

MODERN HISTORY (1707 – 1947)

1770's

British EIC by 1770 was making profits and also corruption was on a high. Due to many wars with Indians & corruption, EIC was in financial crisis (debt).

Still EIC portrayed to Britain that they were at a profit of 12.5%. To solve the money issue the Board of Directors of EIC request a loan from Bank of England.

Britain then sets a committee to enquire about EIC work in India and their contradictory loan request even though they were making profits

This **Committee was chaired by General Burgoyne**, he gives his advice to not give loan. While this committee was in works, EIC asked for another high value loan, making the fears of Britain stronger.

British govt finally decides to give a loan of some amount at 4% rate of interest with some terms and conditions – **company will be now regulated by British Govt.**

ACTS

1. REGULATING ACT, 1773

- a. **“For the first time the British Cabinet was given the right of controlling of Indian Affairs”**
- b. **Converted the Private Company EIC into a Government Company with regulations**
- c. With this act **Establishment of Institutions started in India**, foundations were laid.
 - i. Before 1773, there was no structure, no proper rules in company, no common courts, there were different rules in different areas (Mughal rule, Nazam Rule etc)
 - ii. Now proper structures like Supreme Courts, Governor General, Executive Council were being establishes. A government was being formed for the entire India.
- d. **Court/Board of Directors – handled EIC**
 - i. Before 1773, CoD did not report to British Govt for their actions, full freedom as a private company. CoD members had a term of 4 years.
 - ii. Revenue Report → Treasury Officer of British Govt
 - iii. Military/Civil Department Report → Secretary of State (British Govt)
- e. **POINTS IN ACT**
 - i. Board of Directors
 1. Total 24 members
 2. Tenure – 4 years
 3. Every year 1/4th members will retire (6)
 - ii. Converted Governor of Bengal to Governor General of Bengal
 1. 1st GG of Bengal → Lord Warren Hasting
 2. Bengal was the most important Presidency for British
 3. Casting vote power in case of tie between members
 - iii. Executive Council/Council of Governor General(CGG)
 1. 4 members to assist GG of Bengal
 2. Term of 5 years
 3. Elected by King/Queen after the recommendation of Court of Directors
 - iv. Governor of Bombay & Madras presidencies came under GG of Bengal (**subordinate**)
 - v. Estd. of 1st SC at Calcutta (1774) with one Chief Justice & 3 other judges
 - vi. Prohibited servants of Company from engaging in any private trade or accepting presents/bribes from natives

2. PITTS INDIA ACT, 1784

- a. William Pitt was the British PM at the time.
- b. Dual Govt
 - i. Board of Control (in Britain)
 - 1. 6 members
 - a. Secretary of State
 - b. Treasure officer
 - c. 4 other members
 - 2. Political functions, Civil/Military affairs, rules & regulations, hiring & postings
 - 3. Controlled Board of Directors
 - ii. Board of Directors (in India)
 - 1. Commercial affairs - trade, revenue, no approval needed.
 - 2. All Civil/Military will be done by BoD but after the approval of BoC
- c. CGG's strength was reduced to 3 members
- d. GG was given right to veto
- e. Calcutta became the capital of **British Possessions** in India(1st time this term was given)
- f. Act gave British Government direct control over Indian Government

3. ACT of 1786

- a. Removed Warren Hastings(weak performance) with Lord Cornwallis (more experienced in management)
- b. Cornwallis put some conditions before going for GG of Bengal, demanded Overriding Power (power over the 3 members of Executive Council)

Regulating Act, 1773 → Casting Vote power

Pitts India Act, 1784 → Veto power

1786 Act → Overriding power

4. CHARTER ACT, 1793

- a. Charter → permission granted
- b. Charter for company to trade in India for another 20 years and so on with next Charter Acts every 20 years till 1853.
- c. Senior company officials barred from leaving India without permission
- d. Separated revenue admin and judiciary functions leading to disappearance of Maal Adalats (revenue courts)

5. CHARTER ACT, 1813

- a. Company's commercial monopoly was ended, except tea trade & trade with China
- b. Provisions to grant permission to the persons who wished to go to India for promoting moral & religious improvements (Christian Monasteries)
- c. Company should invest Rs 1 lakh every year on Indian education

6. CHARTER ACT, 1833

- a. India became a British Colony, before the word used was British Possession.
- b. Act created for the first time, a government of India having authority over the entire territorial area possessed by the British in India.
- c. Governor General of Bengal promoted to GG of India
 - i. Lord William Bentick → 1st GG of India
- d. Governors of Bombay & Madras lost their legislative powers (as GG of India was made)
- e. GG of India had legislative powers over entire British India
- f. Company's complete trade monopoly was abolished
- g. 1st time GG's govt was called Government of India & council → India Council
- h. Indian Law Commission
 - i. Chairman – Lord Macaulay
 - ii. Proposal for Indians to sit for Civil Services exams, make Indian Civil Services (ICS) an open competition exam.
 - iii. Above provisions were neglected after opposition from the Court of Directors
- i. Trade Monopoly
 - i. In 1813 Charter Act → Trade monopoly partially ended for EEIC except tea & China
 - ii. But in 1833 Charter Act → Trade monopoly was completely removed for EEIC

7. CHARTER ACT, 1853

- a. 1st time → separated legislative & executive functions of the GG's council
- b. Addition of 6 new members called legislative councilors to the council (local rep for the 1st time)
 - i. $4 + 2 = 6$
 - ii. 4 from local provinces of Madras, Bombay, Bengal, Agra, but still all were British
 - iii. Other 2 also British.
- c. Introduced an open competitive system of selection & recruitment of civil servants (ICS), no deadline on implementation of this, just discussed.
- d. ICS
 - i. Proposed in 1833 Charter Act
 - ii. Implemented in 1853 Charter Act
- e. No new 20 year charter given, clear indication company could be terminated anytime by the Crown as they wished (with charter it wouldn't be possible)
- f.