

Colonial Knowledge Accumulation and the Administration of the English India Company in India

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Abstract: as the first multi-national corporation in the world, the English India company achieved astounding success in the ruling of the India under Mughal Empire with the creation of corresponding colonial knowledge. The establishment of the British India falls largely in the category of utilizing colonial knowledge in manipulating and dissolving aboriginal local military, economic, religious, cultural power and guide them under its wings. Although the process of colonization underwent considerable resistance from the emperor and Nawabs, the company managed to implement rules and orders to appropriate the maximum amount of wealth and political advantages. Undoubtedly, the proceeding of the rules and regulations experienced stages of recognition and amendments, the principles proved successful. In the process of colonialization, among many factors, the intervention and manipulation of the British government plays a critical role. This paper aims to conduct an in-depth study into the formation of the colonial knowledge following the trend of stages of penetration with legal, ideological and economic spheres in due field with an effort to identify the governing reasons causing the inevitable results of the British rule.

1. Introduction

1.1 Mughal Empire and Early Operation of East-India Company.

With the opening of the route from Europe to the Indian Ocean, European powers such as Britain, Holland and France coveted Portugal's huge wealth from spice trade and establish trading organizations sponsored by the state or private capital subsequently in an attempt to gain a share of the overseas expansion. In 1588, Britain defeated Spain's armada, ending its dominance as a "marine power" and laying the foundation for its overseas expansion. Simultaneously, with the prevalence of mercantilism, British society further expand its business scope to invest and plunder wealth from east. Queen Elizabeth issued a charter in 1601, granting the privileges and obligations for the establishment of the east-India company. The charter stipulates in legal form the main purpose and nature of the company, that "they at their own adventures, costs and charges, as well as for the honor of this our realm of England, as for the increase of our navigation, and advancement of trade and merchandize, ... Within our said realms and dominions of the fame, might adventure and set forth one or more voyages, with convenient number of ships and pinnaces, by way of traffic and mechanize to the east indies, in the countries and parts of Asia and Africa[1], it also stipulates the duration of the company's charter, areas in which the company enjoying monopoly power, the administrative and management structure of the board of directors, the personnel structure, the organizational form, etc. For the counterpart of the British Empire, the subcontinent of the south Asia was largely under the reign of the Mughal Empire, which was founded in 1526 and disintegrated in 1720 functioning as one of the largest centralized countries known before modern history. It "held supreme political authority over a population numbering between 100 and 150 millions and lands covering most of subcontinent" [2], whose ruling dubbed by scholars as "military feudalism" of the Mughal dynasty. Its military strength is based on "the use of new firearms and the establishment of fast cavalry units" [3]. Emperor Akbar established a huge empire and a strong military power on land after he captured Gujarat in 1574 and Bengal in 1576. although "Portuguese India" was established after the occupation of Goa and other European maritime

powers such as Britain (1600), Holland (1602) and France (1664) all established enterprises as commercial entities, the economic activities of the European East India Companies were far from enough to pose a threat to the Mughal Empire, who possessed great military and economic strength at that time, as their activities were confined to merely commercial for “the Dutch and British mainly obtained pepper and other spices from Indonesia in the 16th -17th century” [4]. Simultaneously, the European East India Companies are trying every means to set up a business center in Mughal to seek trading opportunities. After repeated obstruction by the Portuguese, in 1618 Jahangir issued a royal decree “allowing the British to set up business establishments and trade within the Mughal Empire, but paying taxes according to regulations” [5]. After the occupation of Bombay in 1668, “Madras, Bombay, Calcutta district” are acting as the base for the East-India Company. In 1651, Bengal Nawab allowed East Indian companies to trade by paying a nominal tax and exempted all taxes [6]. In 1686, due to dissatisfaction with Aurangzeb’s cancellation of preferential tax policies granted to Bengal, the East India Company declared war on the Mughal Empire, blocking trade between Bengal and South Asia, and imprisoning the families of officials. Aurangzeb defeated them and drove them to places such as Hugli and Kolkata. The failure of the military struggle forced the East India Company to shift its focus to regular trading activities instead of military plunder. In 1717, the East India Company was granted free trade and coinage rights by the Mughal Empire, and its economic activities in Bengal became more frequent. In the 1750s, when Meer Jaffer convinced the Alivardi Khan, the Nawab of Bengal that “Europeans to a hive of bees, who furnished honey whilst left in peace, but who, if disturbed, would sting their aggressors, and defend themselves to death [7].” However, the Nawab himself foresaw the potential hazard of the company, as expected, in 1756, Bengal Nawab Siraj-ud-Daula, the adopted son of Alivardi Khan was dissatisfied with the invasion of the East India Company. They sent 30,000 troops to occupy Fort William, which led to the “Black Hole Incident”. In 1757, the British army launched a counterattack to recover Williamsburg and won the “the Battle of Plassey “by stratagem. They also supported puppet forces as their bridgehead in Bengal. After this battle, the East-India Company stepped forward from behind the scenes to take further control of Bengal by adopting the governance of “dual system”. In a letter to the Board of Directors in 1765, Robert Clive outlined a blueprint for further expansion of the East-India Company and gained control of the entire Mughal Empire: “we must, indeed, become nabobs ourselves. In fact, if not in name; perhaps so totally without disguise; but on this subject I cannot be certain until my arrival in Bengal. Let us, without delay, ... If riches and security are the objects of the company, this is the method” [8]. In the same year, the Mughal Emperor issued a royal decree granting tax, financial and military administrative powers Orissa and Bihar (149,217 square miles) to the company, while the apparent administrative powers were exercised by the local Nawab. As an economy based on agriculture, land tax is Bengal's most important source of income. According to statistics, in 1764-1765, the land tax in Bengal's Nawab was 8,175,533 rupees, while in the first year of direct taxation by the companies, the land tax rose up to 14,704,875 rupees, with an increase of 80% [9]. At the same time, in order to extort maximum wealth from the merchants, staffs of the company's factory forced the merchants to buy and sell, disrupting the regular trade order, as Mohammed Reza Khan claimed in a letter to Calcutta's secret committee in 1765: “the factories of the English gentlemen... They force their money on the ryots, and having by these oppressive means bought their goods at a low rate, they oblige the inhabitants and shopkeepers to take them at a high price” [10]. What's more, the staff of the company “making use of the name of the factory disturb the the zemindaries” [11]. These behaviors and practices forced the East India Company to stop the disorder and to regain execution to the area. During Robert Clive's rule over Bengal, the great famine in Bengal in 1770 reflected India's crisis, then, “reflected the conflict between many types of military, merchant and political entrepreneur wishing to capitalize on the buoyant trade and production of the Mughal realm” [12]. The great famine resulted in severe labor shortage and uncultivated farmland. Due to the population decline caused by famine and the abandonment of arable land, the conservatively estimated death rate in Bengal in the 18th century was as high as 1/5. In “Birbhum, the worst affected, vast tracts lay deserted in 1771-2;... The number of village settlements in the district had shrunk from 6,000 in 1765 to 4,500 in 1770-1” [13].

“ dual system” was finally abolished in 1772 due to a series of negative effects.

1.2 The Building of East India Company's Economic System

In addition to the traditional agricultural industry, individual-based handicraft basis, textile industry, especially the handicraft industry that processes raw silk and cotton into cloth is the primary industry in bengal, especially in dacca and rajshahi. Indian textiles supply the European and asian markets. The prosperity and development of agriculture and textile industry have made india a “self-sufficient” economy. They-that is, the farming community includes almost complete professional organization and trading system, making their collective life independent of any external person or entity. The east-india company broke the self-sufficient economy and took multiple measures to disrupt free trade and control production and sales to gain a leading edge in trade. First of all, the quantity of imported cotton goods from bengal was strictly controlled, “in the ten years 1777-86, on average 550,790 pieces were sold per year; for the ten years 1792-1801 the average was 777,237 pieces” [14]. At the same time, the east-india company has adopted different taxation systems, imposing heavy taxes on bengali cotton fabrics and raw silk exported to Britain, while at the same time adopting a zero-tariff system for goods exported to bengal. The implementation of these policies not only destroyed india's own economic foundation, but also reduced india to the source of British raw materials. 3. the invention of spinning jenny and the steam machine greatly improved the production efficiency of cotton fabrics made in Britain thus fueled the British industrial revolution. The quality and quantity over its rival of cotton production made in bengal was so overwhelming, forcing the local textile industry to reduce the price to the marginal profit. At the same time, the quantity of cotton fabrics imported into Britain has soared, from about 120,000 pounds in 1823 to over 4 million pounds in 1828.

2. Strategic Measures of the Ruling Group

Compared with portugal, the British east india company's rule over india was purposeful in terms of strategy and implementation measures. As stated by paul masson-oursel, in *ancient india and Indian civilization*, “history properly so-called, it is usually said, india has none... Knowledge was a gift and caste privilege, and every oppression was made to the spread of knowledge the east india company adopted effective colonial policies and strategies in response to the situation in india at that time: the north's *regulating act of 1773*, *pitt's india act of 1784*, and the promulgation and implementation of the east india-company specified and quantified the company's nature, purpose and scope of operations, making the company's business activities lawful. At the same time, the accumulation of colonial knowledge, such as the rediscovery and exploration of india's own civilization under the support of governor of British-india warren hastings (1774-1785), the translation and collation of important historical documents, such as *ain-i-akbari* all laid a solid foundation for the implementation of its ruling strategies. In due time, factors like the relationship between the east-india company and local governor Nawab, the exploitation of the Indian land system and land policy also serve as integral part of its ruling system. In 1766, when george dudley, the chairman of the board of directors of the east-india company, learned that the east india company had obtained the dewani in bengal, stressed in particular that “i also induce... You take every measure in our power to put them [the revenues] into a flow of cash, by sending home large quantity of goods, supplying the china supercargoes with great sums of money and providing bombay with what ever treasure they may want”. In 1773, the secret committee of the house of commons further combed the benefits after Britain obtained the diwani in 1765, and thereby drew the following conclusion: “companies can benefit from the following aspects: “land rents, farms of exclusive privileges, fines and forfeits and customs duties.” With these estimates, robert clive, the governor the bengal predict that in september 1765, “there would be a 'clear gain' to the company of £ 1,650,900 which would serve to the 'defray all the expense of the investment [in goods for export], furnish the whole of the china treasure, answer the demand of all your other settlements in india and leave a considerable balance in your treasure besides' “the its estimated net income will reach 1,650,900 pounds, which is enough to offset the investment in exported goods, provide

chinese treasures, meet the needs of stationed in india and leave a substantial income to the British treasury “. In november 1791, the British government introduced the “10-year permanent settlement”. Statistics shows that “the whole amount of the land revenue obtained from the provinces of bengal, behar and orissa for the year 1790-91 was rs.26,800,989 (£ 2,680,000). ...It was nearly double the collection made by mahomed reza khan , under British supervision, in the first year of the company’s dewani(1765-66) “however, the wealth obtained by the east-india company from india was not used for india's economic development, but flowed back to Britain continuously to cover Britain's so-called “home expenses” and huge administrative expenses.

Sociologist spencer holds that “at the outset that social phenomena are complex, comprised of many components which interact with one another. Among these he includes external environments-both organic and inorganic-population growth, social interaction between the individual and society and how they stimulate each other, social environments or relations with neighboring societies, and advancement of material and non-material culture. “india adopted a laissez-faire attitude towards British colonial rule, including the absence of resistance spirit, leading to the loss and elimination of india's indigenous consciousness. At the same time, the east-india company disintegrated and dominated india's self-sufficient village community system by imposing taxes and other means. The application of the law and the usurpation of zamindari power have kept bengal's economy and government completely under the control of the east- india company, not only achieving the goal of sharing the interests of the east however, judging from the actual results, the east india company plays a vital role and significance in the British local economy: “the greatest fact, judged by the magnitude of its results, in the entire history of the world, is the establishment of the east india company, ...Britain’s possession of india lay the difference between being a first and a third rate power” .

3. Conclusion

In its development, the East-India company gradually evolved from a trading entity to the “de facto” management and control agency of the British India. As the “agent” of Britain, the company had subversive impact on India's social system, economic structure and political system. More importantly, the East India Company's overseas expansion and colonization represented that the British emerging power to expand overseas colonies as their raw material supply and product consumption, with the maximum amount of material benefits gained, a massive British-Indian empire never cease the step to exploit the resources at hand.

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