

The Evolution of the English East India Company: 1717-1805

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Abstract

Using the *farman* of 1717, the *diwani* of 1765, and the Treaty of Bassein, this thesis analyzes the evolution of the English East India Company from 1717-1805. The Company began as an entity focused primarily on trade, and gradually transformed into a conquering power that would form the basis of a colonial state. This was not the result of a decision to build an empire – rather, profit, race, internal Indian politics, Indian collaboration with Europeans, European rivalries and opportunism combined over time to transform traders from London into the rulers of India.

Introduction

On August 14th, 1947, Pakistan gained independence from Britain, and a day later a newly sovereign Indian republic took over the remainder of the Indian subcontinent. British rule in India had come to an end, as the area was now clearly independent, finally free from the colonial rule that so many had detested and fought against. But when did this colonial rule truly begin? And what, in fact, constitutes colonialism? The matter of when colonial rule ended is a simple manner, but when it began is less than crystal clear.

Defining colonialism itself offers a starting point for evaluating when colonialism truly began in India. In “A Definition of Colonialism,” Richard J. Horvath writes that “... colonialism is a form of domination – the control by individuals or groups over the territory and/or behavior of other individuals or groups... Colonialism has also been seen as a form of exploitation, with emphasis on economic variables.”¹ Robert Stam and Louise Spence define colonialism as “... the process by which the European powers (including the United States) reached a position of economic, military, political and cultural domination in much of Asia, Africa and Latin

¹ Ronald J Horvath, "A Definition of Colonialism," *Current Anthropology* 13, no. 1 (1972): 45-57, 46.

America.”² Jürgen Osterhammel in *Colonialism: A Theoretical Overview* states that colonialism is “relationship of domination between an indigenous (or forcibly imported) majority and a minority of foreign invaders. The fundamental decisions affecting the lives of the colonized people are made and implemented by colonial rulers in pursuit of interests that are often defined in a distant metropolis.”³ Another key component of colonialism is the racial relationship between the colonizer and colonized, which revolves around the colonizer viewing itself as racially superior, as well as having a more advanced civilization. In summation: as an idea and principle, colonialism revolves around the domination of an indigenous group of people by a foreign entity for some purpose, typically economic, which is inherently exploitative and racially oriented in nature.

In order for there to be a policy of colonialism, or to be a colonial power, the state in question must of course by definition have colonies. It can be said that the first colony that Britain (or more accurately the English East India Company) formed in India was the first factory it placed in the city of Surat in 1613.⁴ This factory, more of a trading post than a settlement in the truest sense of the word, did not foreshadow the coming of invading armies in the following years, nor did it in short order lead to a mass of other forts and/or factories being set up. No Indian state fell due to disease or superior technology upon the arrival of the Company as the Aztecs and Incas did in the face of the Spanish. While the seventeenth century saw the establishment of Company factories and forts that might be viewed as colonies or pseudo-colonies, India was not colonized in the more broader sense of the term that implies widespread settlement and/or subjugation – it was still independent of Company rule until the nineteenth century, and the Company foothold was faint at best.

² Robert Stam and Louise Spence, "Colonialism, Racism and Representation," *Screen* 24, no. 2 (1983): 2-20, 3.

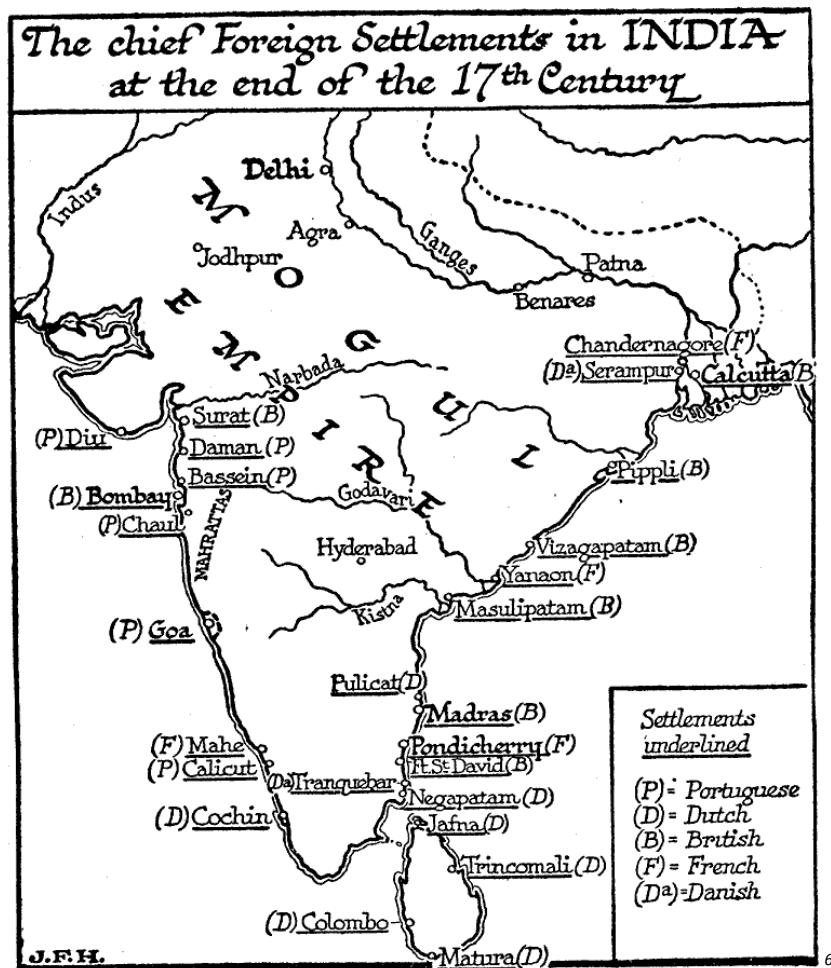
³ Jürgen Osterhammel, *Colonialism: A Theoretical Overview*, Princeton, NJ: Markus Wiener Pub, 2005, 16-17.

⁴ Martin Moir, *A General Guide to the India Office Records*, London: British Library, 1997, 6.

India also avoided inland colonization from other European powers such as the French, Dutch, and Portuguese. The Portuguese were the first European power to trade extensively in the region. In 1498 Vasco da Gama reached in the western coast of India at the city of Calicut, but what followed was not a conquest or colonization but a policy of trade with Indian powers. The Portuguese did undertake a land campaign to capture Goa from Bijapur, but this was an exception and not the norm. And even in the case of Goa, its existence came to be largely defined by trade, where it served as a major port and local marketplace for items like horses, perfumes, and pottery – horses were particularly in high demand, as local kingdoms like Vijayanagar used them in their armed forces.⁵ Outside of the small enclave of Goa and a few other possessions (e.g. Bombay), the Portuguese did not possess any large landholdings in India, instead maintaining a series of small forts and trading posts on the coastline. The rest of their efforts were centered on attempting to control Indian Ocean trade, which they tried to achieve by forcing traders to buy permits to pass through waters they controlled.

Likewise, neither the French nor the Dutch politically subjugated India. The French had a small amount of holdings centered around Pondicherry in the south, and while they coordinated extensively with the kingdom of Mysore (providing support and weapons), their presence in India did not amount to anything approaching full-scale colonization. The Dutch presence amounted to a number of trading posts that were scattered along the southern coast of India.

⁵ Tripati, S., A. S. Gaur, and Sundaresan. "Anchors from Goa waters, central west coast of India: Remains of Goa's overseas trade contacts with Arabian countries and Portugal." *Bulletin of the Australasian Institute for Maritime Archaeology* 27 (2003): 97-106.



The Portuguese, Dutch, French, and Danish holdings in India only amounted to trading posts, small forts and factories along the coast, as Indian powers retained control over the vast majority of the subcontinent upon European arrival. Even English holdings on the subcontinent were equally sparse, in no way foreshadowing their eventual domination of India.

Despite India's states remaining independent upon Company (and European) arrival, the question of whether or not the Company was a colonizer in the spirit of "colonialism" is still unanswered. Was there a policy in place to exploit India, and did the Company set about attempting to dominate the subcontinent (perhaps with an eye towards a mission of civilizing that many future colonizers would take)? In other words, was the ultimate fall of India to Company

⁶ University of South Florida. "Chief Foreign Settlements in India, 1650–1700"
<http://etc.usf.edu/maps/pages/3600/3670/3670.htm>.

dominion part of an overall plan that the Company had in place when it established its first factory in 1613? The short answer is no, as it was an organization dedicated first and foremost to trade – created by Elizabeth I, it was officially known as the “Company of the Merchants of London, Trading into the East Indies.”⁷ At some point this mission changed however, as much of India did come under direct Company rule. The evolution of this mission was in large part due to opportunities that the Company took advantage of.

