

(A) Hon. English East India Company

Queen Elizabeth I's (r. 1558-1603) initiatives laid the groundwork for the United Kingdom's future international **naval dominance**. She wished for England to be **formidable** at sea because she was a firm believer that 'ships made history.'

So, it was under Elizabeth that the definite pattern had been set which was continued for next **two** centuries.

It was exactly the time when the weakening of Portuguese power in the Indian Ocean by the end of the 16th c had created a vacuum which the English and the Dutch tried to fill. Since the merchant capitalists of England were, as a class, much weaker at this stage than their **Dutch** counterparts, their progress was much slower in so far as their share of the Asia-Europe trade was concerned, at least till 1680s.

Formation of the EIC - 31 Dec 1600

English traders got alarmed that the Dutch were **cornering** the **spice** trade. Worst of all, the Dutch were buying English ships from England for this very purpose.

So, they decided to join hands and pool their resources, leading to the formation of a joint stock company in 1600. It was a private shareholders' company and the founding **101** shareholders consisted of politicians, merchants, petty investors, and speculators.

These merchants, based in London, had succeeded in persuading the authorities to grant them special privileges, through a **royal charter**, for participating in the seaborne trade via Cape of Good Hope.

The charter was initially for **15** years, and it was later continuously renewed with changes in terms from time to time, till **1853** when it received the final charter.



Elizabeth I



Francis Drake



## EIC: 17<sup>th</sup> century in England

Even before the first charter ran its full course, a new charter was granted to the EIC by James I, who had succeeded Elizabeth in 1603.

EIC was purely a commercial enterprise, a private undertaking. It had little support from the government in the initial decades. Thus, it was imperative for it that profit making remains the top priority and only objective. Thus, the only policy was that of expediency.

The 17th century was a period of great political turmoil and social unrest in England, marked by the conflict between the monarchs and the parliament on the issues of taxation and religion.

- In 1637, Courten Association obtained a charter from Charles I (r. 1625-1649) to trade in the East. In 1657, when England was a republic briefly (1649-60), a fresh charter was granted to the EIC by Oliver Cromwell, restoring its monopoly.
- Scottish parliament authorized another company to engage in trade with East India. Eventually, the separate Scottish trading venture failed due to intense English hostility.
- After the Glorious Revolution of 1688, which established supremacy of Parliament over crown, the political influence of the EIC was somewhat reduced. Parliament created a new company - now called as English Company (as against London Company for the old company). But it was soon realized that such competition was disastrous for English overseas commerce. Eventually a compromise was worked out and the two companies were merged under parliamentary and state supervision in 1709.

However, all this disorder didn't impinge much upon the functioning of the EIC - in stark contrast to its European competitors as their position depended much on the fortunes of the government of their mother country.

## EIC: 17<sup>th</sup> century in India

First Englishmen visiting India:

1579	Thomas Stephens	<ul style="list-style-type: none"><li>• A Jesuit missionary</li><li>• First Englishman to reach India (Goa)</li><li>• Author of <b>Krista Purana</b> (epic poem on Christ in Konkani + Marathi)</li></ul>
1584	Ralf Fitch	<ul style="list-style-type: none"><li>• First Englishman to travel through India.</li><li>• Came to Goa with John Newberry, John Eldred, and James Story. Except for Story, the other three visited other parts of India.</li></ul>
1603	John Mildenhall	He met Emperor <b>Akbar</b> . However, his journey was not sponsored by the Company. Hence, Sir William Hawkins was sent to India to declare all his dealings <b>null and void</b> .

First Expedition/Voyage of EIC fleet to **Spice Islands** (Indonesia) under James Lancaster and Henry Middleton in 1601. India was only incidental to the plans of English and its main objective was to procure **spices** from SE Asia, but the English were driven out of SE Asia by Dutch by 1623. So, English prudently turned towards India and towards trade in textiles instead of spices.

(i) Western India: Surat and Bombay

The first mission by Captain William Hawkins (1608) to the **court of Jahangir** failed to achieve substantial result due to Portuguese opposition.

