CHAPTER II

POLITICAL HISTORY: 1757-72

The English set themselves only a modest programme when they finally made up their mind to overthrow the regime of Siraj-ud-daula. Siraj had proved impossible; so, he would have to be removed. The English, however, had not plan of controlling the machinery of the new government. The organisation of the government had so long placed constraints on the English enterprise; but it is probable the English did not go to the extent to believing that the structure of political authority was incompatible with their commercial prosperity. In fact, their commerce did prosper until they found in Siraj an inveterate enemy to their business. Even then the English did not equate the traditional structure of Mughal government in Bengal with the personal despotism of Siraj. Siraj as an individual was to blame for all their troubles. Any way, whatever the explanation, the plan of making their commerce secure through a control over the political machinery was yet remote from the English thought. We can take the treaty with Mir Jafar (June 1757) as an illustration of our point. The territorial gains form the treaty, all in the vicinity of Calcutta, were small. In the field of commerce, the English did not ask for anything more than their old privileges. The English believed that their commercial position could be stabilised by upholding the treaty with Siraj (February, 1757). Moreover, the recent and some indigenous merchants were to be made good by Mir Jafar. To prevent a re-emergence of the French as a political power, effective safeguards were provided. All the 'effects and factories' of the French were to be kept by the English. Mir Jafar promised not to allow the French to settle anywhere in the country. A clause forbade the Nawab to make any new fortification near the Ganges below Hooghly. The meaningful promise of the Nawab that "the enemies of the English are my enemies, whether they be Indians or Europeans" appears to be a clever English device to neutralise the French intrigues. Thus it is clear that only in the sphere of relations with the French that the Nawab found his freedom of action restricted. Even this is explainable by the recent French intrigues which the English were prone to exaggerate. The English were understandably worried over the prospect of an alliance of the French with the Bengal Nawab.

But the English soon found that the political control which the treaty with Mir Jafar did not give them was indispensable. The English gradually ceased to be an outsider. They became more and more a political power, with increasing participation in the country's administration. The process was nearly complete by 1772, and it was accompanied by
momentous changes in the nature of the administration, economy and society of the country.

The circumstances in which the English found themselves led them to think in terms of acquiring political power. The new government started to function in an atmosphere of uncertainty. Old allegiances were now mostly dissolved and the new one was yet to take shape. The conspirators against Siraj had no common programme beyond the immediate one of overthrowing Siraj. The decision of Mir Jafar himself was shown by his utter passivity during the crucial hours of the battle of Plassey. The sense of uncertainty of the English deepened as they found Mir Jafar unequal to the tasks of the new government. The English believed that they risked losing their entire advantage if they allowed things to take shape in their own way.

The plan of directly controlling the administrative machinery was premature. Yet some control was necessary. The English believed that under the circumstances an effective method would be to build up connections with strong men in the state, whose allegiance to the new regime was suspect. The idea was to counteract any opposition from the Nawab by such alliances. For this the English selected Roy Durlabh and Ramnarayan. Roy Durlabh, one of the conspirators against Siraj, was continued as Diwan under the new government. His position in the army made him an important force in the state. Immediately after Plassey the primary role of Roy Durlabh was to make a financial settlement between the Company and the Nawab. In the beginning, however, Roy Durlabh was not found an easy tool. He opposed the kind of settlement on which the English insisted. Finding that Roy Durlabh was the man 'through whose office as Diwan, all money, bills ans patents must pass', the English thought it a folly to antagonise him by tactless dealing. They finally won him over by promising him a share in the spoils. The English had also sound political calculations in forming the alliance with Roy Durlabh. They utilised this alliance in order to maintain their influence in the Nawab's court. The late political change saw a split in the court. The English found it to their interest to form a group in the court attached to them. According to Srafton, English Resident at The Durbar, the English had to strengthen themselves "by forming a party in his (Nawab) own court to be a continual check upon him, a matter by no means difficult in a country where loyalty and gratitude are virtues almost unknown". Roy Durlabh admirably did his job. Mir Jafar suspected that Roy Durlabh had a hand in the antistate rebellions of the zamindars in Midnapur and Purnea. Even Clive did not doubt the factual basis of this suspicion. With increasing hostility of the Nawab, Roy Durlabh drew closer to the English. Mir Jafar considered Roy Durlabh's financial settlement as a piece of manifest perfidy to the state. Mir Jafar complained that the lands assigned to the Company under this settlement yielded much more than one lakh of rupees for which the grant was ostensibly made. The Nawab thought of removing him. Roy
Durlabh sought Clive's protection which Clive readily gave, realising the worth of a firm alliance with Roy Durlabh. Mir Jafar ruefully pointed out to Clive that it was an interference in his domestic policy. Miran, the Nawab's son, was more active in his opposition to Roy Durlabh. The English consent to the removal of Roy Durlabh was a measure of the Nawab's bitterness against him. The English plan thus finally miscarried. But the English influence in the Court had already been made secure, and the absence of Roy Durlabh did not make any appreciable difference in the situation.