The biggest and perhaps most important opportunity was the Mughal Empire’s demise in the eighteenth century. Since its first emperor, Babur, conquered the Delhi Sultanate in 1526, the empire had expanded to take hold of nearly all of India. After 1707 the empire began to precipitously decline – it lost large amounts of territory and its military became a mere shell of itself. This left a power vacuum that the Company ultimately stepped into and took advantage of, eventually conquering the entirety of the subcontinent. With conquest came land revenue, and in turn the kind of exploitation that is associated with a policy of colonialism. Afforded the chance to reap the large rewards of land revenue in the form of taxes, and with the industrial revolution turning India into an ideal market for British goods, a policy of colonialism did in fact develop. Coupled with the expansion of forts and other infrastructure (e.g. railroads) being built during the nineteenth century, India had also become “colonized” in a sense closer to the base definition of the word.

The slow but eventually complete conquest of the subcontinent as well as the Company’s ultimately rapacious treatment of India have left many to see it as a brute which came to India and devastated it in a way uniquely foreign.⁸ Though it is true that Company and then Crown

⁷ BBC Radio, "1600: The East India Company, Episode 15 - 14/10/05," http://www.bbc.co.uk/radio4/history/empire/episodes/episode_15.shtml.

⁸ “only under British rule India ‘for the first time in her history had begun to feel that she had been conquered.’” Bose, Sugata, and Ayesha Jalal. *Modern South Asia: History, Culture, Political Economy*. 3rd ed. Routledge, 2011. 38

rule over India was indisputably unique (ruling from afar, never becoming Indianized) in comparison to other conquering powers (e.g. the Mughals), the initial form of the Company and British rule in India was not one of rapacious colonizer until much later. The Company did not come to India with a policy of colonialism and/or with the goal of colonization – it evolved (or perhaps stumbled) into the role of colonizer. If it had a “policy” it was in the form of opportunism, not unlike any other state or even non-state actor in India. This lack of a colonialist policy is in sharp contrast to what one might assume looking at history backwards. In other words, using teleological reasoning to decide that since India became colonized, then it must have been by design. This is demonstrably false: The Company did not come to India to conquer and colonize it, nor was colonization inevitable.

In 1836, the author of a compilation of minutes and correspondence for Richard Wellesley’s reign as governor-general in India wrote a short introduction in the form of a dedication to William IV, the current king of Britain. At one point in this dedication, he sums up this feeling of opportunism and good fortune the Company and British felt, all the while showcasing an attitude that displays a very blatant sort of colonialism which had by now become both the rhetoric and policy of Company rule in India:

“an unseen, yet ever present, Providence has given to a small island in the Western Atlantic supremacy over millions of our fellow creatures in another hemisphere; myriads of brave and intelligent men have been rescued from the ignominious bondage of ages; the clang of arms has changed into the hum of industry; the arts of peace have followed in the track of our footsteps; science and literature are every where [sic] expanding; and the barbarous rites of fanaticism and superstition are yielding to the mild and humanizing influence of Christianity”⁹

⁹ “Dedication to the King’s most Excellent Majesty,” the introduction to Martin, Robert M. *The Despatches, Minutes and Correspondence of the Marquess Wellesley During His Administration in India*. New Delhi: Inter-India Publications, 1836, IV.

The passage's paternalistic overtones along with the dichotomy that is setup between European Christendom and Indian barbarism exemplifies the sort of racially charged colonialism that began to be seen in the nineteenth century and which had started to develop by the end of the eighteenth. Two questions still remain however: when and why exactly did this shift to colonialism occur?

Delving into the context of the overall state of South Asia during the eighteenth and early nineteenth century reveals that there was in fact a multifaceted transition of sorts highlighted by three key events which I will analyze in my thesis – the *farman* of 1717, the *diwani* of 1765, and the Treaty of Bassein (1802). These three treaties saw the granting of customs free trading rights, the first large-scale acquisition of territory, and finally the defeat (at least on paper) of the Company's biggest remaining rival, the Peshwa of the Marathas. Each phase marked a different form for the Company, first as a trading power, and then finally as a colonial power; between these two phases the Company's character was a syncretism of trade and colonialism. The Company's transformation from a trading power to a colonial state was therefore not something that occurred rapidly, nor was it the result of any singular decision to build an empire in India – it was the slow culmination of a series of events and decisions which were driven by opportunity, profit, race, Indian politics and collaborators, and European rivalries.

Historiography

The general state of India in the eighteenth century has long been a subject of great interest for historians. More recently, the narrative has shifted from viewing India as being in a dark age, characterized by the slow erosion of power of the Mughal state, to instead an era of shifting and competing groups and polities with varying degrees of prosperity. Some of these polities, like Bengal, succeeded in breaking free from the yoke of Delhi's power and

subsequently enjoyed a degree of independence and prosperity until succumbing to Company rule. Other groups, like traders, had a mixture of success, oftentimes depending upon who they were affiliated with. For example, merchants working with the Company enjoyed a great deal of profit in the midst of a flurry of trading activity despite the elimination of the *Pax Romana* of the Mughal Empire.

The origins of the view that India was in a dark age can be traced back to 1817, when James Mill compiled *The History of British India*, an extensive and sweeping work which sought to correct what he saw as a lack of written material on India: “Hitherto the knowledge of India, enjoyed by the British community, has been singularly defective.”¹⁰ Despite never having been to India or knowing any of its languages – which he brushed aside by proclaiming ““Whatever is worth seeing or hearing in India, can be expressed in writing”¹¹ – he made a number of bold and comprehensive claims. In a discourse dedicated to astronomy, he dismisses “Hindu” scientific achievements, claiming that “[astronomy] is in the very same state of infancy among the Hindus with all other branches of knowledge.”¹² He also attempts to divide India’s history into three definitive parts defined by what he viewed as their dominant civilizations.¹³ The first era of India’s history saw it under control of Hindus, the second, Muslims, and the third, the British. Despite praising the Muslims for having a higher form of civilization than the Hindus they conquered, he still condemns them and ultimately describes them as barbarous.¹⁴ In this way Mill helped lay the foundation for viewing India as being a dark age saved by British civilization.

¹⁰ James Mill, *The History of British India*, Vol. 1, London: Baldwin, Cradock and Joy, 1817, XII.

¹¹ Mill, 6.

¹² Mill, 397.

¹³ Mill, 625.

¹⁴ Mill, 640.

Another example of a more monolithic view in this tradition can be seen in Jadunath Sarkar’s “The Conditions of the People in Aurangzib’s Reign” written in 1924. Written just over a hundred years after the first publication of Mill’s work, his derision towards Indian culture is echoed by Sarkar throughout the article. Sarkar uses highly charged, even sensationalist language, such as when he talks about the “evil education of the children of nobles.”¹⁵ Sarkar blames the Mughals for what he sees as inward and arrogant thinking that did not allow them to adapt to European technology when it was superior, and he also laments a general decay in culture. Sarkar’s overall view on the decline of India is characteristic of the views of other early twentieth century historians that C.A. Bayly references in *Indian Society and the Making of the British Empire*.

Bayly is a prominent proponent of India’s eighteenth century condition as being multifaceted in nature and thus resistant to oversimplification. In *Indian Society and the Making of the British Empire*, Bayly characterizes India as being in “crisis”, explaining it as exemplified by internal social and political transformation, as part of a wider trend of declining Muslim empires (i.e. the Ottomans and Safavids) and European expansion.¹⁶ Despite characterizing the eighteenth century as one in crisis, Bayly is careful to point out that the view of India and the Mughal Empire as being in “purely degenerative decline”¹⁷ is overly simplistic, and explains that India was much more complex than this narrative of decline would leave you to believe. He states that in many ways the question of decline depends on who or what it is applied to: the Mughal state centered around Delhi lessened in power, but around the periphery new states like the Marathas and Mysore rose up and prospered for a time.¹⁸ In addition, while the Mughal

¹⁵ Jadunath Sarkar, 1924, “The Conditions of the People in Aurangzib’s Reign,” in *The Mughal State 1526-1750* (edited by Muzaffar Alam and Sanjay Subrahmanyam), Oxford University Press, 302-322, 315.

¹⁶ Bayly, C A. *Indian Society and the Making of the British Empire*, Cambridge: Cambridge University Press, 1990, 3.

¹⁷ Bayly, 3.

¹⁸ Bayly, 4.

state's power clearly weakened, being under control of the Company by 1803 after the defeat of its protector, the Marathas, the Mughal ruling elite itself did not decline but was instead of transformed "through the ascent of inferior social groups to overt power."¹⁹ Bayly also argues that Indians were not merely passive objects crushed under the boot of British imperialism, but played a much more active, even collaborative role. This role would later be referenced by future Indians like Gandhi, who believed that India was not conquered by the British but handed to them by Indians themselves. In *Hind Swaraj*, Gandhi remarks that "The English have not taken India, we have given it to them."²⁰

Sugata Bose argues in *Modern South Asia* that the state of India in the eighteenth century consists of a "mixed scenario of shadow and light, with high points and low points."²¹ He points out that the view of past historians that the eighteenth century was a period of anarchy is false and illustrates his point by talking about some of the positive aspects of India during the time period, such as the development of a thriving inland trade of grain, cloth and cattle.²² He also notes that for most of the eighteenth century famine was nonexistent, and that agricultural production actually expanded in areas aside from Northern India which was the Mughal's power base.