English realized that their future in India would be **uncertain** if the Portuguese continued to exert their **influence** in the Mughal court. The English consolidated their position in India by defeating Portuguese in the two naval encounters - at **Surat (1612)**, English led by Capt. Thomas Best) and at Swally (1614, English led by Sir Henry Middleton). The English company was now granted the permission to **open factories** in Surat (1613), Ahmedabad and Bharuch.

In 1615, **Sir Thomas Roe**, sent by King James I, led the second mission (first royal ambassador) and spent three years hanging around the **court of Jahangir** before the Company could get the royal firman to establish factories anywhere in India. Roe also played an important role in **securing** the release of English merchants who had been held captive by the Portuguese in **Goa**.



Sir Thomas Roe

Roe's mission marked the beginning of a new era in the history of the EIC in India. By 1619, the English were able to establish the factories in **Surat, Agra, Ahmedabad, and Bharuch etc.**

The hostilities between Portuguese and English ended by 1630. Consequently, the English trade started to expand at **great pace** and the number of English factories multiplied.

In 1665, Charles II of England got dowry of Bombay from Catherine of Braganza of Portugal in the marriage. This was a marriage of states, in which the two dynasties got into a diplomatic alliance by marrying off their royal family members, along with the exchange of gifts and privileges.

The EIC later acquired these islands from the Crown for extending loan of 50,000 pounds and nominal rent of 10 pounds/annum in 1668. The Company was keen to develop the region, with its natural harbour, into a British trading post. Soon, it became the chief trading post for the company on the western coast. Within 20 years, in 1687, the administrative HQ of the western coast was shifted to Bombay from Surat. Now Bombay was fortified, and it soon replaced Surat as the chief port but couldn't progress much due to rising Maratha power.

(ii) Coromandal Coast:

- Masulipatanam was the first factory of British here, established in 1611. It was the seaport of the Golconda Sultans. The activities of the EIC expanded on Coromandal in 1630s and 40s.
- Madras (1639) pedda venkata raya
  - Permission from local Raja (fortify, mint, first territory, without war).
  - Fort Saint George was built at this place in 1640. It was the time when cotton supplies to Europe were increasing due to the increasing demand. As the trade increased, so did the city of Madras, which absorbed a lot of immigrants from the nearby regions who were seeking to escape the socio-political instability, before and after the conquest of South India by the Mughals.
  - In 1652, Madras became the presidency and the entire eastern coast, including Bengal. It remained the HQ of the Company in India till 1750s.

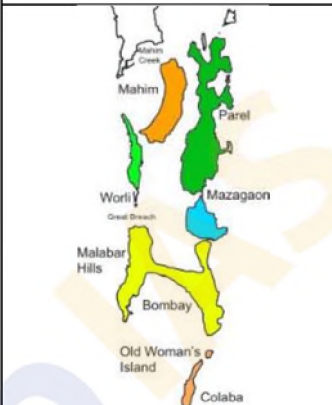
(iii) East India (Bengal, Odisha):

First English company in the East was Hariharpur, Balasore in 1633. Soon, the British came to Bengal by establishing a factory at Hooghly in 1651, which later on spread to more locations like Patna, Dacca and Kasimbazar (WB).

But English were expelled from Hooghly in 1680s after Anglo-Mughal war. It was Job Charnock who received the permission to open factory in Bengal again 1690 from Aurangzeb. He bought the zamindari of three villages of Sutanati, Gobindpur and Kalikata from Bengal subedar Azim Usman in 1698 and formed a settlement and called it Calcutta.



Marriage certificate of Catherine and Charles II



Original 7 Islands of Bombay. These were joined together in the 19<sup>th</sup> c to form today's southern part of Bombay city.



St. Mary's Church, Fort St. George, Madras. Robert Clive married here, so did Elihu Yale, a president of the EIC, who became rich in India and later endowed Yale University in USA in 1701.



The English settlement soon expanded and around 1700, the Fort Williams was constructed with the permission of the Bengal Nawab. Now, Bengal became a separate Presidency. Of the three presidencies, it was more lucrative and less disturbed. In 18th century, 60% of British export (from entire Asia) came from Bengal.