Ramnarayan was, in Clive's words, the 'most powerful and beloved governor of Behar'. When such a strong man openly denounced the new regime, Clive had to make up his mind as to the type of policy he should follow in regard to him. Clive himself doubted the earnestness of Ramnarayan in taking resolute measures against the French. But Clive decided to form an alliance with him. Here again the policy, as Scrafton wrote, was to use Ramnarayan as a check on Mir Jafar. Vercelst explained much more clearly than Scrafton the importance of this alliance for the security of the Company's possessions in Bengal. The decision to form alliances, Vercelst argues, was the result of the conflict with Siraj. The conflict taught the English a lesson: The Nawab must henceforward be rendered incapable of attempting the 'destruction' of the English. The new policy of the Company had to be re-oriented to that need. "This incapacity", Vercelst believes, "was happily effected by engagements taken at the desire of Meer Jaffier (this is a misrepresentation) with Ramnarayan, the nawab of Patna and some others. Had this engagement been religiously observed, the English would have stood, like the several nations in Europe, secure, not from their own strength alone, but protected by the irreconcilable interest of all around them."

Clive was, however, careful that indulgences to the rival groups of Mir Jafar in the state might not result in eliminating the political authority of the Nawab. The fundamental assumption of the Company's strategy of political alliance was that Mir Jafar would continue to rule. The English were not prepared to face the uncertainty in the political situation developing out of the elimination of Mir Jafar. Clive was afraid that his elimination would create a vacuum of which the intriguing French and the ambitious political groups in the country would take advantage. The wisdom of Clive's policy was undoubted. The success of the Company in giving help and protection to Mir Jafar whenever he was in troubles greatly enhanced English prestige and, as a consequence, the English came to acquire a secure hold over the administration.

Mir Jafar started to rule in a difficult situation and the troubles became worse with time. The late political change was unexpected, and Murshidabad was in ferment. Mir Jafar could not feel secure in the city and only the presence of Watts and Walsh could hearten him. The situation became far worse after the murder of Siraj. The sense of
insecurity again drew Mir Jafar close to the English. The English were handsomely rewarded for their support to Mir Jafar in these critical hours of his. Clive used his influences to get Mir Jafar's succession to throne confirmed by the Mughal Emperor. Mir Jafar was again in troubles due to the anti-state rebellions in Midnapur, Purnea and Patna. It is significant to note that the rebellions were led by persons who were attached to Siraj. This gave the rebellions a political colour. Mir Jafar could hardly ignore the rebellion because under the circumstances these could draw other malcontents in the state. The rebel Raja Ram Singh of Midnapur was ordered by Mir Jafar to come down to Murshidabad. The Raja sent his brother, who was imprisoned by Mir Jafar. The Raja protested to Clive against Mir Jafar's action. A settlement was concluded mainly at Clive's initiative. In the case of the Purnea rebellion led by Hazyr Ali Khan and Achal Singh, Clive instructed Mir Jafar to take the field. Mir Jafar succeeded in crushing the rebellion. The invasion of Shah Alam created a more harassing problem for the Nawab, and this considerably helped the English consolidate their position. When the imperial Vizier succeeded in murdering the Emperor Alamgir II, Shah Alam, his son, decided to leave Delhi and to try his fate elsewhere. He chose Bengal as the field for gratifying his ambition. He was without a home and political control. This fact lent his activities in Bengal from 1759 onwards an element of adventurism. The intrigues of such a rootless but ambitious prince were more dangerous than the invasion of a settled ruler. For the English the development was highly embarrassing. The development gave the Nawab a pretext to renew his attempts to overthrow Ramnarayan, suspected of being a party to Shah Alam's intrigues. The English were afraid that the removal of Ramnarayan would jeopardise the English interests in Bihar. Moreover, the Nawab's attitude to the invader posed another problem for the English. The timid Nawab was planning to buy off the enemy. Clive believed that such a policy would only serve to encourage the invader. Under these circumstances it was not altogether improbable that Bihar would be finally torn off—an eventuality extremely prejudicial to the English commerce in Bihar. Clive succeeded in persuading the Nawab to face the situation more boldly. Once armed resistance was accepted as the main principle of action, the Nawab could not do without English help. Though the Nawab had not much heart in the matter, he was compelled to agree to Clive's policy of repulsing the enemy by force. The English hold over the Nawab was thus assured. The troubles in the Nawab's army were equally formidable to the Nawab. Discontent in the army due to irregular payment was not a new development of Mir Jafar's first administration. But it became really acute due the exhaustion of the Nawab's treasury after Plassey. The discontent was widespread in the army. The Nawab only bungled the issue by dismissing some prominent men in the army accused of fomenting this discontent. The army retaliated by besieging the Nawab in his palace.
Clive decided to intervene to put an end to the crisis because he was afraid such a feeling of discontent would infect other troops in the country. Even the moderate success in handling such a critical situation enhanced the English prestige.

Thus in different ways the administration of Mir Jafar came under constraint. It would be wrong to assume that Mir Jafar accepted the English intervention in a docile mood. He tried to assert his authority and the restraints palced upon it sometimes exasperated him. When Clive decided to protect Roy Durlabh, the leader of the pro-English faction in the court, Mir Jafar strongly remonstrated to Clive, criticising this action afford to ignore the bitter feeling of Mir Jafar and the group attached to sharply reacted to Clive's decision to protect him. The Nawab tried various means to isolate Ramnarayan from the English. He posted guards round his camp to intercept any communication of his with the English. Clive refused to yield because in this case the English stakes were greater. The support of the semi-independent Bihar regime was the best guarantee for the security of the English commercial interest in Bihar.

Of the problems faced by Mir Jafar some were primarily of a transition period. The zamindars rebelled against a political authority which they could not accept. They tried also to assert their position by taking advantage of the unsettled state of politics. Other problems were causally connected with the late political change. The army troubles has their roots in the Nawab's financial stringency caused mainly by the payment of an enormous amount to the English on various counts. The unusual phenomenon of the assignment of the revenue of extensive territories to the English was an indication of the deepening economic crisis of the state.

This situation, however, was not the result of any conscious plan of the English to control the government. But when the military strenght of the Company was the issue, the English did have a conscious plan. The military power of the Company continued to grow and this proved the main prop of the Company's political control in the country. The treaty with Mir Jafar (June, 1757) did not prevent him from increasing his military resources. The only restraint applied to erection of new fortification near the Ganges below Hooghly. Neither did the treaty authorise the Company to add to the number of its soldiers in Bengal. But the English did add to the number. The English decision in this sphere was mainly influenced by two considerations. The first was a feeling that the English could maintain their position in Bengal only by a superior military force. Clive had a cynical distrust about Mir Jafar's integrity. Clive and others wrote of it again and again to justify their plea for increasing the Company's military strength in Bengal. Thus Clive stated his general proposition: "The Moors are bound by no ties of gratitude, and everyday's experience convinces us that Mussulmans will remain firm to
the engagements no longer than while they are actuated by principles of fear, always ripe for a change wherever there is the smallest prospect of success". The inevitable conclusion from such a premise was that 'the only certain expedient of securing their friendship is by keeping up such a force as will render it unsafe for them to break with us'. Clive was considering the whole question against the background of the political upheaval after Plassey. Thus Clive analysed the new political reality: "The ancient system of politicks is thereby (by Plassey) totally overset. The large extent of country secured by the late treaty will little avail the Company unless it have at the same time enlarged their views. They are now not only to look upon themselves as a trading Company, but as a military Company also possessed of a considerable landed property which can only be maintained by arms". It is significant to note that in the political philosophy of Clive, military control was synonymous with political control.

The political rivalry of the French was another important consideration. After Plassey the French menace in Bengal diminished in importance. The capture of Chandernagore crippled nearly completely the French political power in Bengal. But so deep-rooted was the English apprehension of French intrigues that they interpreted the fugitive Jean Law's activities in Oudh as a renewed move for restoring French power. They believed that Law was planning an attack on Bengal in collaboration with the Nawab of Oudh. The continuance of the French as a political power in the Deccan was much more disconcerting to the English. Any news that the French in the Deccan had received additional reinforcement from Europe perturbed the English and made them send frantic appeals to the Court of Directors to strengthen the military force in Bengal. A counter-offensive from the French in Bengal was not altogether improbable, since, the English thought, "it will not be possible for the French Company to subsist long without their trade from these provinces". At one time a French attack was believed so imminent that a proposal was made "to order the zamindars of the country to the southward of Hughley to distress the French as much as they can in their power if they bring force to Bengal". Such an attack, however, did not take place. But the French menace nevertheless kept the English on the alert and accounted for the rapid growth of the English army in Bengal.