The idea that trade was expanding in dynamic ways is also stated in "Trade and Politics in Eighteenth Century India" by Ashin Das Gupta in *The Mughal State*. He paints a picture of an India that is in fact experiencing sharp decline in trade and prosperity in some areas due to the declining strength of the Mughals, but he also notes that the period isn't entirely one of decline but actually change: "The orientation of export trade, which had previously been towards west

¹⁹ Bayly, 9.

²⁰ Mohandas Gandhi, *Hind Swaraj or Indian Home Rule*, CreateSpace, 2009, 53.

²¹ Sugata Bose and Ayesha Jalall, *Modern South Asia: History, Culture, Political Economy*, 3rd ed. Routledge, 2011, 38.

²² Bose, 43.

Asia, going in the main to the Persian Gulf and the Red Sea, changed towards the east, directed more and more to China.”²³ He also notes that the East India Company’s trade grew greatly. While not indigenous, from a spatial perspective this increasing British trade should not be discounted if looking at the state of India’s trade as a whole.

Seema Alavi, Eric Stokes, and Robert Travers all take the perspective of a diverse and changing India, and not one of monolithic decline. Alavi characterizes the works of earlier historians as describing India as being in a ‘dark age’ of “political chaos and economic decline;”²⁴ he goes on to explain that “it is … clear that there is no one pattern of change that characterized the century.”²⁵ Stokes points out the prevalence of the blanket theory of ‘oriental despotism’ of nineteenth century writers before delving into the details of the more complex nature of the Mughal state and India as a whole, noting that the view of rapid economic and social change in India brought about the Company was a “… much tardier and much less complete process than was at one time assumed.”²⁶ Stokes also states that the collaborative, or sub-imperial as he puts it, role of Indians, laid the foundations for empire.²⁷ Travers notes that the process of the decline of the Mughal Empire was accompanied by the growth of independent states in its place, pointing out in particular Bengal as a “notable example of the regionalization of power which followed the death of the Mughal emperor Aurungzeb in 1707.”²⁸

Far from a dark age, my paper agrees with the view held by historians like Bayly that the eighteenth century was at its heart, one of dynamic changes – some more positive than others.

²³ Ashin Das. Gupta 1970, “Trade and Politics in Eighteenth Century India,” in *The Mughal State 1526-1750* (edited by Muzaffar Alam and Sanjay Subrahmanyam), Oxford University Press, 361-397, 361.

²⁴ Seema Alavi. *The Eighteenth Century in India (Debates in Indian History and Society)*. Oxford University Press, USA, 2002.), 5.

²⁵ Alavi, 37.

²⁶ Eric Stokes, *The Peasant and the Raj: Studies in Agrarian Society and Peasant Rebellion in Colonial India*. Cambridge: Cambridge University Press, 1980, pp. 21-28.

²⁷ Stokes, 26.

²⁸ Robert Travers, *Ideology and Empire in Eighteenth-Century India: The British in Bengal*. Cambridge: Cambridge University Press, 2007, 3.

The dichotomy of a decaying India with a strong and powerful Company oversimplifies the region and ignores the various individual Indians and states that competed, and at times cooperated with, the English and other Europeans. The evolution of India mirrors the Company as being complex and nuanced, especially with regard to the kingdoms and other states that rose up in the face of the Mughal state's decline.

The principle Indian states that competed with the Company during the eighteenth century varied broadly in character and origin, in particular with their association to the Mughal state. Farthest from the reaches of the empire on the southern tip of the subcontinent, Mysore provided an especially formidable foe to Company ambitions, especially under Tipu Sultan.²⁹ More centrally located, the Marathas first served as an enemy to the Mughals, most notably under Shivaji Bhosle, and then fought Company forces as it attempted to expand further inland. In the north, Bengal, particularly under the de facto independent *nawab* Murshid Quli Khan and later Siraj ud-daula, worked towards greater control of their realm first from the Mughals and then in resisting efforts by the Company to expand its reach inland.

²⁹ John Keay, *India: A History*, New York: Grove Press, 2000, 394.

The farman of 1717



Aurangzeb holding court.³⁰ Considered the last of the great Mughal emperors,³¹ the empire was at its territorial zenith at his death in 1707. Under subsequent ineffective emperors the empire would crumble, resulting in the rise of various new regional powers in its place.

Riding out from the steppes of Central Asia, the Prince of Ferghana, Babur, defeated the ruling Lodhi Sultanate of Delhi in 1526 at the Battle of Panipat. Using innovative military tactics as well as superior weaponry in the form of gunpowder,³² Babur carved out an Indian empire that would expand and endure until the Sepoy Rebellion's aftermath in 1858 officially put it out of existence through the exiling of its last emperor, Bahadur Shah II, to Rangoon. The golden age of what came to be known as the Mughal Empire centered around the reign of Akbar (1561-1605). During this timeframe the empire expanded rapidly both territorially and economically, with Akbar's tolerance allowing Muslims and Hindus the ability to coexist

³⁰ Columbia University, "Aurangzeb holds court, as painted by (perhaps) Bichitr; Shaistah Khan stands behind Prince Muhammad Azam,"

http://www.columbia.edu/itc/mealac/pritchett/00routesdata/1600_1699/aurangzeb/darbarscene/darbarscene.html.

³¹ "The death of Aurangzeb in 1707 is generally seen to separate the era of the great Mughals from that of the lesser Mughals," Sugata Bose and Ayesha Jalal, 38.

³² Keay, 291.

peacefully. While Akbar's reign was the high point of the empire, it was under the reign of Shah Jahan (1627-1658) that the most enduring imagery of the Mughals comes from – the Taj Mahal.

At the dawn of the eighteenth century the Mughal Empire, under Aurangzeb, was at its territorial zenith. Awash in riches and militarily as imposing as it was territorially, it was nevertheless based on a hierarchy which left it vulnerable to disintegrating – a lavish Mughal court rested on the allegiance of *mansabdars* (nobles), *jagirdars* (nobles holding a land revenue title) and *subahdars* (governors) that increasingly had more incentive to ignore commands from Delhi than to obey them. Aurangzeb also waged expensive and lengthy military campaigns in southern India that left the empire overextended and vulnerable to revolt. Further worsening the empire's state was Aurangzeb's less than tolerant attitude towards the empire's Hindu subjects – for example, in 1679 he reinstated the *jizya*, a religious tax on non-Muslims.³³ This had the effect of filling of the empire's treasury while depleting its legitimacy and goodwill among its subjects.

Throughout its history, from the time that Babur first created it, the empire had been plagued by dynastic succession crises. The turmoil of yet another succession crisis that came with the death of Aurangzeb in 1707 laid the framework for an empire fraying at the seams, with ineffectual emperors at the helm hastening its demise. Influenced by an English physician who succeeded in treating swelling in his groin³⁴, one of those emperors, Farrukhsiyar, would sign into law a *farman* (decree) that is often held up as a seminal moment for the coming domination of the English over South Asia.³⁵ It would in fact be many years until this perceived English domination would come to fruition, but it was nonetheless a powerful symbolic beginning of the English conquest of India. At the time it was signed however it was not a mark of impending

³³ Satish Chandra, "Jizyah and the State in India during the 17th Century," *Journal of the Economic and Social History of the Orient* 12, no. 3 (1969): 322-340, 322.

³⁴ Rajesh Kochhar, "The truth behind the legend: European doctors in pre-colonial India," *Journal of Biosciences* 24, no. 3 (1999): 259-268, 266.

³⁵ In John Keay's *India: A History*, it is described as "the Magna Carta of the Company in India" (p. 375).

empire – rather, it was a treaty that most strikingly showcases the character of the Company at the time: an entity focused on trade first, land revenue second, and empire a distant third.



This map shows the Company's possessions in 1717 at the time of the signing of the farman, before Robert Clive's victory in 1757 at Plassey over Mughal forces. Prior to this victory, Company land holdings were extremely limited. Possessions denoted by a green circle are presidencies, or administrative capitals.