East India Company and the foundation of three presidency towns:

Bombay	7 Islands George Fort	1668 1769	EIC leased the islands from the Crown King George III
Madras	Fort St. George	1639	St. George (military saint), patron saint of England
Calcutta	Fort Williams	1698-1702	William III, the then king of England

### EIC: Trends in the 17<sup>th</sup> century

voyages meaning  
a long journey involving travel by sea or in space

Theme 1: For the English Company, despite some spectacular profits in its early voyages, it was a troubled time. Not so much because of occasionally adverse trading conditions, but because of financial and political difficulties at home - in securing sufficient capital, upholding their monopoly rights and suffering from political wars and religious turmoil.

Theme 2: Anglo-Dutch rivalry

- Due to the Dutch stranglehold over Southeast Asian spice supplies the EIC tried to use more of Indian networks (and subsequently in China for tea). Thus, there was gradual expansion of factories India.
  - The fact was that the English could trade in India with relative freedom, esp. in Mughal territories. It didn't have to face the kind of obstacles that were placed in its way by the Dutch in SE Asia, presented it with a historical opportunity that it made good use of.
- The competition with Dutch also led to confrontations, partly as a consequence of rivalries taking place in Europe. Between 1650s and 1670s, England and Dutch fought three wars which put English company in tight spot. In order to survive and protect its interests, the Company evolved its outlook and started to use strong arm tactics.

Theme 3: The 17<sup>th</sup> c. witnessed changes in Asia-Europe trade which eventually benefitted and were accelerated by the EIC. In the second half of the 17th c, there was a steady rise of the exports of Indian textiles, and to some extent Indigo.

Theme 4: From Supplication to Aggression with State Support

From 1650 to 1690, the trade of the Company made great progress, and with it, its ambitions rose.

By Charter of 1661, it was authorized to raise army, make peace and war, and to acquire territories and administer justice in its territories. Armed with the governmental authority, some of the EIC merchants began to dream of power and dominion. The company henceforth began fortifying its stations in India and setting up small militia to protect them.

It was thus the period of active support of the government. Even while there was always a dividing line between the government and the company, the line was thin and fairly pervious.

With this, after first 70 years of peace there was the Mughal-Anglo war of 1686-90.

In the 1680s, the EIC management in London, with the sanction of king James II, formally launched an offensive in India on two fronts to increase the Company's influence. It was the aggressive manner of Josiah Child, the president of the Company, which led to this mistaken belief of superiority. The company was certainly in no position to take on Mughal military might at this stage. As a result, the company was temporarily dislodged from the west coast and might have lost Bombay forever. In the end, the Company had to surrender unconditionally. Aurangzeb imposed huge indemnity as a price to allow EIC to trade.

#### Theme 5: Beginning of Anglo-French Rivalry

While the competition with the Portuguese and Dutch was eventually overcome, owing largely to the two countries' internal problems and weaknesses, the conflict with the French became particularly bitter.

French Governor Dupleix began meddling in Deccan regional conflicts, primarily with the intention of driving the British out of India.

Following in the footsteps of the French, the English company created its own armed contingents and became actively involved in neighbouring disputes. It formed shady alliances with provincial rulers and utilised its army of Indian mercenary warriors to help local rulers bolster their positions in exchange for money and land rights.

Companies approach towards war: Although the Company's success story is drenched in blood, the Englishmen never overlooked the importance of the business angle. The Company made a lot of money from trade as well as plunder, blackmail, and extortion, and hence had enough money to fight wars.

## (B) French EIC

In France, the Compagnie des Indes Orientales (East India Company) was founded under royal patronage in 1664. It was Louis XIV's PM Colbert's initiative.

### Settlements:

- Phase I: Many factories in India
  - First factory was at Surat (1668) to purchase textile.
  - Second factory was at Masulipatanam (1669)
  - In 1673, a factory was established at Chandarnagar, very close to Calcutta.
  - Then came Pondicherry (1674) and eventually it became the HQ for all French possessions in India.
- Phase II - Revival/new momentum in 1720s led to creation of new posts.
  - 1721-Occupation of Mauritius
  - 1725-Mahe
  - 1739-Karikal
- French influence on western coast is very less. It was present largely on the eastern coast.