Circumstances were invisibly transforming the English attitude as to the proper way the Nawab's Government should function especially when the Company's interest were involved. Immediately after Plassey it was unusual for the Company to think in terms of overthrowing the regime if it had failed to serve the Company's needs. In case of a determined opposition to the Company, such a political programme might have been permissible. But the failure to serve the Company's needs did not necessarily involve any deliberate opposition to the Company, and one need not mix up the two distinct issues. With time, however, such a distinction became unreal, and the new philosophy in politics was not to
allow the regime to continue if it lost its effectiveness to protect and further the Company’s interests. The deposition of Mir Jafar illustrates this change in English attitude.

Holwell, Clive’s successor as Governor, sought to justify the move to depose Mir Jafar mainly on political grounds. He accused the Nawab of actively encouraging the anti-English intrigues of the Dutch. The Feeble measures of Mir Jafar in regard to Shah Alam’s invasions of Bengal were interpreted as evidence of Mir Jafar’s collusion with Shah Alam with strong anti-English motives. Moreover, Holwell attributed the difficulties of the English to Mir Jafar’s misgovernment, and he made the most of the army troubles to present Mir Jafar’s government in a lurid light. Holwell’s accusations were partly groundless. The view that Mir Jafar was a party to the Dutch intrigues is no longer tenable. It is true the powerful anti-English faction in the Nawab’s court was ready to extend to the Dutch the commercial privileges enjoyed by the English with a hope that this would serve to counter-balance the rapid growth of English power in Bengal. But there is no evidence to show that Mir Jafar went out of his way to grant these privileges. Only simple prudence would tell the Nawab that the multiplication of such privileges would place more restraints on his independent authority. There is scarcely any sound evidence to establish the charge that the Dutch brought troops to Bengal with the active connivance of Mir Jafar. In fact the reluctance of the Nawab to grant the kind of privileges that the Dutch asked for exasperated them, and the Dutch invasion was a desperate move to extort the concessions by force. It was Vernet, the Dutch Resident at Murshidabad, who misrepresented the Bengal situation to the Batavian authorities. False hopes were raised by Vernet that Mir Jafar’s attachment to the English was growing feeble and that a show of force could complete the rapture between the English and the Nawab. Nothing could have been more encouraging to the Dutch than this. In the case of Shah Alam’s invasion Mir Jafar’s preparations to meet the invader undoubtedly left much to be desired. This was probably the result of the Nawab’s feeling that he would find it a tough job to drive out the invader, about whose resourcefulness he had erroneous notions. One may blame him for his lack of foresight and for his timidity but it would be wrong to impute a political motive for his failings. Vansittart’s suggestion that Mir Jafar refused to cede to the English the district of Chittagong purely out of a hostile feeling for the English is simply ridiculous. The Nawab did not cede the district for the simple reason that the signing away of the revenue of the district would only aggravate the financial crisis he was passing through. Holwell’s view that “the country will never be in a settled peaceful state whilst this (Mir Jafar’s) family is at the head of it” is more sound. In fact, the Company was finding in increasingly difficult to work within the framework of the existing government.

Holwell, however, did not locate the source of the incompatibility of the existing government with the prosperity of the Company. It was
Vansittart who first made a sober analysis of the various elements of this incompatibility. He pointed to the gradual transformation of the English Company from a 'commercial body, founded on a system of economy' to a 'military and political body'. After Plassey this was an unavoidable process. The English went up in estimation of the 'country' powers. To 'support' this growing influence the English needed a strong army. Vansittart argued: "Nothing but that influence and weight, which we maintain by the largeness of our force, can possibly prevent the wellknown designs of the two principal European powers—and to this we may add that the nearer we aproach to a peace in Europe, the nearer we are to our danger here".

The problem, however, was to provide resources for maintaining the growing army. At first the idea was to pay out of the Nawab's treasury. The Nawab agreed to pay 1 lakh of rupees per month while the army would be in active operations. The lands round Calcutta, ceded by the treaty with Mir Jafar (Art. 9), yielded a net income of only 5 or 6 lakhs per year. Moreover, the Company held assignments of some portions of Burdwan and Nadia from April, 1758 to April, 1760 as payment of the sums for making good the Company's losses during the capture of Calcutta. But these resources were found inadequate.