The English East India Company of 1707 was still very much dedicated to its original mission of trade monopoly and profits. It had no territory save for a few minor forts and other land holdings of small overall consequence (primarily the three presidencies of Bombay, Madras, and Calcutta, where the governor-general was located in Fort William). Formally known as the United Company of Merchants of England Trading to the East Indies after its merger with a

³⁶ Produced on author's request; ©Morgan Jarocki.

competitor company in 1698, like any entity interested in trade it had long sought to avoid taxes imposed upon it by local Indian rulers. As early as 1682, the Company had tried to get the Mughals to ease taxes on them.³⁷ To this end, the *farman* of 1717 was a veritable coup for the company – not only did it grant customs free trading rights, but it also give the Company mutually recognized revenue and territorial control over thirty-eight villages in Bengal.³⁸ Examining the language of the treaty closely further reveals the pro-Company flavor it has, the lack of control the Mughal emperor had over his realms by this time period, as well as the fact that despite the territorial acquisitions the Company was still primarily focused on trade. Analyzing the *farman* of 1717 reveals that the Company was focused on trade and not colonization in the early eighteenth century, in a similar fashion to other European powers operating in the area (e.g. Portugal, France, the Netherlands).

The particular *farman* I will analyze is the variant intended for the province of Golconda.³⁹ Addressed to “the present Subah [governor] of Golcondah [*sic*]” and “all the Jaggeirdars, Corrodees, Phousdairs, Rahadairs, gusurabands, zammidars, and their successors”⁴⁰ the *farman* begins by outlining the agreed upon exchange of tribute for customs free trading rights in the sea ports of the province. Once this has been explained in detail, the *farman* goes on to state that:

You are likewise commanded, that if any person's should steal or embezzle the effects of the English company you shall do your utmost endeavors to detect the robbers, inflict a severe punishment upon them and make them restore the goods to their respective owners.⁴¹

³⁷ Keay, 371.

³⁸ IOR/H/632 -- No. 25 Translates of Phirmaunds at Fort St George Received 25 Aug 1751.

³⁹ There is another variant specifically dealing with Bengal, Bihar and Orissa, which contains slightly different language but overall the same content. See Ram Gopal, *How the British Occupied Bengal*, p. 34-36.

⁴⁰ IOR/H/632 -- No. 25 Translates of Phirmaunds at Fort St George Received 25 Aug 1751.

⁴¹ IOR/H/632 -- No. 25 Translates of Phirmaunds at Fort St George Received 25 Aug 1751 paragraph 6.

The language here is strong and authoritative, and interestingly gives the Mughals a kind of policeman like role in helping the Company. At a time when the empire was already overstretched, with its *faujdars* (an executive officer and military commander⁴² who was in charge of a *faujdari*) having great difficulty in collecting revenue and bringing justice to areas of the empires, it made little sense for the emperor to agree to such a provision. That the Company also went through the trouble of securing these rights from an overstretched empire when it could have just simply ignored Mughal attempts at restricting its trade showcases the enduring legitimacy of the Mughal state – the Company valued it and wanted to have it in its dealings with Indian powers. Its inclusion in the *farman* is one of many examples of its favorable nature to Company aims in India.

Continuing this pro-Company theme is the passage immediately following the aforementioned command:

That if the Company have a mind to settle a factory in any part, you are to give them all reasonable assistance in buying and selling of goods; also where they have already settled.⁴³

The factories of the pre-Industrial age were trading posts and not large, production oriented workshops. They served as counting houses in addition to their more general role as a trading outpost and they were prized possessions for not only the English, but their main European competitors – the Portuguese, French, and Dutch. Factories were an important possession for a power like the Company that was interested in trade.

Following this passage is a reiteration of sorts of paragraph six dealing with punishment of those who run afoul the Company in some way:

⁴² Muzaffar Alam and Sanjay Subrahmanyam, eds. *The Mughal State 1526-1750*, Oxford University Press, 1998, 268.

⁴³ IOR/H/632 -- No. 25 Translates of Phirmaunds at Fort St George Received 25 Aug 1751

That if any merchants or others, are lawfully indebted to the Company, you shall oblige them to do justice, and satisfy all reasonable demands without any trouble.⁴⁴

Its repetition suggests that the Company was having significant problems with protecting its merchants and their trade in an area they had little control over. Following this command is a directive to "take care that none of your people insult the English and / as much as in you lies / prevent all disturbances."⁴⁵ Aside from attempting to protect the tangible interests of the merchants of the Company, the *farman* also takes considerable interest in protecting their apparent prestige.

The location of these commands in the treaty hints at its importance to the English, and indeed forms a core of English demands which showcases their relative level of priority. These demands can be clearly marked off using the treaty's own language that comes after these priority commands: "The English Company's Gomasthas (Indians who served as collaborate agents of the Company) have further petitioned as follows."⁴⁶ Examining these core demands reveals an entity primarily concerned with trade and protection for its merchants – the opening of the treaty outlines the customs free trading rights the Company now enjoys in exchange for annual tribute, and the rest of the important commands deal heavily with trade. The fact that the text ceding the villages that would be famously given over to the Company comes after the opening portion of the treaty illustrates the apparent lack of importance the Company placed on land and its revenue. Also following these core commands is text explaining that the Company has the right to mint their coins at Madras, further underscoring the mercantile aspect of the treaty.⁴⁷

⁴⁴ IOR/H/632 -- No. 25 Translates of Phirmaunds at Fort St George Received 25 Aug 1751.

⁴⁵ IOR/H/632, paragraph 9.

⁴⁶ IOR/H/632, paragraph 10.

⁴⁷ IOR/H/632 -- No. 25 Translates of Phirmaunds at Fort St George Received 25 Aug 1751.

The more low level, but still important, commands that came out in the name of the emperor (but signed by the grand vizier) also serve to show the weak state of the empire. The treaty itself makes it clear that the copy in question is sufficient for officers in the empire to follow, commanding against requesting a fresh *sunad* (patent or commission), and to let the copy be “sufficient and perpetual.” An empire in firm control over its affairs would not need to add such a disclaimer.

Despite the strong language of the treaty in its directives, Farrukhsiyar proved incapable of delivering to the Company what he had promised in the *farman*. By now the Mughal Empire had decentralized to the point that it had only nominal control over most parts of its empire that spanned across most of India – Aurangzeb left the empire with control over most of the subcontinent, but he had also left it with a treasury that was nearly empty due to his nearly constant military campaigns.⁴⁸ Without money and beset by other problems such as dynastic struggles and religious friction, the state was vulnerable to internal rebellion (in particular from peasants), and it also lacked the ability to command allegiance from its various governors. Farrukhsiyar proved unable to correct these problems.

Not surprisingly, one of those governors, Murshid Quli Khan (the Bengal *nawab*), chose to ignore or downplay portions of the *farman* – most notably the provisions granting the Company control over thirty-eight villages in the province.⁴⁹ A mere ten years after the last great Mughal emperor had died in 1707, the empire itself had already become too fragmented to enforce its own treaties. This collapse of power at the start of the eighteenth century foreshadowed the coming struggle between Indian powers and Europeans for hegemony over the subcontinent. The favorable dispensation of the treaty to the Company due to the whims of an

⁴⁸ Bayly, 7.

⁴⁹ Ram Gopal, *How the British occupied Bengal*, New York: Asia Pub. House, 1964, 38.

ineffectual emperor – heavily influenced by his treatment at the hands of an English doctor – is also indicative of the lack of administrative skill needed to hold together whatever was left of the state.

The *diwani* of 1765



Aftermath of the Battle of Plassey: Robert Clive with Bengal's Mir Jafar (Francis Hayman, 1760)⁵⁰

The year 1757 marked a stunning victory for Company forces over Siraj ud-daula, the *nawab* (ruler) of Bengal who was still at least nominally under the suzerainty of the Mughal emperor. The events leading up to this victory are a prime example of the Company's good fortune, as well as its willingness and capability to take advantage of any opportunity given to it. Just prior to the outbreak of the Seven Years War involving Britain and France in 1756, Company forces in India initiated a fortification effort of Fort William in Bengal with an eye towards fending off possible French invasion.⁵¹ Despite it not being their main area of territorial strength in India, the French themselves had a fort in Bengal at Chandernagore.⁵² This fortification effort alarmed the *nawab* who ordered the construction stopped. When the

⁵⁰ National Portrait Gallery, “Robert Clive and Mir Jafar after the Battle of Plassey, 1757,” <http://www.npg.org.uk/collections/search/portrait/mw01347/Robert-Clive-and-Mir-Jafar-after-the-Battle-of-Plassey-1757>.

⁵¹ Bose and Jalal, 46.

⁵² Bose and Jalal, 46.

Company refused, the *nawab* attacked and succeeded in capturing Calcutta along with several other Company factories, such as Kasimbazar.⁵³ With the help of Mir Jafar, Siraj ud-daula's commander-in-chief⁵⁴ who was afterwards elevated to *nawab* as a reward by the Company, Company forces succeeded in defeating Siraj ud-daula's army at the Battle of Plassey in 1757.⁵⁵ Jafar ensured the Company's triumph by deserting Siraj ud-daula with his men, which was half of his army.⁵⁶ The actions that he undertook for personal gain stand out as a salient example of Indian collaboration with the Company. This was not lost on Indians, as 'Mir Jafar' obtained the meaning of 'traitor' throughout India, a meaning which persists to this day.⁵⁷ Upon obtaining power, Jafar showered Clive and the Company with gifts, with Clive collecting 28 million rupees and £3 million.⁵⁸ Thus not only the Company, but many of its officials, profited handsomely from elevating Mir Jafar to power.

