

The British Presence in India in the 18th Century

By Professor Peter Marshall

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At the start of the 18th century, the East India Company's presence in India was one of trade outposts. But by the end of the century, the Company was militarily dominant over South India and rapidly extending northward.

East India Company

British involvement in India during the 18th century can be divided into two phases, one ending and the other beginning at mid-century. In the first half of the century, the British were a trading presence at certain points along the coast; from the 1750s they began to wage war on land in eastern and south-eastern India and to reap the reward of successful warfare, which was the exercise of political power, notably over the rich province of Bengal. By the end of the century British rule had been consolidated over the first conquests and it was being extended up the Ganges valley to Delhi and over most of the peninsula of southern India. By then the British had established a military dominance that would enable them in the next fifty years to subdue all the remaining Indian states of any consequence, either conquering them or forcing their rulers to become subordinate allies.

...India became the focal point of the Company's trade.

At the beginning of the 18th century English commerce with India was nearly a hundred years old. It was transacted by the East India Company, which had been given a monopoly of all English trade to Asia by royal grant at its foundation in 1600. Through many vicissitudes, the Company had evolved into a commercial concern only matched in size by its Dutch rival. Some 3000 shareholders subscribed to a stock of £3 200 000; a further £6 million was borrowed on short-term bonds; twenty or thirty ships a year were sent to Asia and annual sales in London were worth up to £2 million. Twenty-four directors, elected annually by the shareholders ran the Company's operations from its headquarters in the City of London.

Towards the end of the 17th century India became the focal point of the Company's trade. Cotton cloth woven by Indian weavers was being imported into Britain in huge quantities to supply a worldwide demand for cheap, washable, lightweight fabrics for dresses and furnishings. The Company's main settlements, Bombay, Madras and Calcutta were established in the Indian provinces where cotton textiles for export were most readily available. These settlements had evolved from 'factories' or trading posts into major

commercial towns under British jurisdiction, as Indian merchants and artisans moved in to do business with the Company and with the British inhabitants who lived there.

[Top](#)

Regional politics

The East India Company's trade was built on a sophisticated Indian economy. India offered foreign traders the skills of its artisans in weaving cloth and winding raw silk, agricultural products for export, such as sugar, the indigo dye or opium, and the services of substantial merchants and rich bankers. During the 17th century at least, the effective rule maintained by the Mughal emperors throughout much of the subcontinent provided a secure framework for trade.

The Mughal empire had disintegrated...

The Company's Indian trade in the first half of the 18th century seemed to be established on a stable and profitable basis. Those who directed its affairs in London could see no case for military or political intervention to try to change the status quo. The British did, however, start to intervene in Indian politics from the 1750s, and revolutionary changes in their role in India were to follow. This change of course can best be explained partly in terms of changed conditions in India and partly as a consequence of the aggressive ambitions of the local British themselves.

Conditions in India were certainly changing. The Mughal empire had disintegrated and was being replaced by a variety of regional states. This did not produce a situation of anarchy and chaos, as used once to be assumed. Some of the regional states maintained stable rule and there was no marked overall economic decline throughout India.

A successful kingmaker...could become prodigiously rich.

There were, however, conflicts within some of the new states. Contestants for power in certain coastal states were willing to seek European support for their ambitions and Europeans were only too willing to give it. In part, they acted on behalf of their companies. By the 1740s rivalry between the British and the French, who were late comers to Indian trade, was becoming acute. In southern India the British and the French allied with opposed political factions within the successor states to the Mughals to extract gains for their own companies and to weaken the position of their opponents. Private ambitions were also involved. Great personal rewards were promised to the European commanders who succeeded in placing their Indian clients on the thrones for which they were contending. A successful kingmaker, like Robert Clive, could become prodigiously rich.

[Top](#)

A new empire in India



Monument at the Plassey battlefield ©The Anglo-French conflicts that began in

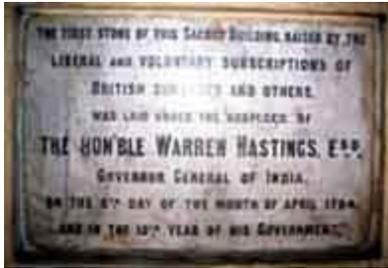
the 1750s ended in 1763 with a British ascendancy in the southeast and most significantly in Bengal. There the local ruler actually took the Company's Calcutta settlement in 1756, only to be driven out of it by British troops under Robert Clive, whose victory at Plassey in the following year enabled a new British satellite ruler to be installed. British influence quickly gave way to outright rule over Bengal, formally conceded to Clive in 1765 by the still symbolically important, if militarily impotent, Mughal emperor.

