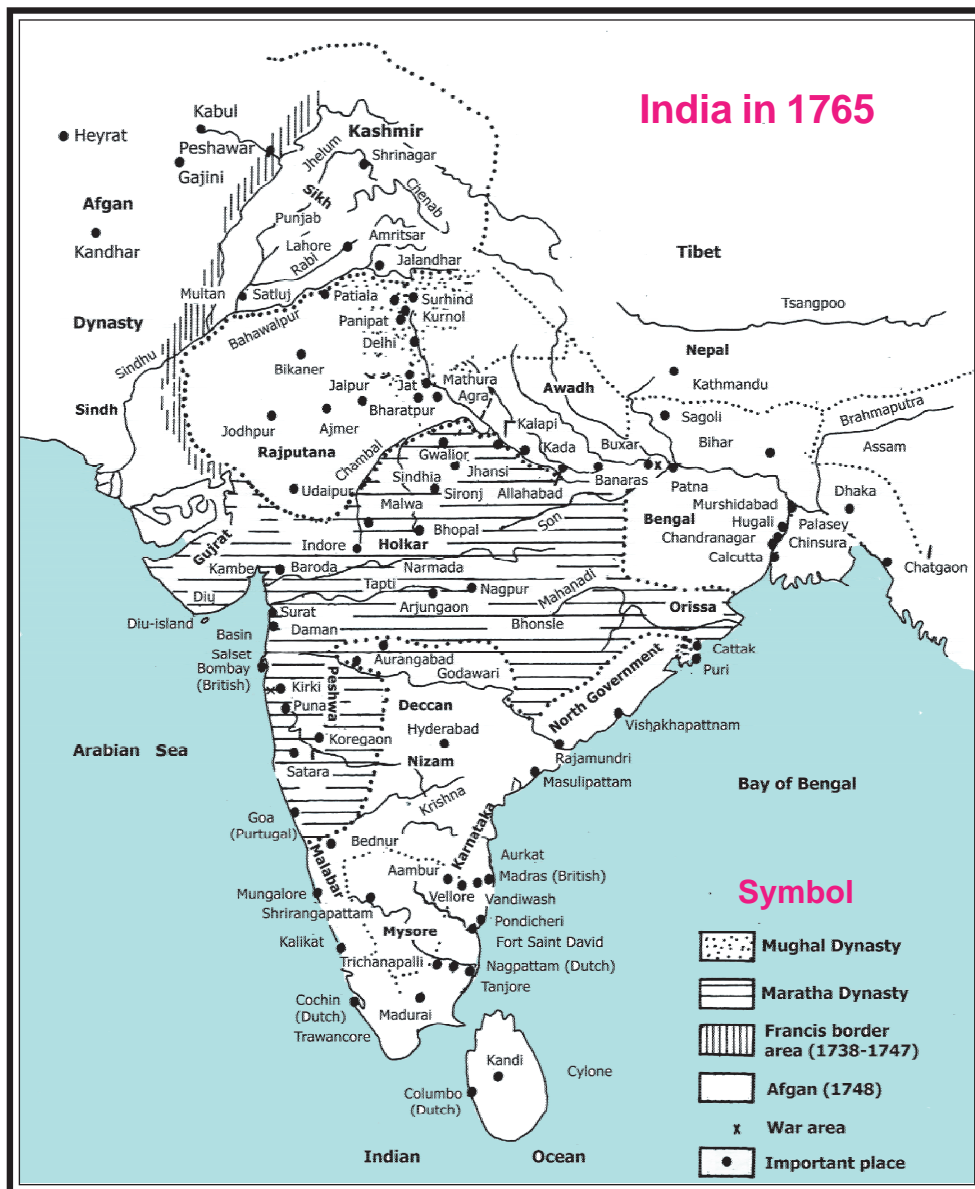


## CHAPTER - 2

# ESTABLISHMENT OF RULE OF EAST INDIA COMPANY IN INDIA

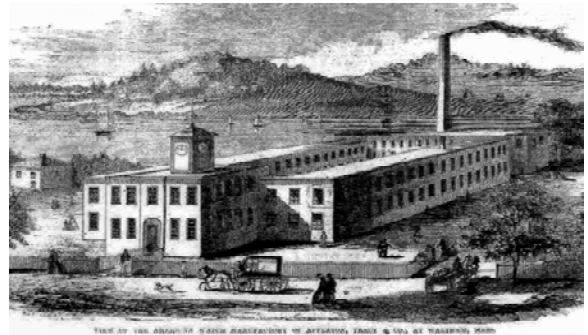
In the last lesson you came to know that Vasco-de-Gamma in 1498 discovered a sea route to India. Later on traders of Portugal came to India for the purpose of trade and to spread Christianity. To increase their effect they took the king of Bijapur in their confidence and conquered Goa as their capital. After capturing the sea-coast area, they started imposing taxes on those ships coming from foreign lands and those who did not give it, were drowned in the sea.