The defeat helped pave the way for the eventual granting of revenue rights to the Company over large swathes of Mughal territory – specifically Bengal and Bihar⁵⁹ – by Shah Alam II, a virtually powerless Mughal emperor (whose power base, Delhi, had only 18 years earlier been invaded and conquered by a Persian army)⁶⁰ in search of allies and protection, who made the Company *diwan* or chief finance and revenue minister for the aforementioned territories.⁶¹ The *diwani* granted the Company territory which it stated would "remain in the hands of the [Company] with their revenues."⁶² In the following years the Company would work

⁵³ Gopal, 12.

⁵⁴ Keay, 390.

⁵⁵ Keay, 390.

⁵⁶ Keay, 390.

⁵⁷ Bose and Jalal, 47.

⁵⁸ Bose and Jalal, 47.

⁵⁹ Seema Alavi, The Eighteenth Century in India (Debates in Indian History and Society), Oxford University Press, USA, 2002, 25.

⁶⁰ Bayly, 4.

⁶¹ Muzaffar Alam and Sanjay Subrahmanyam, 48.

⁶² "Copy of the new agreement, or treaty jointly entered into between the Nabob Najim al Dowlah, the Nabob Sujah al Dowlah, THE EMPEROR SHAH ALLUM, and Lord Clive and the Secret Committee of Calcutta; upon the latter's revoking all former treaties, and the new-modelling the affairs of the Company, by assuming the Dewanee"

to cement its new position as a land power in India, facing challenges from the French, Marathas, and Tipu Sultan in Mysore.

The Company was, at this point, not a rapacious colonizer but rather an independent power rather fortuitously sliding into the vacuum of authority left by the decline of the Mughal Empire. In place of the highly centralized Delhi court, a number of regional polities emerged which were free from Mughal influence even if they still maintained nominal allegiance to the emperor – Bengal is a prime example of this, as it was a province of the empire which achieved de facto independence under a series of *nawabs* in the early eighteenth century. The *diwani* of 1765 marked a turning point for the Company’s character and in turn mission however, a fact underscored by the changing nature of its trade mission.

Prior to it gaining access to revenue streams, the Company would pay for Indian goods and commodities with silver from Europe. This influx of bullion not only served to enrich the subcontinent, but created a balance of power of sorts between the Company and Indian rulers – as Company profits soared, so too did the wealth of Indian princes and merchants who sold their goods. The acquisition of land and in turn domestic revenue reduced the influx of European silver, which allowed the Company to flex its muscles more easily, putting it in a position of dominance vis-à-vis Indian rulers whose economies were weakened – for example, in Bengal, the reduction of bullion helped lead to inflation.⁶³ The existence of this new dynamic illustrates that the Company was no longer solely and completely concerned with trade – it now had territorial interests and expansive areas of land to protect if it wished to continue to receive land revenue.

(the *diwani* of 1765) in William Bolts, *Considerations on India affairs; particularly respecting the present state of Bengal and its dependencies. To which is prefixed. a map of those countries, chiefly from actual surveys*, 2nd ed. London: Gale, 1772, 282.

⁶³ Alavi, 29.



This map showcases the territorial expansion of the Company in the aftermath of Clive's victory at Plassey. The largest area highlighted is Bengal, centered around the Company settlement of Fort William. In 1760, Clive was succeeded by Henry Vansittart as governor of Fort William.⁶⁵

Examining the treaty's text provides a picture that shows a Company with more diverse interests. The tone is set in the opening of the treaty, which specifies that a "perpetual and universal peace, sincere friendship, and firm union" be formed between the Company and Shah Alam II.⁶⁶ This union is an explicitly political one, something that goes far beyond the realm of

⁶⁴ University of South Florida. "Anglo-India after Clive's departure , 1760" <http://etc.usf.edu/maps/pages/6900/6941/6941.htm>.

⁶⁵ Gopal, 13.

⁶⁶ Bolts [the *diwani* of 1765], 282.

trade. The treaty stipulates that the two sides should avoid hostilities of any kind between one another, and it takes care to refer to each side's "dominions", which clearly points to the sociopolitical considerations of neighboring realms, and not merely trading concerns of a private company.

Despite the ostensibly equal union and explicit declaration of friendship, this treaty, in similar fashion to the *farman* of 1717, tilts in the Company's favor in a variety of ways. First, the treaty declares that any usage of Company forces shall be paid for by the Mughals:

In the case of the English Company's forces being employed in his Highness's service, the extraordinary expence [sic] of the same is to be defrayed by [Shah Alam II]

This sounds more akin to an occupied power paying war indemnities to the victor's occupying force than it does a treaty of friendship and alliance, and this kind of one sidedness continues. It also highlights the desperation of Shah Alam – not only was he willing to cede a great deal of territory along with its revenue rights to the Company, but in order to secure the protection of Company forces he was willing to further concede that he would pay for them when they were needed. In addition to this, in a similar idea which is also found in the *farman* of 1717, the emperor agreed to avoid association with any Europeans who may desert into his country: "[the emperor] likewise solemnly engages to deliver up to the English whatever Europeans may in future desert ... into his country."⁶⁷

Another concession by the emperor further underlines its mostly one sided nature, but it also highlights the fact that the Company was still concerned with trade:

His Highness shall allow the English Company to carry on trade, duty free, throughout the whole of his dominions.

⁶⁷ Bolts [the *diwani* of 1765], 283.

Customs free trading rights were a concession naturally to be sought after from a trading company, and the acquisition of them in Bengal was the primary reason that the farman of 1717 was so celebrated by the Company as a success. Here again, despite the granting of revenue rights and in turn territorial acquisitions made by the Company, customs or duty free trade is an important element on the Company's agenda – important enough to be included in a treaty that is otherwise focused more so on political union and the usage of military forces. The Company was still concerned with trade despite its new territory, demonstrating its mixed state with the conclusion of the diwani. It could no longer simply be referred to as a trading power, but calling it a colonial power ignores the fact that it still placed a great deal of value on profit and trade – Clive himself viewed revenue rights more as something to cover costs than to generate profit.⁶⁸ It also belies the character of Company as something more powerful than what it really was, as it still faced multiple threats from other land powers on the subcontinent whose power was at times equal to or even greater than the forces the Company could muster. However, with the acquisition of land revenue, the beginnings of a colonial state could be seen.

⁶⁸ Keay, 391.

The Treaty of Bassein (1802)



*Richard Wellesley, Marquess Wellesley (1760-1842) Governor-General of India (1798-1805)*⁶⁹

The Company's shift from a trading power to an Indian land power after the Battle of Plassey in 1757 and the *diwani* of 1765 had not gone unnoticed in Britain, and in turn there was increasing scrutiny from the public and parliament into its activities.⁷⁰ One of the most prominent and perhaps the most dramatic of these inquiries was the impeachment trial of Warren Hastings, who served as governor-general from 1772-1785. Charges against Hastings included general corruption, bribery, abuse of judicial authority, despotism, arbitrary rule, illegal occupation of Indian territory, criminal wars, and treaty violations.⁷¹ In many ways, the roots of this trial lay in the revenue rights that the *diwani* had conferred to the Company.

⁶⁹ The National Archives,
http://webarchive.nationalarchives.gov.uk/+/http://www.gac.culture.gov.uk/gac_images/Fullsize/05107.jpg.

⁷⁰ Moir, 15.

⁷¹ Mithi Mukherjee, "Justice, War, and the Imperium: India and Britain in Edmund Burke's Prosecutorial Speeches in the Impeachment Trial of Warren Hastings," *Law and History Review* 23, no. 3 (2005): 589-630, 594.

With an eye towards maximizing profit, the Company had pressed Indian peasants for large amounts of production in return for unfair fixed rates of return, which quickly lead to famine among the general Indian populace.⁷² The excessive riches obtained by Clive and others in the Company contrasted sharply and negatively with the plight of Indian peasants under their purview, of which 1/3 had died in the aforementioned famine.⁷³ It was under these conditions as well as the aforementioned claims of corruption against Hastings that the trial commenced. Aside from charges of corruption, Hastings' actions as governor-general to better understand as well promote Indian customs and culture were also closely examined. Hastings had opposed imposing English common law in India, and he also commissioned institutions for teaching indigenous law.⁷⁴ His administration was marked by a respect for Indian culture, customs, and law.