...the governors of the Company's commercial settlements became governors of provinces...

What opinion in Britain came to recognise as a new British empire in India remained under the authority of the East India Company, even if the importance of the national concerns now involved meant that the Company had to submit to increasingly close supervision by the British state and to periodical inquiries by parliament. In India, the governors of the Company's commercial settlements became governors of provinces and, although the East India Company continued to trade, many of its servants became administrators in the new British regimes. Huge armies were created, largely composed of Indian sepoys but with some regular British regiments. These armies were used to defend the Company's territories, to coerce neighbouring Indian states and to crush any potential internal resistance.

[Top](#)

Company government



Inscription on a stone laid by the Honourable Warren Hastings ©The new

Company governments were based on those of the Indian states that they had displaced and much of the effective work of administration was initially still done by Indians.

Collection of taxes was the main function of government. About one third of the produce of the land was extracted from the cultivators and passed up to the state through a range of intermediaries, who were entitled to keep a proportion for themselves.

In addition to enforcing a system whose yield provided the Company with the resources to maintain its armies and finance its trade, British officials tried to fix what seemed to them to be an appropriate balance between the rights of the cultivating peasants and those of the intermediaries, who resembled landlords. British judges also supervised the courts, which applied Hindu or Islamic rather than British law. There was as yet little belief in the need for outright innovation. On the contrary, men like Warren Hastings, who ruled British Bengal from 1772 to 1785, believed that Indian institutions were well adapted to Indian needs and that the new British governments should try to restore an 'ancient constitution', which had been subverted during the upheavals of the 18th century. If this were done, provinces like Bengal would naturally recover their legendary past prosperity.

The ignorance and superstition...should be challenged...

By the end of the century, however, opinions were changing. India seemed to be suffering not merely from an unfortunate recent history but from deeply ingrained backwardness. It needed to be 'improved' by firm, benevolent foreign rule. Various strategies for improvement were being discussed. Property relations should be reformed to give greater security to the ownership of land. Laws should be codified on scientific principles. All obstacles to free trade between Britain and India should be removed, thus opening India's economy to the stimulus of an expanding trade with Europe. Education should be remodelled. The ignorance and superstition thought to be inculcated by Asian religions should be challenged by missionaries propagating the rationality embodied in Christianity. The implementation of improvement in any systematic way lay in the future, but commitment to governing in Indian ways through Indians was waning fast.

[Top](#)

Territorial expansion

The conquests that had begun in the 1750s had never been sanctioned in Britain and both the national government and the directors of the Company insisted that further territorial

expansion must be curbed. This proved a vain hope. The Company's new domains made it a participant in the complex politics of post-Mughal India. It sought to keep potential enemies at a distance by forming alliances with neighbouring states. These alliances led to increasing intervention in the affairs of such states and to wars fought on their behalf. In Warren Hastings's period the British were drawn into expensive and indecisive wars on several fronts, which had a dire effect on the Company's finances and were strongly condemned at home. By the end of the century, however, the Company's governor general, Richard Wellesley, soon to be Marquess Wellesley, was willing to abandon policies of limited commitment and to use war as an instrument for imposing British hegemony on all the major states in the subcontinent. A series of intermittent wars was beginning which would take British authority over the next fifty years up to the mountains of Afghanistan in the west and into Burma in the east.

[Top](#)

Find out more

Books

Indian Society and the Making of the British Empire in The New Cambridge History of India (vol. II, 1) by C A Bayly (Cambridge, 1988)

Revenue and Reform: The Indian Problem in British Politics, 1757-1813 by H V Bowen (Cambridge, 1991)

The Trading World of Asia and the English East India Company 1600-1760 by K N Chaudhuri (Cambridge, 1978)

The East India Company: A History by Philip Lawson (London, 1993)

Bengal: The British Bridgehead, Eastern India, 1740-1828 in The New Cambridge History of India, (vol. II, 2) by P J Marshall (Cambridge, 1987)

[Top](#)

About the author

Professor Peter Marshall is Professor Emeritus at King's College, London University, where he was Rhodes Professor of Imperial History from 1981 until his retirement in 1993. He is the author of a number of books on the early history of British India and was editor of *The Cambridge Illustrated History of the British Empire* (Cambridge, 1996; paperback edition, 2001) and of the second volume, *The Eighteenth Century* (Oxford, 1998) of *The Oxford History of the British Empire*. He was President of the Royal Historical Society, 1996-2000.