On those days many traders from different nations of Europe came to India for trade. They bought things like spices, cloth and Indigo at cheap rate from India and used to sell at a higher cost in European market. Mostly Europeans were non-vegetarians so demand for spices was very high those days and so for preserving food stuff spices were needed, which were not grown over there. Spices were grown in Asian continental countries like India, Indonesia, Malaya, Sri Lanka etc. Sea route trade was cheaper and convenient for they could buy them cheap and sell them at a profitable rate. Europeans gave silver and gold to India in Barter. Consumption of spices was in much demand in Europe, so for a long time they cannot be exchanged for gold and silver. Due to this reason they wanted to earn from the colonies and also wanted to start their business there. For the purpose of trade and business they wanted to establish their rule and wanted to earn and get rebate from taxes. Countries like Holland (Dutch), France and England also wanted to establish their business as they saw the Portuguese earned great profit. Conflicts were very usual due to business rivalry.

Arya :- “Did all European countries come to only one part of India for trade, Sir?”

Teacher : You are correct. At that time Surat was main centre of trade. Therefore, Portuguese started their factories in Goa, Daman and Diu. Pondichery was established by Francis Martin. This city is situated near Madras coastline area. Reflection of French culture could be seen there today also. Pondichery was French capital and their trade established from here and Chandra nagar. Traders from England chose Bombay (Mumbai), Madras and Kolkata as their trading capitals. For establishment of British factories they chose “Saint Fort George” in Madras. Thus, Dutch, French and British established their factories and companies in India. Teacher said on the basis of the study of the map of India point out the places where Europeans established their trading centres and guess why they did so?



*Picture of British Factory*

So children, Traders of Portugal and Holland were thrown out of business and political competitions by the end of 17th century. French were their only rivals and constant conflicts were usual.

In this period British industries were known as Dwelling houses or Kothis :-

The Kothis are protected area where godowns, offices and workers of the company used to stay and troops of soldiers were also kept here.

Madras which is situated in Eastern coast of South India was main trading centre of British. Pondichery which is also very near Madras was a trading centre of French. Both these centres were under the rule of Nawab of Karnataka state. As both the countries wanted to earn high profit through trading,

they got friendly with Nawab of Karnataka. Conflict for the post of next successor of the Nawab took place at this time. At this time French and Britishers got the opportunity to join in the Karnataka politics. Both French and British took the opposite sides in the conflict.

**Chungikar :-** Tax which has to be paid by traders to the kings of different states on transporting trading goods.

**Trade between India and other nations -** On those days Bengal was also a free and wealthy state and Bihar and Orissa were under that state. Large scale of foreign trade took place at that time. In this period Agricultural - trade, growth of industries and high revenue income took place along Dhaka, Patna and Murshidabad which were the main trading centres. After the death of Nawab of Bengal Ali Wardi Khan, his son Sirajuddaulah became Nawab of Bengal in 1756. Both British and French misused their power which they got through trading and fortified the city. Sirajuddaulah tried to stop them but Britishers through their diplomacy involved the commander of the troop of the Nawab of Bengal Mirzaffer and defeated Sirajuddaulah in 23rd June in the battle of Plassey.

Monu : What did the Britishers gain from the battle of Plassey?

Teacher :- The Britishers had great financial gain from the battle of Plassey. Britishers made Mirzaffer Nawab and collected great wealth and trade facility. But Nawab Mirzaffer could not bear the Britisher's interference and financial demands for long. In the end he was betrayed and dethroned by the Britishers. In his place the Britishers made Mirkasim, the Nawab of Bengal and gave him permanent authority to collect revenue from Chatgaon,

Vardhan, Midnapur districts. They also got large amount of money. Nawab Mirkasim also could not bear these financial restrictions for long. So in frustration he removed taxes from all type of trades and forced the company employees to pay taxes. This stopped the benefits given to Britishers, which created tension between the Nawab and Britishers.



*Nawab Mir Zaffer*

*Discuss among yourself, what did the Britishers lose on the demolition of all the taxes in Bengal*

To stop the activities of British in Bengal, Nawab Mirkasim, Nawab Sirajuddaulah of Awadh and Mughal Emperor Shahallum II, all jointly formed a common army against the British. In 1764 there was a battle between them at Buxar in Bihar. The Britishers won this battle. This battle ended with the truce treaty at Allahabad. Thus the battle of Buxar finished the incomplete intentions of the battle of Plassey.

Dolly : How was it possible, Sir?

Teacher - (1) Sirajuddaullah was again made the Nawab of Awadh but Britishers got permission to do free trade there.

(2) Whenever required the troops of Awadh had to help British army but all expenses would to be taken by the Nawab.

(3) English got permission to do taxation on Bengal, Bihar and Orissa (Right to collect divani). By this way British monopoly was established but did not rule these places. This kind of rule was known as dual rule which was established in Bengal.

*Discuss together and find out why after Battle of Buxar British did not establish their rule in Bengal?*

Harsh : What do you mean by Dual rule?

Teacher - Taxation in Bengal, Bihar and Orissa was easy due to treaty of Allahabad. They got protection and large troops of soldiers. On the contrary, the Mughal king had to look after administration and management. Economy, power and protection were in the hands of English rulers and responsibilities were in the hands of Mughals and Nawabs but then also they were dependent on Britishers.

Gunjan : What was the effect of dual rule on Bengal?

Teacher : Revenue collection (Land revenue) from peasants was based on annual production of crops. Now English started collecting revenue on the basis of land area. Revenue collection started on contract basis, so that they could collect taxes at a cheaper rate and a definite annual income for the company could be earned. Contractors used to collect taxes according to their wishes and only a certain amount was paid to Britishers. Peasants were heavily suppressed by contractors and company workers on those days. In 1770, Bengal faced a heavy famine but then also peasants were taxed very harshly by contractors. In 19 June 1773, regulating act was passed in the parliament and Warren Hastings was appointed as new Governor of Bengal. Bengal was the main centre of British rule and Kolkata was their capital.



*Sirajuddaullah*

Keju : Sir, After taking charge as Governor General what did Warren Hastings do for Bengal?

Teacher : Frequent conflicts started between Hastings and different rulers of India. He opted different policies as the time demanded; like friendship, war and treatise, with the states, like Awadh, Mysore and Marathas. In this way he made his position very strong in Bengal by extending their friendly relations with Awadh. On the other hand he fought a war with Mysore King Hyder Ali and forced him to sign a treaty with them. The first British - Mysore war (1767-69) ended with the Madras treaty. This treaty the main clause was protecting each other on foreign attacks but when Peshwa attacked Mysore Britishers

did not help Hyder Ali and he was defeated in the war. As a result of these in 1780 one more war took place. The second war ended in 1784 with Mangalore treaty. English had to face drastic economical problems though the results of war was similar for both sides. After the death of Hyder Ali his 32 year old son Tipu Sultan became the next ruler of Mysore. He was intelligent and a brave soldier. He was a scholar and he knew different languages. Tipu Sultan was having friendly terms with French and Turks that was the reason why English were against him and opposed him when he attacked Travancore. In 1792 Tipu Sultan lost the war because English were supported by Nizams and Marathas and he had to sign the Srirangapatnam treaty with English. According to this treaty, Tipu was given half of his kingdom and three crores of rupees as compensation for the loss, he had in the battle.

In 1798 when lord Wellesley became Governor General of India, then the second phase of British India came into effect. They introduced the policy of two governing system or bodies which is known as Subsidiary treaty system in the history of India. The treaty has been designed for two purposes:

- (1) To protect the restricted area under the company.
- (2) To make the barricades of trust worthy Indian states around the company rule.

How will British get success in their purpose through subsidiary treaty? Discuss?

### **Terms and conditions of the treaty -**

- (1) States which signed the treaty were bound to keep British soldiers around and look after the troops.
- (2) To remove European soldiers other than English from the army.
- (3) It was necessary to keep an English man as resident or representative with whose advice the rulers should follow in administration.
- (4) Permission from English officers was necessary before signing any monopoly treaty with other countries/states.
- (5) Annual tax was to be paid to the company.