### Changing fortunes of the French EIC:

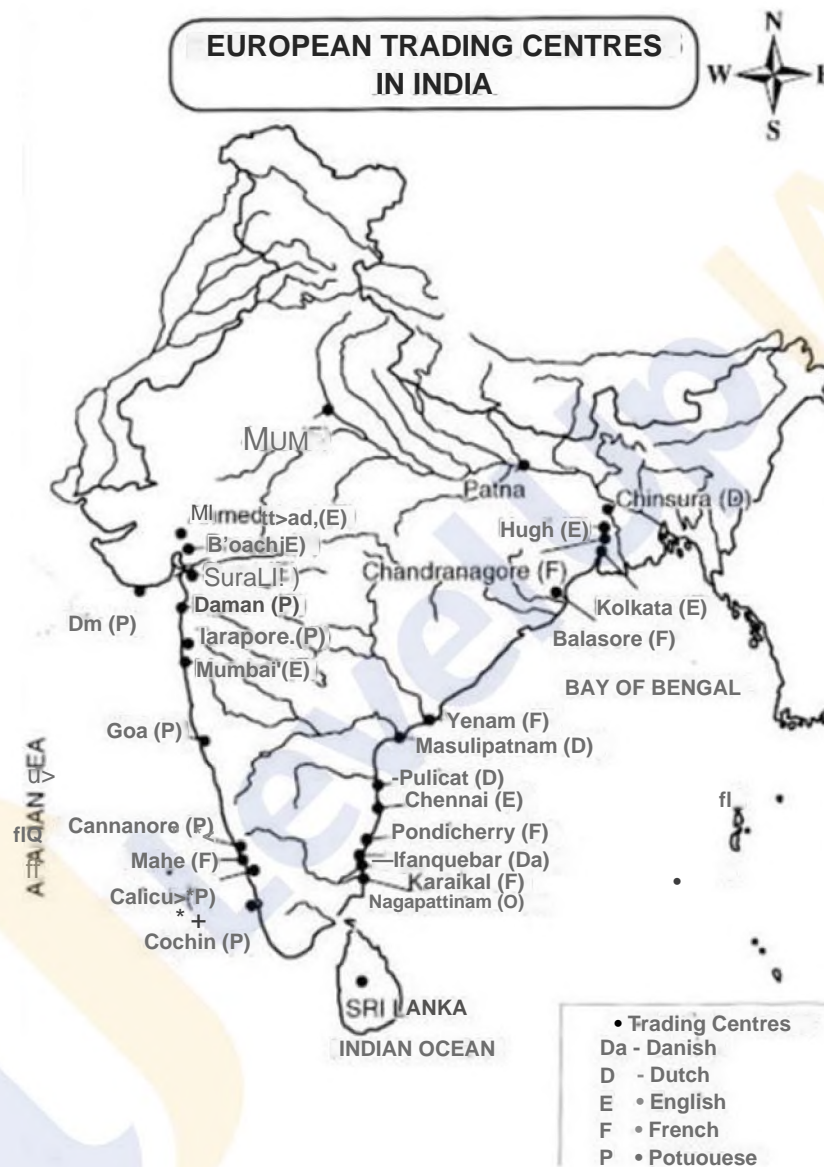
- Given its financial weakness, the French EIC was not in a position to engage very actively in trade between Europe and Asia during the first few decades of its existence.
- At the beginning of the 18th century that the French EIC became a profitable business concern. At this juncture, it quickly emerged as the formidable trade rival to the English EIC in India. The French trade was considerably higher than EIC in this era. Yet, its focus remained on pure trade by Lenoir and Dumas (1720s-30s) and no political ambition was displayed.
- With the entrance of Dupleix, the French began to formulate imperialist plans in India. The French company's expanding political ambitions, as well as Europe's shifting political alignments, injected tension into the relationship with the English. Both were embroiled in a struggle for political and commercial dominance in India between 1740s and 1750s.

