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# UNIT 19 EIGHTEENTH CENTURY

## POLITICS: II<sup>1</sup>

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## 19.0 OBJECTIVES

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The present Unit will help you understand the following:

- the effective transition of the British East India Company from a commercial enclave to a dominant politico-military power in the mid-eighteenth century;
- the role of different British policies such as the dual government, the ring fence policy and the subsidiary alliance in the struggle for British supremacy in the eighteenth-century India; and
- how the exigencies of war prioritized military development of the East India Company.

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## 19.1 INTRODUCTION

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The East India Company came into existence in 1600 and with a royal charter by Elizabeth I it was granted monopoly to trade in Asia. But, with the Glorious Revolution of 1688 and the establishment of the supremacy of the Parliament over the Crown the earlier charter granted to the company was questioned and seen as an infringement of *Magna Carta*. There were other companies which were vying for wider opportunities in trading activities in Asia. Consequently, another company called the New Company or the English East India Company (as distinct from the old company: the London East India Company) established in 1698, received a permission from the British Parliament

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<sup>1</sup>Dr. Richa Singh, Ph.D., Centre for Historical Studies, Jawaharlal Nehru University, New Delhi

to trade in Asia. However, eventually the Parliament realized that this might hinder English trade in the long run. Therefore, in 1709 the two companies were merged together. In the beginning of the eighteenth century the East India Company started to focus its activities in India, establishing its foothold at Madras, Bombay and Calcutta. In 1639 Francis Day obtained the site of Madras from the ruler of Chandragiri where the Company built Fort St. George. In 1658 the president of the fort became responsible for all settlements that the Company had in Eastern India (Bengal, Bihar and Orissa) and the Coromandel Coast. The seven islands of Bombay were granted to Charles II of England through the Marriage Treaty or the Anglo-Portuguese Treaty in 1661 as dowry. He was married to Catherine of Braganza, the daughter of John IV of Portugal. In 1668 Bombay was given to the East India Company for an annual rent of 10 pounds. Bombay replaced Surat in 1687 as the headquarters of all English settlements on the west coast of India. In 1690 Job Charnok established a factory at Sutanuti and in 1698 the Company obtained the *zamindari* of three villages viz. Sutanuti, Kalikata and Govindpur which later developed into the city of Calcutta. In 1696 the factory at Sutanuti was fortified and in 1700 it was named Fort William and Sir Charles Eyre became its first President or Governor and all settlements of the Company in Bengal, Bihar and Orissa were brought under the Bengal Presidency. The governors of these three presidencies were governing almost independently with their own small armies in order to defend the Company's factories (fortified trading posts) from other European competitors. Simultaneously, through the eighteenth century the fragmented polity of the Mughal empire promoted the rise of several regional states. The Company capitalized on the opportunities that the eighteenth-century politics offered to it. In this Unit, we will look at the attempts of the Company to outdo its European rivals, particularly the French *Compagnie des Indes* (which was formed by Jean-Baptiste Colbert in 1664 during the reign of King Louis-XIV to challenge Dutch and English dominance of the East India trade) in the Indian subcontinent and its involvement with local political powers to safeguard its commercial interests and how in this process it was transformed into a political power during the eighteenth century.

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## 19.2 ANGLO-FRENCH RIVALRY

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At first the sole concern of the European Companies in India as commercial bodies was to gain and sustain a commercial monopoly. Hence, they would clash with one another. They acquired a piece of land either by paying an annual rent as tenants to the local regional rulers or by buying land or sometimes they received land as gift. In all such cases they were under the rule of the native ruler in whose domain their factories were built. Since their commerce brought wealth to the states where they were located, therefore, they were tolerated but high taxes and transit duties were imposed on them. The East India Company abstained from entering into alliance with the local rulers or siding with any of them in their struggles with one another unlike the French. Benoit Dumas, the Governor-General of the French settlements in India maintained a friendly relationship with the *Nawab* of Carnatic: Dost Ali. It helped him to gain the permission from the Mughal emperor Muhammad Shah through the mediation of Dost Ali to coin money at Pondicherry which was a major development in the expansion of French commerce in India. On the other hand, after the English East India Company had suffered utter humiliation in the seventeenth century when Aurangzeb had virtually

destroyed it in the Anglo-Mughal War (1688-1690)<sup>2</sup> which is mentioned in a Scottish merchant Alexander Hamilton's *New Account of the East Indies*, the Company deterred from pursuing any aggressive policy since then, as it started to view it as risky. Later, the Company did purchase and fortify Fort St. David but with a purpose to escape in case Madras was attacked by a superior force. It had no intention to gain extensive territorial possession in India.