Lord Wellesley started the subsidiary treaty with Nizam of Hyderabad and then Nawab of Awadh. But when he forced Mysore to sign the treaty, Tipu Sultan refused to do it. Therefore, British attacked Mysore, in 1799 which led to Anglo-Mysore war IV in which Tipu Sultan was killed. English returned the state to the Nadiyar rulers who were their previous administrators whom Hyder Ali had replaced and ruled Mysore for a long time. After signing subsidiary treaty with them he established his secret lordship on



*Hyder Ali*



Mysore. Likewise, Karnataka, Tanjore and Surat etc. came under British rule in this process.

Tushar asked - Sir, After that did English capture whole India?

Teacher - No, the last challenge in front of Britishers were the Marathas. Marathas were engaged in family conflicts which gave a good opportunity to Lord Wellesly to present the proposal of treaty in front of Marathas. In 1802 as Peshwa Bajirao II of Basin signed the treaty and accepted the British norms. In



Tipu Sultan

between 1802-04 British fought war with Scindhiya and Bhonsle and captured these places also. But, in 1804-05 British and Holkar fought Anglo-Maratha war III in which Holkars were defeated and they had to suffer large amount of loss. Britishers forced Scindhiya and Gaikwad to sign the treaty.

Arya asked - Did all states agree to sign the treaty?

Teacher - No, that was not so, due to these insulting treaty Marathas felt insulted and their self-respect arose once more and they decided to fight one more battle. Thus the Anglo-Maratha war IV took place in 1817-1818. Coalition forces of Peshwas, Holkars and Bhosles had to face defeat in front of English which led to the end of Maratha dynasty.

Hastings and William Bentick were appointed as new Governor General of Bengal. They applied a reformed system of war and Economic development method to administer the country.

### Establishment of East India Company -

Arbab asked - Sir, Explain Economic and social development Policy?

Teacher - William Bentick is reckoned as a reformer Governor General, as he was a believer of peace instead of war. Due to constant war the economic condition of company was unstable or disabled, so he took the chance to revive the condition of company. He decreased the number of soldiers from troops and cut short annual expenses of administration. Indians were appointed as high officials. For collection of revenue he used the policy of "Todermall's system of collection" and fixed the taxation for 30 years. He took special care towards social evils like sati, child marraige and human sacrifice and formed laws to abolish all these. He made English the medium of education. He established a medical college in Kolkata. In 1831 he passed a law and in that he propounded eligibility of Indians to take charge as higher officials. He constructed National Highways and bridges. After the decline of Marathas, Britishers were able to capture complete India except few places of Punjab and Sindh. By the end of 1818



Tiger shaped Opening  
mouth of artiliary tank of  
Tipu Sultan

agitation against the company was almost finished. At that time England and Russia were rivals. Britishers were afraid that Russians might enter India through Afghanistan. Sindh was adjacent state to Afghanistan. So the Amir of Sindh was forced to sign subsidiary treaty and at last Sindh came into the hands of Britishers. In the same way, Punjab was a strong state under the leadership of Ranjit Singh but after his death British attacked Punjab in 1849 and captured it.