Not only was the Company in possession of sovereignty which it was ostensibly abusing, it had obtained it outside of the purview of the Crown and parliament. Seeking to curtail this excessive growth in power, a number of measures were passed both during and after Hastings' reign as governor-general which attempted to provide the Company more oversight. The Regulating Act of 1773 was the first of these measures, and for the first time, the state radically intervened in the internal affairs of the Company.⁷⁵ Pitt's India Act of 1784 built upon this act by creating a "Board of Commissioners for the Affairs of India"⁷⁶ (commonly known as the Board of Control or India Board) that subjected the company to increasing scrutiny and lessened control over its own affairs. The Board of Control, based in England, oversaw the Company's activities and served as a check against reckless Company policy.

⁷² Mukherjee, 599.

⁷³ "Law and the Colonial State in India," Bernard S. Cohn, in June Starr and Jane F. Collier, eds. *History and Power in the Study of Law: New Directions in Legal Anthropology*, Cornell: Cornell University Press, 1989, 134.

⁷⁴ Mukherjee, 604.

⁷⁵ Moir, 15.

⁷⁶ Moir, 15.

The trial lasted seven years, from 1788 to 1795, ultimately resulting in an acquittal of Hastings. Despite the acquittal, the trial served both as a warning against being “too Indian” as well as a de facto stamp of approval for continued empire in India, even if it was increasingly subject to more Crown oversight. It also shed light on the fact that the Company was no longer merely mercantile in nature. Speaking before the House of Lords, Hastings explained:

The sovereignty which they (the soubahdars, or viceroys of the Mughal Empire) assumed, it fell to my lot very unexpectedly, to exert; and whether or not such power, or powers of that nature, were delegated to me by any provisions of any act of parliament, I confess myself too little of a lawyer to pronounce. I only know that the acceptance of the sovereignty of Benares, etc. is not acknowledged or admitted by any act of parliament; and yet, by the particular interference of the majority of the council, the Company is clearly and indisputably seized of that sovereignty.⁷⁷

The “Company of the Merchants of London, Trading into the East Indies” had definitively morphed into something very different from what Elizabeth I first commissioned it as – while still merchants, they were quickly becoming lords as well, in clear possession of sovereignty over large amounts of Indian land.

This admission by Hastings is noteworthy – even if it is in more of a symbolic sense – since it was made at a time when the Company continued to view itself as a trading power and not a state.⁷⁸ Consequently, the trial can in many ways be seen as the point in time when the Company began to be seen, and in turn encouraged to act, as more of a colonial state than trading power. Along with the regulating acts being passed around the same time, it was indicative of the growing role of the metropole (Britain) in the affairs of the Company, which emphasizes the foreign and distant nature of Company rule in India, a cardinal feature of colonialism; this is also vastly different from Hastings, who saw himself as local ruler.⁷⁹ The Company was not a proper

⁷⁷ Mukherjee, 604.

⁷⁸ Mukherjee, 599.

⁷⁹ Susanne Hoeber Rudolph and Lloyd I. Rudolph, "Living with Difference in India," *Political Quarterly* 71, (August 2000): 20. *Academic Search Premier*, EBSCOhost (accessed May 15, 2012).

colonial state yet, but the slide into being one that had been initiated with the *diwani* was becoming increasingly accelerated.

A growing sensibility and change regarding the Company and appropriate behavior went beyond the political realm of regulatory acts that parliament passed. Socially, the Hastings trial represented a watershed moment which inaugurated a transition from a respect for Indian culture and institutions to outright disdain. In sharp contrast to Hastings, Charles Cornwallis, governor-general from 1786 to 1793, introduced a number of administrative and judicial reforms aimed towards Anglicizing Company rule in India.⁸⁰ The trajectory of these general changes gained strength as time went on – 1835, Thomas Macaulay, a British statesman, joined the governor-general’s council in India and brazenly admitted he had no knowledge of Sanskrit or Arabic;⁸¹ this stood in sharp contrast to Hastings, who was one of the first Britons to learn Sanskrit.⁸² Changes also took place in the social realm – following Hastings’ time in India inter-ethnic marriage became progressively less acceptable, and by the late nineteenth century it had been all but eradicated.⁸³ These changes fuelled the domineering aspect and in turn colonial aspect of Company rule by emphasizing its foreign character – it also sheds light on the new focus the Company had regarding civilization, and what it saw as its civilizing mission in India; in other words, why would Company officials bother to learn inferior languages or marry inferior peoples?

Wellesley’s reign as governor-general (1798-1805) was in the midst of this increasing racialized nature of the Company, which he further increased.⁸⁴ His policy of conquest and his rampant militarism also pushed the Company and its role in India farther and farther away from

⁸⁰ Stokes, 28.

⁸¹ Rudolph and Rudolph.

⁸² Rudolph and Rudolph.

⁸³ Stokes, 29.

⁸⁴ Stokes, 29.

its original position as a trader. This in turn moved it more and more into the role as a colonial power, particularly focused on revenue collection. This change was also accelerated by nascent industrialization in Britain, and the loss of the empire's American colonies. The American colonies had served as an ideal export market for British manufactured goods, and their loss along with the enhanced output of British manufacturing increased pressure to make India a suitable market for British goods – at the time, India was not under the widespread colonial control needed for this however.⁸⁵ Thus there was building momentum to open up new markets to British export,⁸⁶ something that extended beyond India to other areas closed by foreign powers, such as French and Spanish colonies which were vulnerable during the Napoleonic Wars.⁸⁷ The growth of the opium trade to China which rested upon the coercion of Indian cultivators also steadily increased during this time, further fueling the Company's transformation into a colonial state.

It was within this context that Wellesley began his term as governor-general in 1798. The Company's structure unsurprisingly had difficulty accommodating with this new reality, helping to eventually lead to Crown control in 1833, and then abolition in 1858. But for the moment, Wellesley presided over the Company's affairs in India at a time when it was still fairly independent, and certainly in control of everyday administration. This presented the perfect opportunity for Wellesley to expand the Company's power further.

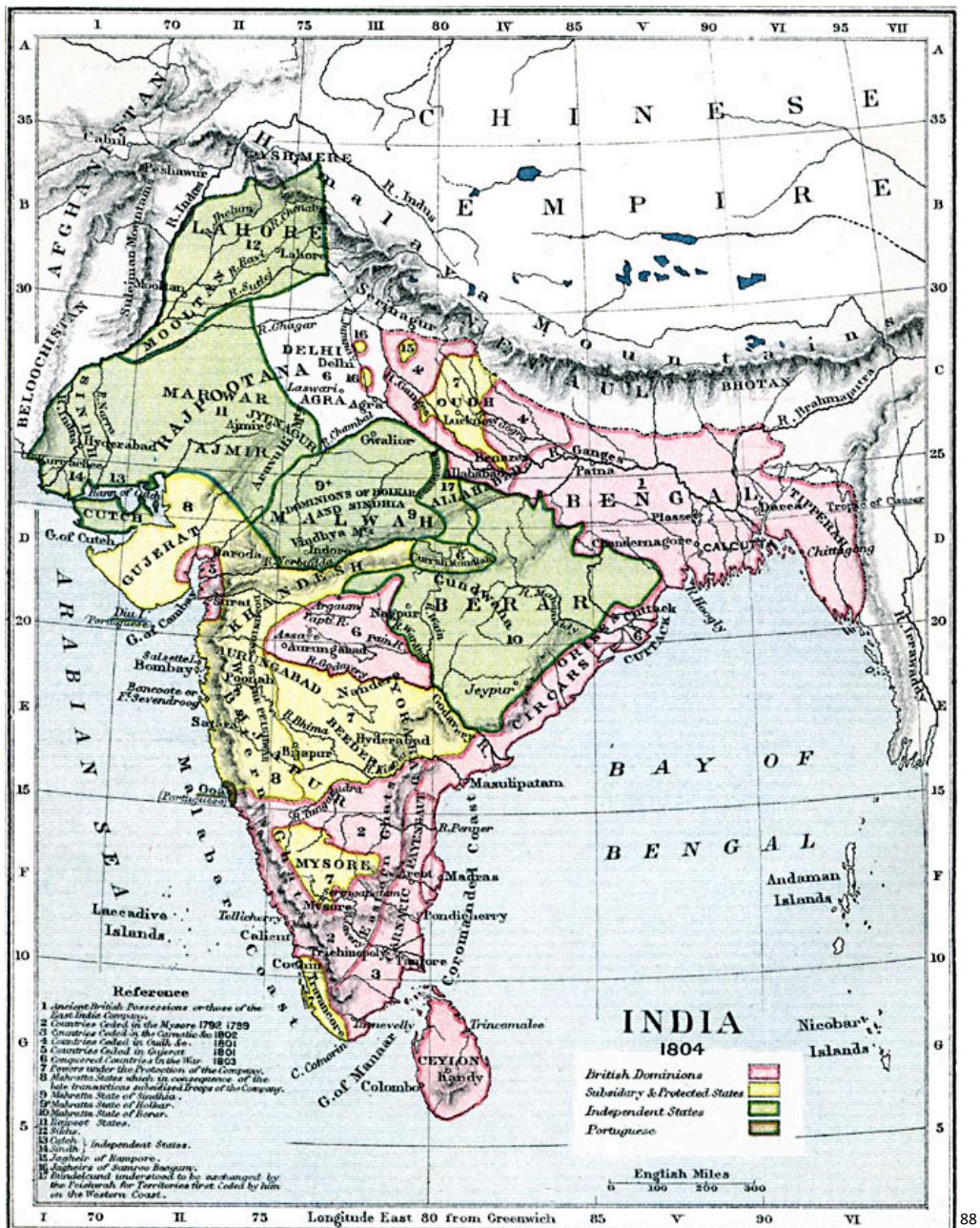
By the fifth year of Wellesley's time as governor-general, 1802, the Marathas were the last remaining Indian power that could contend with the Company. They had built a large and militarily strong empire based in Western India which extended through much of the

⁸⁵ P. J. Cain and A G. Hopkins, "Gentlemanly Capitalism and British Expansion Overseas I. The Old Colonial System, 1688-1850," *The Economic History Review* 39, no. 4 (1986): 501-525, 520.