#### Danish EIC

Not very significant in India

- Two Companies (combined of Denmark-Norway)
  - First Company: 1616-1650
  - Second Company: 1670-1729
  - Revived in 1730 as Danish Asia Company, functioned till 1840s.
- Not much activity in India. Then they sold their possession in India to British and left.
- Locations
  - Trancobar (TN) and Serampore (Bengal) were imp centres.
  - Serampore imp because before 1813, EIC didn't allow spread of Christianity in its area. So, Serampore was used (Danish) Europeans for evangelism.

No.	Country	Company Formation	First Factory in India
1	Portuguese	Earliest	Calicut (1500-02)
2	English	1600	Masulipatanam (1611) Surat(1613)
3	Dutch	1602	Masulipatanam (1605)
4	Dane	1616	Tranquebar (1620)
5	French	1664	Surat (1668)



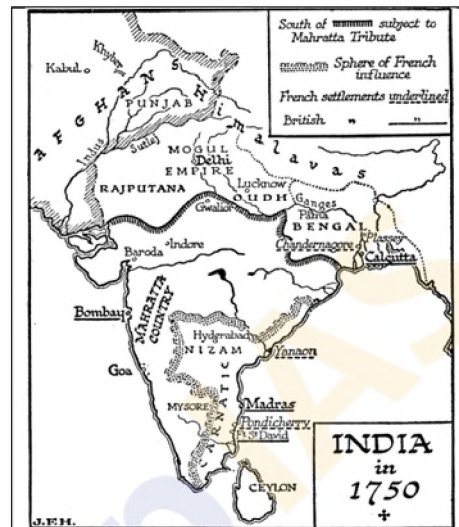


(C) Carnatic Wars - Elimination of Rivals  
(1746-63, 18 years, 3 rounds of war)

By 1700, the English were able to dash out both the Portuguese and the Dutch from the Indian scenario. Now they were left with a single competitor - France.

An ongoing international conflict between Britain and France intensified the struggle between the English and French companies in India in 1740s and 1750s. Both sought to enhance their influence in southern India by strengthening their own security, building forts and enlisting Indian soldiers in the name of self-defence.

Southern India was thrown in prolonged political turmoil when Aurangzeb launched his Deccan campaign in 1681. The situation only aggravated after his death in 1707. The balance of power was upset, Marathas were emerging as a major power and there was emergence of a lot of new states, leading to instability. The net result of all this strife was total breakdown of the administrative order. This political instability offered the two companies a golden opportunity.



Carnatic Region: Mughal possessions in South India (TN, AP, Telangana) were called as Karnataka Payanghat. They were administered from Arcot since the closing years of Aurangzeb's years.

	Causes	Main Battles	Treaty/Outcome
First (1746-48)			
Second (1751-55)			
Third (1756-63)			

## First Carnatic War (1746-48) (Outcome depended on sea power)

In 1742, Joseph Dupleix was appointed as governor of French possessions and remained till 1752. He is the most prominent figure in the history of French colonial expansion in India.

His appointment coincided with the outbreak of a series of military conflicts in Europe which are together referred to as the War of Austrian Succession (1740-48). France and England were supporting different candidates as heirs to the Hapsburg throne in the war. Thus, in India too, the two companies were arrayed against each other, leading eventually to the full-blown war.



### Course of the War:

Early French victory - Capture of Madras	Weaker French tried to avoid hostilities but British were deliberately provocative on sea and they threatened Pondicherry. In retaliation, Dupleix, with the help from La Bourdonnais, captured Madras. This placed EIC in a precarious position in Coromandel. However, the gains of this initial victory were quickly lost due to the quarrel between the two and French could not consolidate their position.
Defeat of Anwaruddin	British approached Anwaruddin, the Nawab of Carnatic for help. The Nawab agreed to intervene and sent a huge army to defeat French. But he suffered ignominious defeat by a small disciplined French army (important lesson for the first time in superior European trained army)
Stalemate	French laid a long siege (18 months) of Fort St. David (Cuddalore) which was a minor British possession, but the British were able to defend it.  On the other hand, British navy besieged Pondicherry for 40 days but it ended up in disaster and British had to retreat. The successful resistance of Pondicherry reinforced the reputation of Dupleix as an able military leader.