The first signs of change in this approach of the Company were visible when political warfare in Europe embroiled the European Companies in India. In 1746 a war broke out between the British East India Company and its commercial adversary, the French *Compagnie des Indes* in India which was an extension of the Anglo-French War in Europe due to the Austrian War of Succession after the death of Charles-VI in 1740 in which France allied with Prussia against Britain and Austria. Robert Montgomery Martin in *The British Colonies: Their History, Extent, Condition and Resources* writes that this war of succession was a ruse to exploit "the actual end desired by either party being the attainment of complete mastery in all points, whether as regarded political ascendancy in Europe, transatlantic dominion, trading monopolies, or maritime power". Joseph Francois Dupleix, the French Governor-General of Pondicherry, grabbed the opportunity and captured the British stronghold Madras in 1746 in response to the capturing of some French ships by the British. But, Dupleix refused to surrender it to Anwar-ud-din: the *Nawab* of Carnatic. Before capturing Madras he utilized the French Company's friendly alliance with the *nawab* and convinced him that Madras would be conceded to him after its conquest since Anwaruddin desired no confrontations between the trading companies in his territory. The refusal caused the Battle of St. Thomas (Thome), also called the Battle of Adyar, which as an important battle in the First Carnatic War in which the *nawab* was defeated. The defeat of the *Nawab* of Carnatic was crucial. Just like the invasion of Nadir Shah exposed the decaying condition of the Mughal empire to the regional states of India, the success of the French Company in the First Carnatic War helped the European Companies to discover the weakness of the native armies of the newly independent or semi-independent states against European discipline and the importance of taking a keen interest in regional politics. The Anglo-French rivalry in India can be divided into three phases, corresponding to the First (1746-48), Second (1749-54) and Third (1756-63) Carnatic Wars. In the first phase both the Companies, through the Treaty of Aix-la-Chapelle in 1748 (which ended the Austrian War of Succession), were placed in the same position as they were before the war. Madras was restored to the British in exchange for the French fortress Louisbourg in North America which was captured by British forces. The war clearly exhibited the French superiority in India.

During the second phase we observe both the Companies interloping into regional politics. After the Battle of Adyar the French influence in the Carnatic declined. This benefited the English. Therefore, the French started plotting to depose the *Nawab* with the former *Nawab* Dost Ali's son-in-law and the claimant to the Carnatic rulership Chanda Sahib. Likewise, in 1748 Nizam-ul-Mulk died and a war of succession broke out between Nasir Jang (Nizam-ul-Mulk's son and successor) and Muzaffar Jang

<sup>2</sup>The Anglo-Mughal War is also known as Child's War, named after Sir Josiah Child, the Governor of Bombay and President of Surat. He commanded the Company in the war. After the Company surrendered Aurangzeb had Child expelled from India. This was the first war fought between the English East India Company and an Indian political power.

(Nizam-ul-Mulk's grandson). The former was supported by the British while the latter, by the French. The alliance of Muzaffar Jung, Chanda Sahib and the French was formed and they marched to the Carnatic against Anwar-ud-din. The battle was fought at Ambur in 1749 and the *nawab* lost his life while fighting. Arcot, the capital of the Carnatic, was captured. Chanda Sahib became the *Nawab* of the Carnatic. Also, Nasir Jung died soon and Muzaffar Jung became the next Nizam of Hyderabad. But, he was assassinated three months later. The French placed one of the late Nizam's son Salabat Jung. Charles Joseph Patissien de Bussy acquired a dominant position in the affairs of Hyderabad with the revenues of the Northern *Sarkars* so as to maintain his army. His presence in Hyderabad was no less than the presence of king-makers at the Mughal court. The British, on the other hand, after the death of *Nawab* Anwar-ud-din, attempted to place the late *nawab*'s son Muhammad Ali as the successor of Anwar-ud-din. Robert Clive laid a siege on Arcot in 1751 with around 500 men for 50 days. The French surrendered in 1752 and Chanda Sahib was killed. In 1754 Dupleix was replaced by Charles-Robert Godeheu. The Second Carnatic War came to an end with the Treaty of Pondicherry and Muhammad Ali was recognized as the *Nawab* of the Carnatic.

Thus, in the second phase now it was not just the French but also the British who interfered in the political affairs of the regional states viz. the Carnatic, Hyderabad and also Tanjore. The British East India Company introduced military reforms too in the Company army. So far you have read that in the struggle for supremacy among the European Companies in the south the approach and strategy of the British East India Company underwent significant changes. Like the French the British also began to meddle into regional politics, forged alliances and waged wars but these wars were not between the British and a regional state directly. The British, on the pretext of aiding one of the political contestants of a state, would get involved into regional affairs of the state. But, after the Second Carnatic War they became more ambitious. The defeat of the *Nawab* of Bengal Siraj-ud-daula is a case in point about which we will read in detail soon. The British success in Bengal provided the Company with surplus funds to finance its wars.

Like the First Carnatic War the third one was the result of a war in Europe; in this case it was the Seven Years War (1756-63) between Britain and France. Count de Lally was sent to India and his attempts to exact 56 lakh rupees from the ruler of Tanjore, to capture Madras and his decision to recall Bussy from Hyderabad weakened French position in India. The French naval fleet was defeated thrice by the British fleet and they to leave the Indian Ocean. Finally, at the Battle of Wandiwash in 1760 the French received a final blow and were defeated by the British army under the command of Eyre Coote. The third period ended with the Treaty of Paris in 1763. Pondicherry, along with some other French settlements, were restored to the French. With the conclusion of the last phase the French aspirations in India ended and the British supremacy in trade in India was established.

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### 19.3 THE BRITISH AND THE REGIONAL STATES

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We read in the previous Unit – Unit 16 – that during the eighteenth century the downfall of the Mughal empire led to the rise of multiple autonomous or semi-autonomous states and these states were not only contesting each other in the struggle for power

but their internal strife prevented them to establish a strong centralized empire for long. The East India Company utilized the disunity that existed among them, taking advantage of local conflicts and, thereby, consolidating its power. With every conflict resolved the influence of the British increased and in 1757 the conquest of Bengal marked a turning point in the history of British India. It opened the door for further expansion and consolidation of their control over India in the next hundred years.

### 19.3.1 Bengal

The Seven Years' War in Europe impacted the events in Bengal. The Company fortified Calcutta without the approval of Siraj-ud-daulah, the *Nawab* of Bengal who succeeded Alivardi Khan in 1756. Like his predecessor the *nawab* had forbidden the European Companies to fortify their factories in his territory. Also, in 1717 Farrukh Siyar had issued a *farman* granting the English Company the right to trade duty-free in Bengal. But, the Company issued *dastak* – duty-free trade permit – to English private traders to trade customs-free in Bengal. Its abuse was resented by the *nawab* since it had been incurring a great loss to the state treasury. Besides, the British also interfered in the internal politics of the province by supporting the claim of Ghasiti Begum (daughter of Alivardi Khan) to the throne. Enraged Siraj-ud-Daulah responded by expelling them out of the Calcutta which was an English settlement in Bengal. The Company counterattacked and recovered Calcutta by bribing Manik Chand, the *nawab*'s officer in-charge of Calcutta. Then, the British captured a French settlement Chandernagore and Lord Clive defeated Siraj-ud-Daulah in the Battle of Plassey in 1757. Utilizing factionalism at the Bengal court, Clive overthrew Siraj-ud-Daulah by luring the *Nawab*'s military general Mir Jafar to his side. Siraj-ud-Daulah had also alienated the merchant class of Bengal called the *Jagat Seths* (Mehtab Rai, Swarup Chand, Rai Durlabh, to name a few among them), a wealthy banker, money lender and a merchant Jain family of Bengal. Mehtab Rai was the most influential of all. Siraj-ud-Daulah demanded a tribute of 30 million rupees from him which he refused. This made the *nawab* mistreat him. Sayyid Ghulam Husain Tabatabai in *Siyar-ul-Mutakherin* writes that the *Jagat Seths*, instead, offered money to the British to overthrow Siraj. It was the *Jagat Seths* who financed his grandfather Alivardi to usurp the throne from *Nawab* Sarfaraz Khan and to secure a formal recognition from the Mughal emperor by bribing the latter profusely. To quote Sudeep Chakravarti in *Plassey: The Battle that Changed the Course of Indian History*, “For Several decades, the Seths displayed a particular knack to back the winning horse.”, “Even create the winning horse” and “Without them the English would never have carried out what they have.” In any case, the *Jagat Seths* viewed the collaboration with the Company as profitable because the Indian *dadani* merchants supplied textiles from the interior to the Company and private traders for the advance money called *dadan*.

Siraj was succeeded by Mir Jafar who was nothing but a puppet-ruler. The Company became the *de-facto* ruler. This was the first time that the British fought against a local ruler of India directly. William Dalrymple in his work *The Anarchy* writes that the Battle of Plassey was a “victory that owed as much to treachery, forged contracts, bankers and bribes as it did to military prowess”. The victory gave way to colonial subjugation. Now, the Company turned its attention towards the French in the south and completely squashed their influence in India. Meanwhile, Mir Jafar was replaced with Mir Qasim in 1760 as the former failed to fulfill the constant demand of the

Company for more revenues. The new *nawab* attempted to bring reforms but the Company's abuse of *dastak* was severely hampering his endeavours. This led to a battle in 1763 and the *nawab* fled to Awadh. A combined army of the *Nawabs* of Bengal and Awadh and the Mughal emperor Shah Alam-II fought the Battle of Buxar in 1764 against the Company forces commanded by Major Hector Munro in which the latter emerged victorious. This was the first decisive military success of the Company. It enabled the Company to eventually take over the subcontinent. The 1765 Treaty of Allahabad granted the Company the *diwani* rights of Bengal. It enabled the Company to collect land revenue from the entire province of Bengal. The *nawab* was still the Nizam but the independence of the Nizamat was a myth. The *nawab* was incapable of taking any independent military or political action. Thus, Robert Clive through the treaty introduced the system of dual government in Bengal which lasted from 1765 to 1772. Bengal's wealth was speedily looted. The East India Company treasury secured about £ 2.5 million (£ 262.5 million today) from the subjugated *nawabs*, part of which was later spent on rebuilding Powis Castle in Wales.

### 19.3.2 Awadh

The Company's first official interaction with Awadh was seen after the Battle of Buxar. Clive restored Awadh to Shuja-ud-din with the exception of Kora and Allahabad which were ceded to Shah Alam-II through the Treaty of Allahabad. The treaty compelled the *nawab* to pay Rs. five million and to allow the Company to carry on a duty-free trade in Awadh. This caused a heavy loss of tariffs. A British resident was posted in the court of Awadh as per the treaty. Also, the defence of Awadh became the Company's responsibility and in lieu of that the *nawab* had to pay the cost of the necessary troops. Warren Hastings returned Allahabad and Kora to Shuja in return for cash payments through the Treaty of Banaras in 1773. The British looked upon Awadh as a buffer-state against the Afghan and Maratha invasions. By the Second Treaty of Banaras (1775), also called the Treaty of Faizabad, the new *Nawab* of Awadh after the death of Shuja was forced to pay a larger subsidy for the maintenance of British troops and to cede Banaras to the Company. The treaty became a factor for the revolt of Raja Chaith Singh of Banaras in 1781. Further, after the death of *Nawab* Asaf-ud-daulah in 1797 his adopted son Wazir Ali Khan succeeded him. John Shore, the Governor-General of Bengal from 1793 to 1798, replaced the reigning *nawab* with his uncle Saadat Ali Khan-II. A treaty was signed. This time the financial demand was increased to Rs. 76 lakhs annually. Finally, in 1801 Richard Wellesley, the fifth Governor-General of India from 1798 to 1805, imposed the Subsidiary Alliance on Awadh when the *nawab* failed to pay the increased subsidy. The Company acquired the fertile lands of the *doab*, Rohilkhand and Gorakhpur. Thus, Awadh was reduced to being the British protectorate and lost its independence in the matters of defence and external policy.

### 19.3.3 Mysore

In the second half of the eighteenth-century, Mysore, under the leadership of Haider Ali and Tipu Sultan, emerged as a formidable state. It enjoyed control on the Malabar trade. Mysore had good relations with the French. With the aid of the French, Haider Ali had reformed his army and established an arms factory at Dindigul. The British saw the rising political power of Mysore as a security threat to their position in Madras and the Carnatic. The Marathas and the Nizam of Hyderabad were equally eager to crush Mysore. Haider Ali also had territorial disputes with the *Nawab* of the Carnatic. The

Company had signed a treaty with the Nizam in 1766 by which the Company would help the Nizam against Haider Ali in lieu of Northern Circars. However, Haider lured the Nizam and the Marathas to his side, attacked Madras and forced the Company to sign the Treaty of Madras in 1769 which concluded the first Anglo-Mysore War (1767-69). But, the British, violating the terms of the treaty, refused to help Haider against the Marathas in 1771. With the beginning of the American War of Independence (1775-1783) in which France supported the American colonists and the fact that Haider granted an important port Mahe to the French, the British realized the urgency to deal with Mysore. The British seized Mahe in 1779. Consequently, Haider in alliance with the Marathas and the Nizam attacked them in 1780 and this marked the outbreak of the Second Anglo-Mysore War (1780-84). But, his allies defected to the British. Haider died during the war. He was succeeded by his son Tipu Sultan. The war ended with the Treaty of Mangalore. The third war began when Tipu attacked Travancore in 1790. The Company in favour of Travancore attacked Tipu. The war ended in 1792 with the Treaty of Seringapatam (now Srirangapatna). Tipu was compelled to cede almost half of his territory to the British. His two sons were taken as hostages till the payment of over three crores of rupees as war reparations. In the fourth Anglo-Mysore War Tipu Sultan died while fighting in the battle of Seringapatam in 1799. The Company and its allies divided his vast territory among themselves. The Company gave the southern portion of Tipu's territory to Krishnaraja Wodeyar-III, the infant heir of the Wodeyar dynasty, as the Company feared the further expansion of the Marathas and the Nizam. The British effectively ensured that the Wodeyars remained dependent and loyal to the British. The treaty signed with Mysore imposed a heavy tribute upon its ruler. Lord Wellesley imposed subsidiary alliance on Mysore.

#### 19.3.4 Marathas

In 1772 the fourth Peshwa Madhav Rao died. His younger brother Narayan Rao succeeded him with Raghunath Rao Bhatt or Raghoba, his uncle, as his mentor. But, within eight months he had Narayan Rao killed. This led to a conflict over the office of the Peshwa between the supporters of Raghunath Rao and the posthumous son of Narayan Rao. Raghunath Rao appealed to the British governor of Bombay for help who, after the success of the British in the Carnatic and Bengal, was looking for an opportunity to prove his military skills. Hence, the Treaty of Surat was signed between the two in 1775 and the first Anglo-Maratha War started which ended in 1782 with the Treaty of Salbai restoring each other's territories. But, this war became the occasion by which the British interfered in the affairs of the Marathas and within a few decades of the 19<sup>th</sup> century the British vanquished Maratha power. Through the Treaty of Bassein in 1802 Peshwa Baji Rao-II was compelled to accept the Subsidiary Alliance. After the third Anglo-Maratha War (1817-1818) Warren Hastings abolished the office of the Peshwa and his territories comprising of Poona and its districts were acquired by the Bombay Presidency.

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### 19.4 ROBERT CLIVE AND RICHARD WELLESLEY: FORMATION OF THE COMPANY RAJ

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Robert Clive has often been attributed for establishing the British East India Company rule in Bengal. The two significant battles – Buxar and Plassey – which he fought, no doubt, helped the Company in recasting itself from a mere commercial enterprise to

one of the political contenders in the 18<sup>th</sup> century India. He opened the floodgates for the Company to eventually conquer the rest of the Indian subcontinent. The British success in Bengal gave them confidence that they could defeat the local rulers. The tale of Clive's dramatic rise to power is also the tale of the profound transformation of the Company. After the conquest of Bengal, he became the first British Governor of the Bengal Presidency and served twice as Governor of Bengal (1758-60 and 1764-67). However, his methods of conquest whilst he was in India were questioned and criticized in British Parliament and he was dubbed as a corrupt 'nabob'. Later, after he committed suicide the fortune he left at that time was worth about 500,000 pounds. His rule in Bengal was heavily based on loot and plunder.

One of the consequences of the Battle of Buxar was the introduction of a dual government in Bengal by Clive in 1765 which lasted till 1772. Under this system the administration was divided into *nizamat* and *diwani*. As you learnt before, the Company through the Treaty of Allahabad was granted the *diwani* of the province by the reigning Mughal emperor Shah Alam-II. The *nawab* was responsible for the civil administration but in reality, he had been deprived of all powers as the Company's agent Muhammad Reza Khan as the regent of the *nawab* managed his duties. This system enabled the Company to wield power without assuming any responsibility except for the collection of state revenues. The Company would appropriate the surplus after meeting some specified liabilities. In 1765-66 the *nawab* would receive 36 lakhs of rupees per annum for looking after the civil administration of the province. This was reduced by 12 lakhs after 1766. Owing to the lack of enough funds the civil administration of Bengal began to deteriorate.

The early misuse of state power by the Company received political criticism in Britain itself. Adam Smith in *The Wealth of Nations* writes that the Company was "altogether unfit to govern its territorial possessions." Bengal, as the richest province of India, became the Company's major source of enormous revenue and just in a few years of British conquest of Bengal i.e. in 1769-70 the province witnessed a dreadful famine and one-third of the population of the region died. No relief measures were provided by the state. Instead, the East India Company raised the taxes on agricultural produce. They destroyed some of the food crops to grow the much more profitable indigo and opium. Some junior servants began to profiteer from the sale of rice and grain which were sold out of the province at grossly inflated prices. Consequently, the Bengal economy collapsed. This adversely affected the Company. Till now it controlled fifty percent of the British exports but now it abruptly found itself bankrupt owing to the over exploitation of Bengal at such a fast rate. The British government had to bail it out and in return the Company was partly nationalized. Its powers were progressively restricted.

Through the Regulating Act of 1773 the British Government took the first step to control and regulate the company. Now, the Company's Court of Directors had to report the British Government on its revenue, civil and military affairs in India. The Act also prohibited the Company's servants from indulging in any private trade or accepting gifts or bribes from the local people. Afterwards, Pitt's India Act of 1784 created a system of dual government by clearly separating the commercial and political affairs of the Company. The former was to be managed by the Court of Directors whereas a government-appointed Board of Control (a newly created governing body) was to look into the political matters and administer the civil and military government or revenues



of the British possessions in India. This was really momentous because the Act declared the Company's territories in India as the British possessions in India. The British Parliament continued to exert its control over the Company by extending its charter for only 20 years at a time and chipping away its commercial rights and monopolies. Finally, by the Government of India Act of 1858 all its Indian possessions and armed forces were confiscated by the British Crown. In 1874 the Act of Parliament dissolved the East India Company formally, ending the Company rule in India.

So far you have read that the British policy of dual government in Bengal ruined the richest province of the 18<sup>th</sup> century India. The other significant strategy of the Company was the Ring Fence Policy (1765-1813). Warren Hastings through the implementation of the Ring Fence Policy created buffer zones by defending the Company's neighbouring regional states so as to secure its territorial borders. The Subsidiary Alliance was an extension to the Ring Fence Policy which was employed by Richard Wellesley. It was introduced by Dupleix. In 1798 Hyderabad became the first state to become a subsidiary state of the Company. Afterwards, Awadh and the Marathas were forced to accept this system too. C. A. Bayly opines that the inflexible demands of the Subsidiary Alliance promoted circumstances that then gave way to British conquests of indirectly-ruled regional states as a remedy to a problem created by the British, to begin with. The state, agreeing to this policy, was considered to be under the protection of the Company. The ruler had to pay tribute, called 'subsidy' in lieu for military protection and, so, the state was to keep and maintain the British force and was to pay for the expenditure incurred. In this way the Company was able to maintain a large standing army at a local ruler's expense and the ruler had to dissolve his own armed forces. The state's foreign policy was transferred to the Company. The ruler could not declare war or form alliances with any other states without consulting the Company. A British resident was posted at the ruler's court to keep an eye on the internal affairs of the state. All other Europeans were to be expelled from the state except the British.

One of the reasons why the East India Company compelled the rulers of the regional states to expel other Europeans from their respective states was because by the 18<sup>th</sup> century the local potentates were attempting to empower themselves to defend and expand their power and for this purpose they were modernizing their armed forces by recruiting Europeans mercenaries who were skilled in artillery, strategic warfare and organizing the army. They were primarily concerned with military affairs and would not indulge in the factional politics of the courts. The Marathas had employed the largest number of European mercenaries. Benoit de Boigne from the Dutch of Savoy rose to command a Maratha army. He was succeeded by Perron. The Nizam of Hyderabad had a very popular French force commanded by Francois de Raymond. Some soldiers of fortune were even able to carve out small independent kingdoms. Irishman George Thomas rose from the lowest ranks of Irish society to a ruler of a small kingdom founded by him in modern districts viz. Rohtak and Hisar in Haryana. Many deserters from the European companies in India joined the armies of Indian rulers. The Sultanate of Mysore had employed a number of deserters from the English military service in its army and one important reason for their desertion was the allurements of higher salary, perks and early promotions. That is why it was important for the English Company to put a check on this. The Subsidiary Alliance was instrumental not only in stopping the local potentates from modernizing their armies but accepting and maintaining the army of the Company at their own cost and forcing them to disband their own armies.

Besides, during the 18<sup>th</sup> century the English Company was also attempting to manage its army. Before its territorial conquests the Company, as a corporate entity, was primarily concerned with protecting its assets in the form of trading posts or factories. For this reason, it maintained a small army of mercenaries. The Carnatic Wars led to changes within the evolution of the civil-military establishment of the Company in the Madras Presidency. In 1748 Major Stringer Lawrence was appointed as the Commander-in-Chief of Fort William. One hundred and fifty British troops led by Major Stringer Lawrence arrived in Madras to defend the fort and reform the Company troops. He had already fought in Spain and in the Jacobite Rebellion and, thus, he had sufficient knowledge of military affairs. As an experienced commander he equipped, trained and disciplined the Company troops on the lines of the British troops. The Company army was commanded by European officers but most of the troops were Indian soldiers and were known as sepoys. The Major is regarded as the father of the Indian Army. It was in this new army that Robert Clive as a young soldier started his career in the Company as a clerk. Clive also introduced some military reforms after the success of the Battle of Arcot. He established regular Indian battalions and armed them on European lines. There was a rapid expansion of the Madras and Bengal armies as an outcome of military confrontations with the French and several regional states. As per scholarly estimates, between 1749 and 1778 the army of the Company in all three presidencies grew from only about 3000 to around 67,000 men and the vast majority of soldiers were sepoys in infantry battalions. The European infantry battalions also rose in number. The Subsidiary Alliance relieved the Company from the expenses on its armed forces. Also, it aided the Company to have control over internal as well as external affairs of the state and this way it was able to establish its supremacy.

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## 19.5 FROM INDIA TO CHINA: OPIUM AND TEA

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The acquisition of territories in India and the control over the revenue of these conquered territories enabled the English East India Company to support both its political and commercial aspirations, not just in India alone but in other parts of the world too. Therefore, when by the mid-18<sup>th</sup> century a change in Company's trading patterns was crystallizing the Company was able to devise a strategy that exploited the resources of the regions it controlled in India and use it for its further expansions. The 1600s and 1700s witnessed the Company principally concentrating on the trade of textiles as Indian cotton textiles were in vogue in Britain so much so that it threatened to destroy the British textile industry. The British Government even passed a law called the Calico Act in 1720, forbidding its people to use Indian chintz. The Industrial Revolution enabled Britain to manufacture garments in its own factories in bulk at cheaper rates. Also, there was an increase in the demand for Chinese tea in Europe. However, the Chinese Qing government was only interested to trade their products for silver. This was not financially lucrative for the Company. But, the Company was successful in compelling China to shift from silver to opium as the chief trade-medium. Opium became one of British India's most important exports to China during the late 18<sup>th</sup> century and in the 19<sup>th</sup> century.

Since there was an increasing demand for opium in South-east Asia and China, it was initially procured from Malwa in Central India and, later, the traders started to buy opium from the market in Patna as well. Captain Archibald Hamilton observes that Patna in the 18<sup>th</sup> century was "frequented by Europeans, where the English and Dutch

have factories. It produces so much opium that it serves all the countries in India with that commodity.” The British East India Company eventually took over the opium trade from Portugal and the Dutch East India Company and established its monopoly. With the conquest of Bengal, the English Company began to cultivate opium in Bengal, permitting private British traders to sell opium to Chinese smugglers to sell it illegally in China. This, in turn, adversely affected the Chinese trade surplus. But, opium was strictly prohibited in England owing to its harmful effects as emphasized by Lin Zexy, the Imperial Commissioner to Canton, in his official letter to Queen Victoria. In the mid-19<sup>th</sup> century the Company waged two wars on China, purely to secure the right to sell opium there. The success of the world’s first Drug Wars proved to be extremely beneficial to the Company. Through the Treaty of Nanjing in 1842 Hong Kong was ceded to the British after the first Opium War. The Company used the profits from the narcotic cultivated in India and sold to China to buy tea, silk and porcelain from China for the European market where these luxury goods were much in demand. The British opium policy is considered to be “the most curious chapters in the annals of European expansion” by David Edward Owen. The opium trade was pivotal in the growth of industrial capitalism reinforcing British imperialism.



Hand-painted Indian chintz, 17<sup>th</sup> and 18<sup>th</sup> Centuries (taken from G. P. Baker’s book *Calico Painting and Printing in the East Indies in the XVIIth and XVIIIth Centuries*, 1921). Source: Indira Gandhi National Centre for the Arts (IGNCA), New Delhi. Image Courtesy: Dr. Richa Singh.

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## 19.6 SUMMARY

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To summarize, antagonism over colonial interests, the extension of wars in Europe in India and the French approach in the Carnatic Wars emboldened the English East India Company to interfere into Indian politics. The Carnatic Wars also established

British dominance among European trading companies in India. On the other hand, with the conquest of Bengal the Company's role changed profoundly. It was no longer just a trading company but also a political unit. Bengal became a bridgehead for further territorial expansion of the Company. By the beginning of the 19<sup>th</sup> century the Company had a private army twice the size of the British army and it acquired more firepower than any Asian state. Political conquest in India also enabled the Company to expand its commercial activities in China and to finance its narcotic wars. As the political power of the Company Raj was wrested by the British Raj, India became the jewel in the British crown and, thus, began the saga of direct British rule in India.

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## 19.7 GLOSSARY

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- Chintz** : The word 'chintz' comes from the Hindi word *chint* which means variegated. Its origin can be traced back to India. It was either hand-painted or block-printed cotton fabric with natural dyes, using a blend of mordant and resist dye techniques. It gained its popularity in Europe during the 17<sup>th</sup> and 18<sup>th</sup> centuries.
- Dadani System** : The term *dadani* is derived from the Persian verb *dadan* (دادن) meaning to give, deliver or advance. This was a system prevalent during the 17<sup>th</sup> and 18<sup>th</sup> centuries in which Indian and European merchants, who were called *dadandar*, made advance payment (*dadani*) while the artisans or merchants who received this payment were called *dadani*.
- Sepoy** : The term 'sepoy' is the anglicised form of the Persian word *sipahi* (سپاهی) meaning soldier or horseman. In the British Indian army sepoy constituted the native infantry.

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## 19.8 EXERCISES

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- 1) Discuss how commercial rivalries between the English East India Company and French East India Company encouraged the former to engage in local politics of the 18<sup>th</sup> century Indian regional states.
- 2) What was the role of British policies of the dual government in Bengal and the Subsidiary Alliance in different regional states of India in establishing the authority of the East India Company?
- 3) How is the territorial conquest of India by the East India Company crucial in understanding the development of opium trade between British India and China in the 18<sup>th</sup> century?

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