⁸⁶ Cain and Hopkins, 520.

⁸⁷ John Gallagher, and Ronald Robinson, "The Imperialism of Free Trade," *The Economic History Review* 6, no. 1 (1953): 1-15, 8.

subcontinent through taking advantage of Mughal decline, and their network of tribute (*chauth*) paying cities ran throughout most of India. In 1802 the Company took a major step towards eliminating this remaining rival when Peshwa Baji Rao II agreed to the Treaty of Bassein. The treaty was ostensibly a defensive alliance which formed an equal union between the Company and the Peshwa, but it was far from equal. The Peshwa ceded large portions of territory and became a protectorate of the Company. The transformation from trading power to colonial power was completed with the signing of the Treaty of Bassein, with trade still present, but as a secondary aspect of the Company's role in India; with the Marathas disposed of the Company was no longer just another Indian power, it was instead a hegemon, and due to the allure of land revenue, more oversight from the metropole, and increasing racial policies, one that was increasingly adopting a more colonial stance.



A map of India showing British domains at the end of Wellesley's reign as governor-general. By this point most of the subcontinent was either under direct or indirect Company rule, and after the Treaty of Bassein and resulting war (the Second Anglo-Maratha War) which ended in Company victory, there was no power left which could challenge its hegemony over India.

⁸⁸ University of South Florida. "India after the Second Anglo-Maratha War, 1804"
<http://etc.usf.edu/maps/pages/400/414/414.htm>

Tellingly, the words ‘trade’ and ‘merchant’ or any variation thereof do not appear even once in the treaty despite its extensive provisions defining the union between the Company and Peshwa – the words appear a total of seven times in the *farman* of 1717, and three times in the *diwani* of 1765, rather nicely illustrating the Company’s shift in focus over the years. Formally signed between the Peshwa and the Company (under the governor-generalship of Richard Wellesley), the treaty begins by stipulating that the aforementioned powers have agreed to enter into a defensive alliance “for the complete and reciprocal protection of their respective territories.”⁸⁹ Strong language follows this declaration:

the Governor General-in-Council, on behalf of the honorable Company, hereby declares that the British Government will never permit any power or state whatever to commit with impunity any act of unprovoked hostility or aggression against the rights and territories of his Highness Rao Pandit Pradhan Bahadur⁹⁰

In order to backup this extravagant claim, the treaty explains that the Company will station a subsidiary force in the Peshwa’s territory, and here it is clear that the treaty is decidedly pro-Company – in exchange for providing this force, the Peshwa agreed to cede, “in perpetuity,”⁹¹ over two dozen towns (some of substantial size and importance, such as the city of Surat – where the first Company factory was founded in 1613)⁹² and more than twenty corresponding *talukas* (district subdivisions).⁹³ Clive’s ideal of revenue rights being used more to cover costs than for profit is also seen here, although the scope of territory being ceded casts doubt on the accuracy of the Company’s estimated annual yield:

⁸⁹ “The Treaty of Bassein with the Peshwa” in S., Sardesai G., and Jadunath Sarkar, eds. *English Records of Maratha History - Poona Residency Correspondence: The Treaty of Bassein and the Anglo-Maratha War in the Deccan 1802-1804*. Vol. 10. Calcutta: Sri Gouranga, 1951, 258.

⁹⁰ “The Treaty of Bassein with the Peshwa” p. 258.

⁹¹ “The Treaty of Bassein with the Peshwa” p. 259.

⁹² Moir, 6.

⁹³ The complete list: Parner, Bhutsar, Buhari, Balsar, Parchol, Supa, Sarbhon, Valod, Bardoli, Bansda, Dharampuri, Surat, Olpad, Hansot, Ankleswar, Nanderi, Chaurasi, Chikhli, Phulpar, Kumbharia, Katargam, Savanur, Bankapur.

...the total annual expense of the subsidiary force is estimated at twenty-five lakhs [2,500,000] of rupees, his said Highness hath agreed to cede, by article 4, lands estimated to yield annually the sum of twenty-six lakhs [2,600,000] of rupees, the additional lakh being intended to meet possible deficiencies in the revenues of the said lands, and save the honorable Company from loss.⁹⁴

Had the Peshwa been decisively defeated in a war he might have signed a treaty such as this as an act of capitulation.

The true reason for the Peshwa signing this agreement – protection from other Maratha rivals⁹⁵ – was ensured in the treaty with the aforementioned subsidiary force – “[the force] will, at all times, be ready to execute services of importance, such as the protection of the person of his Highness.”⁹⁶ As he sold out his people for personal gain, the Peshwa stands out as another prominent example of an Indian collaborator, in a similar fashion to Mir Jafar. The lopsided nature of the treaty continues, with article 11 stipulating that the Peshwa cannot employ any Europeans who are rivals of the British (specifically in cases of war).⁹⁷ The threat of European rivalry persisted, underscored by the fact that the treaty was signed during the Napoleonic Wars – in 1797 Napoleon had written to Tipu Sultan offering him assistance, something Wellesley was aware of.⁹⁸ By 1802 Tipu Sultan had been killed by the Company and was thus no longer a threat, but the French remained and so the danger of them colluding with other Indian powers against the Company was extant.

Particularly striking is the treaty’s stipulation that the Peshwa is unable to open negotiations without the Company’s permission:

As by the present treaty the union and friendship of the two states is so firmly cemented that they may be considered as one and the same, his Highness Rao

⁹⁴ “The Treaty of Bassein with the Peshwa” p. 259.

⁹⁵ Govind Sakharam Sardesai, *New history of the Marathas*, Phoenix Publications, 1957, 379.

⁹⁶ “The Treaty of Bassein with the Peshwa” p. 259.

⁹⁷ “The Treaty of Bassein with the Peshwa” p. 260.

⁹⁸ Sardesai, 350.

Pandit Pradhan Bahadur engages neither to commence nor to pursue, in future, any negotiations with any other power whatever, without giving previous notice and entering into mutual consultation with the honorable East India Company's government;⁹⁹

Aside from the fact that this puts into writing the subsidiary nature of the Peshwa to the Company, it also showcases the Company's new role as a hegemon interested in all that passes in its area of control. Far from only being concerned with trade, this text would result in any and all negotiations being presented before the Company for its perusal. This extends even to relations between fellow princely states as stipulated in article 13, which states that any negotiations between the courts of Poona and Hyderabad may wish to open are acceptable, as long "as no such negotiation shall be carried on between any of the three parties without full communication thereof to each other."¹⁰⁰ This far reaching provision, as well as the treaty as a whole, serve as a good example of the Company's new position as the dominant state in India.

The nature of the Company as hegemon of India is also vividly displayed in a letter written by Wellesley (and G. H. Barlow) regarding a troublesome zamindar:

Expulsion of Raja Bugnunt, the Zemindar of Dasnee and Begjeghur, referring to the proceeding for the particulars of his rebellious conduct which led to that event. The land revenue payable by him in 1200 amounted to Rs 30823. The assessment on their districts for 1210 was not made on time to be included in the account referred to in Para. 8 on account of Zemindar resistance. A triennial settlement commencing with 4 -1210 has since been concluded at an annual Jumma of Rupees 100,967 but owing to the disturbances the first year of net revenues will amount to only 45,159 Rupees...¹⁰¹

Faced with a difficult landholder, the Company simply got rid of him and assumed the revenue of the land directly. Other examples of Wellesley summarily dismissing troublesome *zamindars*

⁹⁹ "The Treaty of Bassein with the Peshwa" p. 262.

¹⁰⁰ "The Treaty of Bassein with the Peshwa" p. 260.