Meanwhile, the war ended in Europe in 1748, and with that there was a brief interval in Anglo-French conflict in India. Following the protracted negotiations, as per the Aix-la-Chappelle Treaty, English possessions in Madras was restored.


War ended but not the rivalry between the two companies. The peace was only the wait for the next round of war. Dupleix was reluctant to sign a peace treaty with the English, but he was compelled to do so under the instruction of the government of France.

### Lessons of the First Carnatic War

- Superiority of French in the first war: Capture of Madras was the salutary achievement which enhanced the power and prestige of the French as a territorial and naval power in India.
- Dupleix got opening into the domestic quarrel of Indian princes.

## Second Carnatic War (1751-55)

This time, there was no European pretext for the outbreak of hostilities. Indian rivalries provided the context. Its basis lay in the political instability in Carnatic - succession crisis for Nawab of Carnatic and Nizam of Hyderabad.

Hyderabad	Arcot
<p>In 1720s, Nizam-ul-Mulk Chin Qilich Khan (Asaf Jah I) founded the state of Hyderabad.</p> <p>The death of Asaf Jah I (1748) created political vacuum in Hyderabad which the French and English rushed to fill in by exploiting the dispute over succession.</p> <p>Nasir Jang (son of Asaf Jah I) became the next Nizam but he was challenged by Muzaffar Jang (grandson of Asaf Jah through a daughter). In it, the French offered services to Muzaffar Jang and English thus lent their support to Nasir Jang.</p> <p>However, Nasir Jang was assassinated in 1750. Dupleix then moved swiftly. Accompanied by a large contingent of troops under the command of Charles de Bussy, Muzaffar Jang was installed.</p> <p>When Muzaffar Jang was in turn assassinated (1752), de Bussy backed Salabat Jang, the younger brother of Nasir Jang as the successor, who then stayed as Nizam for a decade.</p> <p>In return the French company received extensive grants in Tamil Nadu and the authority to govern vast areas.</p> <p>More importantly, the new Nizam ceded a few districts on coastal Andhra (Guntur, Rajamundry, Ellore</p>	<p>Saadatulla Khan (d 1732) was the Mughal diwan of Karnataka Payanghat. His dynasty is called Navaiyat dynasty. He was the last Mughal-appointed in Carnatic. After him, Carnatic tried to be independent.</p> <p>In 1743, Nizam of Hyderabad intervened and appointed Anwaruddin (1744-49) as Nawab who replaced the Navaiyat dynasty. So, even the Arcot principality owed its origin to Mughals, its present ruler Anwaruddin was ruling on behalf of Nizams. However, since Nizam was busy in North and with Marathas - so Carnatic became practically independent.</p> <p>Marathas set Chand Sahib free after 7 years of captivity in 1748. Chanda Sahib was related to Navaiyat dynasty and aspired to supplant the incumbent ruler Anwaruddin Khan. Upon his return, with the help of French he sought to oust Anwaruddin.</p> <p>In 1749, Anwaruddin was killed in the battle of Ambur, in which was fighting against the combined forces of Muzaffar Jang, Chanda Sahib and the French.</p> <div data-bbox="945 1245 1123 1515"></div> <p>Battle of Ambur Death of Anwaruddin 1749</p> <p>Chanda Sahib now declared himself the ruler of Arcot. On the other hand, British were supporting the cause of Muhammad Ali (Wallajah), one of the Sons of Anwaruddin. British threw full weight behind Muhammad Ali and prepared for full-scale offensive.</p>

etc) which were administratively designated as Northern Circars. Dupleix was handsomely rewarded for his assistance with a present of £77,500, the high Mughal rank of Mansab of 7,000 horses, the rich port of Masulipatnam and a jagir (a landed estate) worth £20,000.