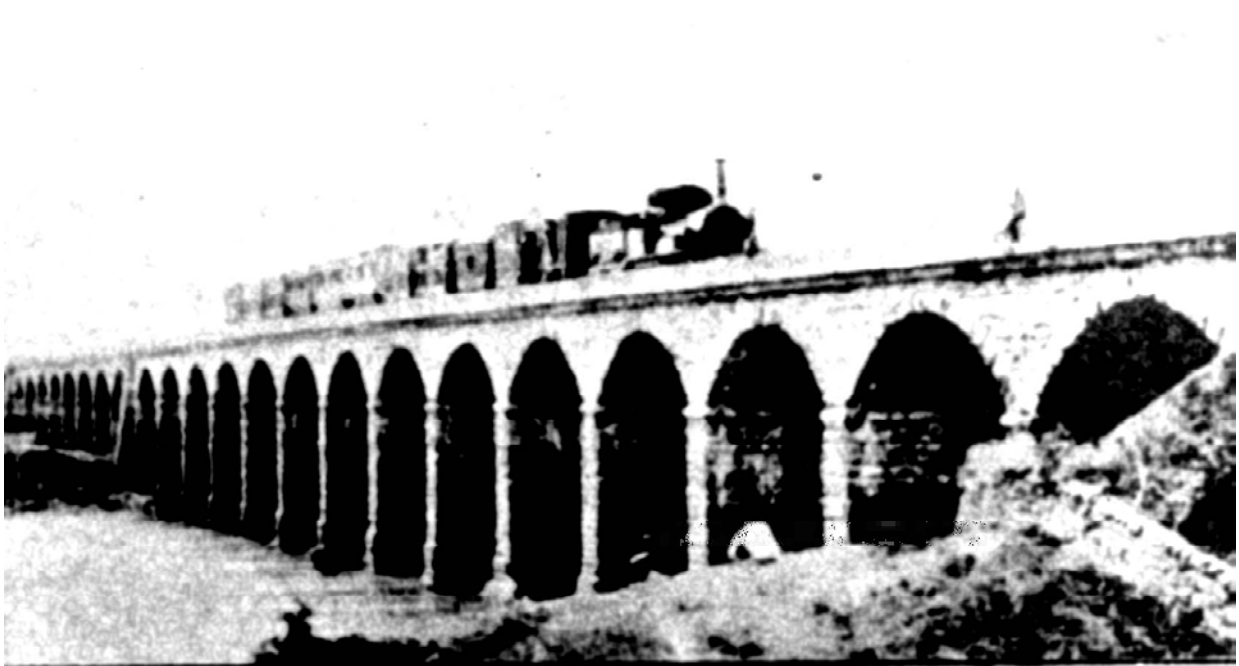
On those days, Lord Dalhousie was the new Governor General of India. He adopted tyrannical policy and dominated the states of India. He forced the different states to act according to his three policies which were known as Dalhousie policy in Indian History.

### **Let us know about Dalhousie's Annexation Policy :-**

- (1) Doctrine of Lapse means those kings who do not have their own successor or had adopted children would not get the right to rule their states. Those states were captured by English.
- (2) Capturing of those states which had poor governance.
- (3) Authorising the states through wars.

Through this policy he assimilated Satara, Jaithpur, Jhansi, Nagpur, Udaipur etc. By his second policy he assimilated Awadh. And by winning a battle against Punjab it was also assimilated under the British rule.

During administrative period of Lord Dalhousie some reformations in administrations took place,



***First Railway Bridge between Bombay and Thane***



*Dalhousie*

such as establishment of postage, telegram, transport and traffic control system and improvement in communication and formation of education board. In 1853, first train ran between Mumbai and Thane. Though, these development were meant for their own benefit but they succeeded to control the administration of the country. Also the collection of raw materials and manufacturing it into products as a result of all these development of country was rapid.

Point out the advantages that English got through transport and communication?

Due to the policy of Lord Dalhousie disappointment among Indian rulers was prevailing day by day which led to 1857 revolution about which we shall read in the next chapter.

### EXERCISE-

#### I. Fill in the blanks -

1. Sea route from Europe to India was discovered by .....
2. Through European trade India got ..... and .....
3. British established their factory in ..... palace of Madras.
4. .... established Pondicherry city.
5. Earlier ..... was capital city of Britishers.

#### II. Match the following -

- |                                  |                       |
|----------------------------------|-----------------------|
| 1. Treaty of Paris -             | Battle of Baxar       |
| 2. Treaty of Allahabad -         | Battle of Karnataka   |
| 3. Treaty of Basin -             | Battle of Mysore      |
| 4. Treaty of Sri Rangapattanam - | Anglo-Maratha Battle. |

#### III. Arrange correctly -

Arrange English Governor Generals to the country according to their arrival -  
(1) Wellesley (2) Corn Wallis (3) Warren Hastings (4) William Bentick  
(5) Dalhousie



**V. Answer the following questions -**

1. Who was the first Governor General of India?
2. Hyder Ali was ruler of which place?
3. Name the battle which had fought between English and French?
4. After the Battle of Buxar Britishers got the right to collect land revenue from which states?
5. What benefit did English get through the Battle of Plassey?
6. What do you mean by dual rule?
7. What do you know about subsidiary treaty?
8. Discuss Dalhousie's Annexation Policy?
9. Describe reformation introduced by Bentick in administration.
10. What would happen if Sirajuddaula had won the battle of Plassey ?
11. How would the economic condition of the countries be effected if the Europeans had not made their colonies there ?

**Activity -**

Write the important dates on which Administrative reformation were brought about by the British Governor general in chronological order.