¹⁰¹ IOR/L/P&S/6/1 – Revenue Letter (ceded provinces) – October 20th, 1803.

also exist.¹⁰² Far from a trading company, or even a sovereign entity with a passing interests in the internal affairs of its vassals or protectorates, the Company had by this time become so engrossed in the affairs of day-to-day administration that the governor-general himself weighed in on individual cases of rebellious behavior. Dealing with this behavior by expelling the *zamindar* is not the reaction of an entity who wishes to remain hands-off in its administration – it represents the opposite in fact. The letter also demonstrates the step-by-step way in which the Company built up its state apparatus in India, as this question of revenue collection facing Wellesley in 1803 would not have appeared if not for the *diwani* of 1765.

It should be noted that the Company was not merely a brute which took what it wanted when it was convenient. At times, Wellesley showcased a more balanced, but still realpolitik stance, in his dealings with his subjects. A letter dated from 1805 (the last year of his role as governor-general in India) reveals a contrite Wellesley, realizing that a mistake had been made:

Proposed compensation to the Rajah for the loss of Sumblepore and occupation thereof by a British force. The Beras Rajah having withdrawn his unjust and groundless complaints of the alienation of these provinces the Resident was authorized to commence negotiation regarding the compensation to be granted in consequence. The provinces, although declared to be under the British protection were in other respects to be considered as independent and with a view to their protection against the designs of the Beras Rajah, they were occupied by deceit: Col. Broughton whose force was augmented for that purpose.¹⁰³

Aware of the error, Wellesley's proposal for compensation showcases an administration keen on attempting to govern and rule with an eye towards justice, rather than an invader solely concerned with pillaging and plundering the lands that were now under its purview. In another example of a level-headed and at times ostensibly compassionate state, *zamindars* who succeeded in not running afoul of the Company might receive other support if needed, such as

¹⁰² A similar attitude and result can be seen in another letter dated from the earlier portion of Wellesley's reign in September of 1800: "Zemindars of Dinyefores and Rajeshahy by their misconduct and mismanagement have entirely forfeited their respective estates," from IOR/L/E/3/158.

¹⁰³ IOR/L/P&S/6/1 – Secret Letter – 24th March, 1805.

retirement assistance.¹⁰⁴

The Company's day-to-day governance in its new role as hegemon was also matched by a newfound awareness of its power, which is shown in a letter signed by Wellesley and sent to the Court of Directors in London. The letter relays information regarding peace settlements reached with two Maratha Rajahs, and it includes this telling passage:

The Treaties of Peace are founded on principles of equity and good faith towards our allies of justice and moderation towards Scindia, and the Rajah of Berar, and of permanent security to the Honble Company, and of the Nations. The Governor General in Council therefore entertains a confident expectation that this Pacification will confirm and augment the Glory and Power of the British Empire in India, and will tend to preserve the general tranquility of this quarter of the Globe.¹⁰⁵

The Company's possessions in India are referred to as being a part of the greater British Empire within the context of tranquility for all of India, illustrating that the Company was no longer merely a trading power in terms of rhetoric, but instead a hegemon with purview and influence over a "quarter of the Globe."

Conclusion

The answer to the question "what year did India become colonized?" will never be as straight forward as the corresponding "what year did India become independent?" Despite the inherently murky nature of the question and the events surrounding India's colonization, if someone were to put an accompanying "date of colonization" alongside "date of independence", a reasonable year to use would be 1802. This year is in the middle of Richard Wellesley's reign as governor-general (1798-1805) and in the midst of the last rivals to Company hegemony being disposed of. The Treaty of Bassein was also signed which signaled the end of the Marathas on

¹⁰⁴ A letter dated September 30th, 1802, explains that: "Zemindar of Bheerbhoun; a pension of rupees 500 per month granted to his family for their support," from IOR/L/E/3/158.

¹⁰⁵ IOR/P&S/6/16 – Bengal Political Letters Received Nov 1803 - Nov 1806.

paper, which was to be confirmed by the triumph of Company arms over any remaining resistance in the years to come.

By 1802 the Company also had a number of “colonies” setup, even if they were not explicitly settlements in the sense of Jamestown or other similar settlements in the New World. The Company had well established presidencies at Madras, Calcutta and Bombay, with accompanying forts and scores of administrative personnel to man them, and soon the Company would crisscross the Indian subcontinent with railroads and other infrastructure projects. Further underscoring the colonial nature of the Company was that much of its policy was now dictated to it from afar in the metropole. The Board of Control and various regulating acts significantly reduced the Company’s freedom to act in India, and the Company’s British overseers oftentimes never set foot in India.¹⁰⁶ This was a far cry from Hastings’ respect for and study of Indian culture, and strengthened the foreign nature of the exploitation India found itself under.

In terms of a policy of colonialism that rested on dominance and exploitation, 1802 also marks a year which showcases a very different kind of Company whose primary focus was not trade, but land revenue and political expansion. Fuelled by overseas demand in places like China, the cultivation of opium was under way, and with it the exploitation of Indian farmers forced to grow the crop in lieu of what they might traditionally plant (e.g. food for sustenance). Taxes and tax collection by whatever means, oftentimes forcible ones, were the norm, and the increasing wealth and technology level of the Company meant that Indian states or rebels were powerless to stop the process of colonization. The subcontinent was also laid open as a market for products manufactured in Britain, with no tariffs being enacted to protect whatever industry was natively developing at the time. It is little wonder that one of the most enduring images of

¹⁰⁶ Mill, XIII.

Gandhi is of him spinning homemade clothe in an attempt to encourage indigenous production of goods in India, which had become a captive market for British manufactured wares.

Because of the famous nature of the Battle of Plassey in 1757, as well as the granting of revenue rights over a large amount of territory through the *diwani* of 1765, colonial or Company rule in India is often seen as beginning in 1757. While seemingly appearing to be a valid year to choose to use as the beginning of Company rule over India as well as India beginning to turn into a colony, analyzing the *diwani* of 1765 shows that the Company still had one eye affixed towards trade. It had also not adopted a policy of exploitation that a policy of colonialism would entail. The political situation of India at the time also precludes any kind of de facto or de jure domination over the subcontinent, as the Company had to contend with multiple Indian rival states which had enough power to at a minimum frustrate its short term goals (e.g. Mysore). Marked by the Battle of Plassey in 1757 and the aforementioned *diwani*, the Company in the mid to late eighteenth century was not solely a trading power nor was it a colonial power – it was an entity in flux, but sliding towards being a colonial state.

Bearing this in mind, another question calls forth to be answered: why did the Company transition from a trading entity to political state? Examining the three principle building blocks in this transition reveals an answer revolving around a driving ideology of opportunism with profit at the forefront, and a shift in racial attitudes. The *farman* of 1717 was not signed as part of a diabolical plot to begin the conquest of India, it was merely the culmination of past efforts to sign or forcefully bring about something similar, which had up until this point been met with varying degrees of failure – the most spectacular of these, Child's war, resulted in the defeat of the Company at the hands of Mughals, and they were in turn served with a *farman* in 1689 which placed harsh constraints on their trading privileges.¹⁰⁷ Child's war was fought with the aim of

¹⁰⁷ Gopal, 27.

repealing Aurangzeb's placement of new customs and poll taxes on the Company.¹⁰⁸

Farrukhsiyar's pliability and ability to be persuaded to help the Company due to his treatment at the hands of an English doctor was simply fortuitous for the Company, even if it was also in part the result of a concerted diplomatic effort to get the rights and concessions that were granted to them in 1717.

Likewise, the granting of the *diwani* of 1765 came from an emperor at the helm of an empire which was disintegrating, even if it still held a great deal of legitimacy. Seeking allies, the Company secured tremendous territorial gains in exchange for small concessions, such as protection of the emperor by Company troops. The motivation for the acquisition of this territory can be in many ways be boiled down to the Company's sole reason for existence: revenue, and in turn, profit. After gaining and enjoying the revenue brought in from the small holdings it had in Bengal prior to the *diwani*, it only made sense that the Company would seek further increases in revenue. Again we see what amounts to the Company seizing the horns of an opportunity presented to it thanks to the decline of the Mughal state, helped by the fact that no equivalent legitimate power stepped forth to fill the void.

Finally, the Treaty of Bassein offers up a similar set of circumstances, but in this case the culprit is not a declining Mughal state but a highly decentralized Maratha Confederacy, and instead of an ineffective emperor there is a politically isolated Peshwa. Its signing also marked a point in time when the Company had moved from a respect for Indian culture to hostility, exemplified by a feeling of racial superiority. In return for minor benefits, such as again, the protection of Company troops, this time for the Peshwa and his family, the treaty allowed the Company to gain control on paper of its last remaining rival. When the various Maratha chiefs resisted the treaty, the Company fought the Second Anglo-Maratha War under the cloak of

¹⁰⁸ Gopal, 24.

legitimacy provided by it. With the defeat of the Marathas the Company reigned supreme over India, the beneficiary of skillful diplomacy and a powerful military which let it take advantage of the opportunities that were presented to it throughout its time in India.

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