- ⊗ The failed attempts of 15 year settlement and one year settlement.

To resolve these issues, the PSA was introduced.

② What were the features of the PSA?

⇒ The Permanent Settlement Act of 1793 had the following features:

- ① The Zamindars who were earlier only tax collectors became landlords under this system.
- ② Zamindars had the right to transfer or sell the property.
- ③ Zamindars were given hereditary rights for a succession of land under their ownership.
- ④ The land revenue to be collected was fixed and was ~~not~~ agreed to not increase in future.
- ⑤ It was fixed that  $\frac{10}{11}$ th of the collected land revenue was to be given to the British and  $\frac{1}{11}$ th of it was to be retained by the zamindar.

⑩ It was decided that if the zamindars failed to pay the fixed revenue amount, their properties would be confiscated by the British and sold via auction.

⑩ The PSA divided the society into two parts - landlords and tenants.

②④ Discuss the advantages and disadvantages of PSA.

⇒ PSA was an agreement between the British East India company and the landlords of Bengal to fix land revenue.

The advantages and disadvantages are written below:

Advantages:

⑩ Implementation of budget and making various plans became easy for the government.



- ⑧ Newly zamindars class turned to be devoted supporters of the company and played an important role in steadying and strengthening the British rule.
- ⑨ Zamindars devoted themselves to do welfare activities in their ~~se~~ respective areas and economic condition of the country were developed because of ~~the~~ high production from the cultivation of unused land.
- ⑩ There was a sense of security among all farmers and peasants because, the permanent settlement act made sure <sup>and the land lords</sup> that the company knew how much amount they were going to get in revenue. The farmers knew exactly how much rent they had to pay instead of being concerned about extended tax.

### Disadvantages:

- ① Previous rights of the subjects on land was abolished and no land demarcation (setting limit), and clashes over land was very common.
- ② Many big Zamindars were destroyed due to the strictness of the sunset law which forced them to pay the tax before sunset on a fixed date.
- ③ Production was declined, economic condition of villages also started to worsen because of the oppression of rent collectors.

② What was the effect of PSA on Peasants, Zamindars and the company?

⇒ The effect of PSA on peasants, zamindars and the company is discussed below -

### Impact on Peasants:

- ① The cultivators found the PSA system very oppressive.
- ② They were reduced to the mercy of zamindars.
- ③ They often took loans from money lenders to pay the tax and were in turn exploited by them.
- ④ In case they failed to pay the tax, they were evicted from the land they were cultivating in.

## Impact on Zamindars:

- ④ Since the revenue to the British was fixed, they benefited from the increased production of the land.
- ④ Their properties were confiscated by the British, in case of payment failure.
- ④ Zamindars often sublet their lands and settled in cities, which resulted in Absentee Landlordism.
- ④ The Zamindars served as ~~intermediaries~~ middleman for more political aspects of the British.

## Impacts on the company:

- ④ The PS system ensured regular income flow to the company.
- ④ It was the company's responsibility to improve the productivity of the land.
- ④ It resulted in an increased cultivation and a raise in Market Prices.