Maratha, Tanjore, Mysore all were brought together to support Muhammad Ali. While the French were busier in Hyderabad, English attacked a massive offensive against Chanda Sahib. Arcot and Trichy were occupied.



Clive in the Siege of Arcot (1751)

Siege of Arcot: Robert Clive attacked Arcot as a tactical diversion. Its seizure demoralized French.

French forces were repeatedly defeated at Trichy and other places. Soon dispirited Chand Sahib also surrendered to British. He was beheaded (1752). It helped the EIC to establish its supremacy over Carnatic. Tide turned in favour of English. Muhammad Ali was declared as a nawab.

Under the circumstances, it was a kind of stalemate in India. So, the two companies arrived at a negotiated settlement. Representatives of the two companies started discussion leading to the Treaty of Pondicherry (1754)

- One outcome of these talks was the recall of Dupleix in 1754. Dupleix's career ended in 1754. He returned home after the career of 34 years in India. Charles Godeheu appointed as new GG with wide-ranging powers to sort out the problems.
- Muhammad Ali (Wallaaja) became Nawab of Carnatic. Each side not to interfere in local powers.
- There was a complete reversal of Dupleix policy. His work was undone in Carnatic. Only in Hyderabad de Bussy continued influence.

Before the treaty could be ratified at home, the Seven Year war broke out. Thus, the only effect of the treaty was to give a breathing space to two sides.



### Third Carnatic War (1756-63)

It was an offshoot of the Seven Years' war in Europe, which in turn was a part of an international conflict among western powers for colonies, although it involved some specifically European political issues. The English and the French were at war wherever the two had been seeking to wrest colonial possessions from each other, especially in North America and India.

In India, there were two theatres of war.

- Bengal theatre
  - British captured **Chandarnagar** in 1756. French could do nothing till the fleet arrived.
  - In the Battle of Plassey (1756) British managed to gain control over **Bengal**. This victory had remarkably boosted their morale. They also now had access to almost unlimited amount of wealth from **Murshidabad** to fund their war in South.
- Carnatic theatre
  - With defeat in Bengal, French sent a senior military officer **de Lally** as commander general of colonies in India with instruction to inflict maximum damage to the British. It was an desperate attempt to reverse the tide of their misfortune, but in vain.
  - Lally spent an year attacking **Tanjore** and besieging Madras without any outcome,
  - Lally lost Hyderabad.
    - Lally unwisely ordered Bussy to leave **Hyderabad** to render assistance in Carnatic. He had to leave the troops under incompetent commanders. English sent army, captured Northern Circars and replaced French in Hyderabad court.
  - Battle of **Wandiwash** (1760)
    - \* It was the most decisive battle in which the French were forced to surrender.  
General Eyre Coote vs Lally - Coote complete defeated Lally
  - With the route of French in Wandiwash, British were able to establish their ascendancy over large parts of peninsular India. English followed up their success at Wandiwash quickly:
    - In next few months, all major possessions of French were captured.
    - \* Pondicherry surrendered - the city was completely routed and reduced to rubble by British.
    - In the final act of humiliation, Lally was captured by British and send to Europe as PoW

Two treaties:

- **Treaty of Pondicherry** (1761) marked the end of the French aspirations in India.
- Meanwhile, France had to face defeat in the Seven Years' War. In the Peace of Paris (1763), Peace was restored.

French factories and Pondicherry were returned but without fortifications and confined only to local trade. However, the possibility of the French Empire in India was over. Hereafter, they were to live under British protection and not allowed to fortify or garrison their towns nor permitted to interfere in political affairs of India. Thus, the French dream of creating an empire in India was shattered forever.

- By the end of the Third War, the EIC became a territorial power in South India and had established pre-eminence in Hyderabad. The most substantial gain was however in the Eastern India after the battle of Plassey. And there was near complete French expulsion from Bengal too.

#### End of the French EIC

French government went heavily into debt during the Seven Years' War. It had neither resource nor intent to salvage the company in India. The Company now completely lost the royal attention. French EIC formally ended in 1769. The French crown maintained the possessions thereafter.

#### Causes of the French Failure:

