

The Plassey ‘Revolution:’ Bengal in 1757 and the transition to Colonial Rule

Early history of European companies

- ▶ Most company charters dated back to Mughal times—the EIC received theirs from Jahangir, due to Portuguese pressures
- ▶ Several “companies” scattered throughout South Asia, most were simple trading posts
- ▶ Intense competition in the trade of textiles, saltpeter, sugar, and indigo by 18th C



Structures of Company different

- ▶ The Portuguese and French were “Crown” companies funded through their governments
- ▶ The Dutch VOC and English EIC were joint stock companies, although the EIC had substantial links to the crown
- ▶ Dutch more heavily focused on SE Asia, while the EIC had denser links in S. Asia

Board of Directors
(England)
Answer to Stock
holders

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graph TD; A["Board of Directors  
(England)  
Answer to Stock  
holders"] --- B["Governor Gen.  
Calcuta, Madras, etc"]; A --- C["Select Commiittee"]; A --- D["Secret Commitee"];
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Governor Gen.
Calcuta, Madras, etc

Select Commiittee

Secret Commitee

Changing Structures

- ▶ War of Austrian Succession (1744-48) and Seven Years War (1756-1763) increase political tensions b/w companies
- ▶ Leads to more government oversight of company's political role and aid in protecting commercial interests.
- ▶ With crown aid, the EIC is able to sharply reduce French influence in S. Asia

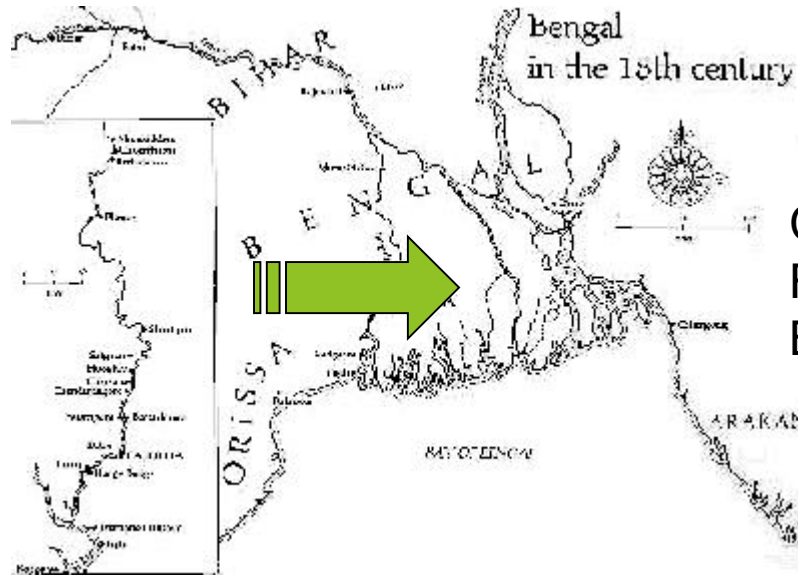
Context for the Battle of Plassey

- ▶ The French and English had already begun to engage in Proxy wars by the 1740s
- ▶ Both drawn to local conflicts in which each company aided different contenders
 - ▶ Nawab of Carnatic/Hyderabad
 - ▶ Nawab of Bengal on Ali Wardi Khan's death

Bengal in 1750s

- ▶ Tax Farming more common
- ▶ Government more streamlined with fewer local contacts
- ▶ Merchants and Financiers have larger role in Government
- ▶ Both French and English companies fortify and arm their companies at Chandranagore and Ft. St. William in violation of original treaties

Financing from
Merchants at
Murshidabad



Contractors, mainly Afghan
Recruit peasants, clear forests,
Begin farming, sp. rice

Ijaradars in cities
Send collectors and
Money remitted back to city
Diff. in local investment b/w
Mughal/Nawab/EIC period

House of Jagat Seth

- ▶ Bid on 2/3rd of Revenue at 10% 1,060,000
- ▶ Int. loans from Zamindars 1,350,000
- ▶ Re-coining 5m. At 7% 350,000
- ▶ 37.5% Int. of 4m. Loaned (misc) 1,500,000
- ▶ Int. on currency exchanges 700,000

Total	4,960,000
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* From Sushil Chaudhury, *Prelude to Empire*, p. 73.

The “Black Hole”

- ▶ After the ignored warning, Siraj-ud Daulah sends army to raid Calcutta and destroy the fortifications
- ▶ Most officers flee in boats, those left behind are put in the Company’s prison, where due to overcrowding some die of heat exhaustion: the legend of the Black Hole of Calcutta is born
- ▶ The Company’s governors in Madras order Robert Clive to negotiate another treaty with the Nawab and bargain for the restoration of Calcutta.

Internal problems of the EIC

- ▶ Most English traders in Bengal for a little while to make their fortune before returning to England
- ▶ Disgruntled with terms of service, they quickly engage in 'private trade'
- ▶ To do this successfully form alliances with Indigenous traders, agents, and financiers
- ▶ Clive had contacts with these groups

Robert Clive



The Plassey Conspiracy

- ▶ Clive enters into an agreement with the Nawab's uncle, Mir Jafar to enact a coup.
- ▶ Lacking funds they negotiate with the family of Jagat Seth and Omichand, leading financiers offering them a payout from the treasury and exclusive trading monopolies
- ▶ Clive himself secures the promise of a Jagir from Mir Jafar and payments to the EIC—in a second secret treaty these two agree to cut out the merchants

Battle of Plassey, 1757

- ▶ The funds from the merchants make it possible for large parts of the Bengal army under Mir Jafar to be bribed to not fight during the English-led coup
- ▶ When negotiations with the Nawab fail, Clive and the Bengal army clash at the Battle of Plassey in 1757
- ▶ After much of the army does not fight, Siraj ud Daulah is unable to win and flees. Later he is captured and killed.

Aftermath of Plassey

- ▶ Once on the throne Mir Jafar had to make good on his promises:
 - ▶ Rs. 10,000,000 to EIC for Calcutta (comp)
 - ▶ Rs. 4 million to Navy (costs of war)
 - ▶ Rs. 1.2 million to select comm. (inc. clive)
 - ▶ Rs.1.6 million to Clive for 'service' plus a jagir of Rs. 300,000 a year
- ▶ No money or agreements were provided either to Jagat Seth or Omichand

Problems with agreement

- ▶ Only 85, 000 pounds in treasury
- ▶ Nawab faces heavy indemnity and has to borrow or raise taxes
- ▶ Clive already decided to leave EIC career to return to England, repatriating his money to fund his career in Parliament
- ▶ The Jagir is a substantial chunk of the actual payment made, the rest is postponed

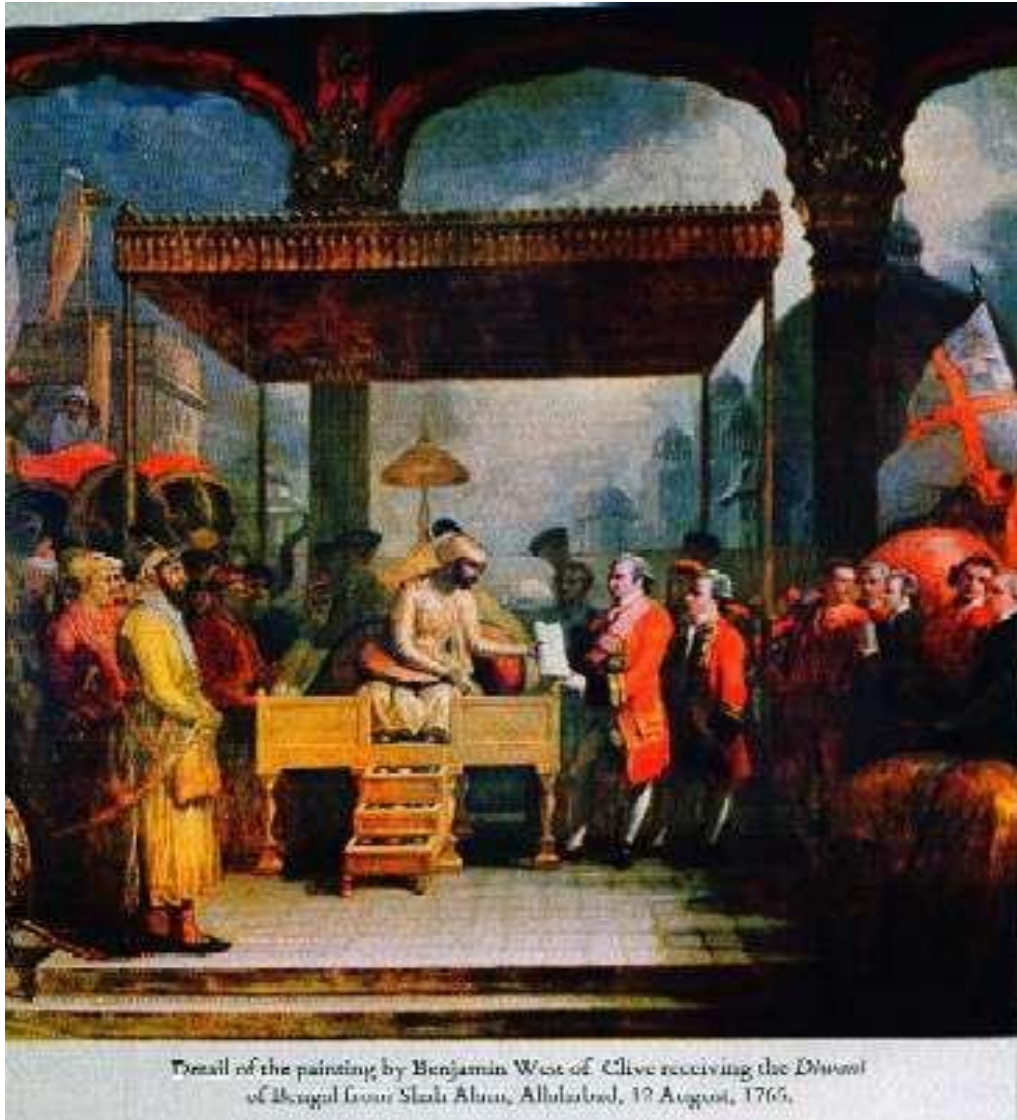
Government in Bengal

- ▶ Mir Jafar's resistance to paying the full sum leads to his removal from the throne in 1763
- ▶ The new nawab, Mir Kasim last for only 3 more years and proves less pliable
- ▶ He is also removed and Mir Jafar re-installed in 1765
- ▶ The same year the company expands westwards



Battle of Buxar, 1765

- ▶ On Bengal's eastern frontier, the Nawab of Awadh is confronted with a larger army
- ▶ By this time Awadh is also a home for the Mughal Emperor, Shah Alam, who had been driven from Delhi by Maratha and afghan incursions
- ▶ EIC receives grant of Diwani of Bengal after Battle of Buxar



Detail of the painting by Benjamin West of Clive receiving the *Durool* of Bengal from Shah Alauddin, 12 August, 1765.

THANK YOU