The Nawab's failure to pay the stipulated amount made matters worse. Various factors accounted for this failure. The enormous amount that the Nawab had to pay to the English, publicly and privately, as price for his accession to the throne, was a serious drain on his treasury and private accumulations. His recourse to the exceptional measure of assigning the revenue of Burdwan and Nadia in order to pay the amount is an evidence of the acute financial stringency of the government. The Nawab had to spend a lot to put down rebellions in various parts of the country and to repulse Shah Alam's army. The frequent invasions of Bihar by Shah Alam seriously impeded the collection of land revenue. Moreover, the imperfect control over some of the large zamindaris led to a fall in the collection of land revenue. The zamindar of Birbhum was perpetually in a rebellious mood. Vansittart thus described the attitude of the zamindars: "The Rajahs of Bishenpore, Ramgarh, and the other countries, bordering upon the mountains, were ready to shake off their dependence, and had offered considerable supplies to the Beerhoom Rajah. The Rajah of Curruckpoor had committed open hostilities, and taken possession of all the country about Bouglepoor, which entirely stopped the communication between the two provinces on that side of the river". Vansittart was prone to exaggerate the internal troubles in the country in order to justify his plea for deposing the Nawab, but it is an incontestable fact that the zamindars did not accept the new regime with good grace. The usual form of resistance to the authority was the refusal to pay revenue. The Nawab was not in a position to compel the zamindars to pay. There is reason to believe that Vansittart did not discourage the zamindar of Birbhum from opposing Mir Jafar's authority, when the zamindar
communicated to him his desire to overthrow the Nawab. The increasing participation of the English merchants in the internal trade of the country caused a decline in the income from the collection of duties on this trade.

The acuteness of the financial crisis was revealed in the first few months of Mir Qasim's administration. According to the author of Seir the new Nawab was 'amazed and thunderstruck at the emptiness of the treasury'. Vansittart wrote: "Money found in the treasury none, only gold and silver plate to the amount of two or three lakhs, which is ordered to be coined". Relentless curtailment of expense, strict economy in the administration, a large loan from the House of Jagat Seth, confiscation of the property of Chunilal, Manilal and other accused of misappropriation of state-income and a number of other extraordinary measures went only a little way towards solving the financial crisis.

To make matters worse for the Company, the collections from the assigned lands were extremely unsatisfactory. Holwell explained it by the reluctance of the zamindars and the establishment connected with the land revenue collection to co-operate with the English. "The Roy-Royan, Muttasuddis, Diwan, and every harpey employed in the zamindaree and revenues, became implacable enemy". Vansittart himself was not unaware of the change in the agrarian relations. He believed that the officers employed in the work of collection took advantage of the widening rift between the Nawab and the English to delay remittance of revenue to the Company's treasury. The Company hoped to make up for these losses by getting assignments in Sylhet and Chittagong. Mir Jafar, however, rejected the suggestion on the ground that the measure would result in giving the English 'cotrol' over his people. A further source of difficulty for the English was their failure to make the country merchants accept the sicca rupees coined in Calcutta. One of the first measures of the English after Mir Qasim took over was to issue "a very severe order forbidding all the shroffs and merchants to refuse the Calcutta siccas, or to ask any batta on them". The Company could not get any assistance from the Court of Directors because the Calcutta authorities concealed from the Court the reality of the financial situation.

The financial crisis that developed out of these circumstances was alarming and in a meeting of the 7th August, 1760, the Select Committee expressed its grave concern over it. The prospects of the financial year beginning from 1st August, 1760 were bleak. The total estimated amount available for this year was 37 1/2 lakhs of rupees made up of the following items: (a) net balance of 1 lakh in the treasure; (b) 25 lakhs to be received from the Nawab as the full amount of his debt; (c) 8 lakhs to be received from the Company's lands; (d) 1 1/2 lakhs from land and sea customs; (e) 2 lakhs from sales in the import warehouse and bills of exchange on Europe. The Company, however, could not rely on the payment by the Nawab. Even if the Company's resources did not fall below the estimate, the Company would have to set apart 18 lakhs of rupees as indispensable military
expenditure and 10 lakhs as contribution to the Madras Council which was desperately in need of money. So only 9½ lakhs remained for the Company's investment. The surplus was scarcely enough to maintain the present volume of Company's investment. On the 6th August, 1760 the Calcutta Select Committee decided that "it will be most for the Company's interest to stop any further advances on account of this year's investment". The dwindling surplus had direct repercussions on the Canton trade and the trade carried on by the Bombay and Madras Councils. The Madras Council, involved in war with the French, was sending frantic appeals to Bengal for financial help. In July, 1760 the Calcutta Select Committee apologised to the Madras Council for its inability to send it²⁰.

It was in the shadow of this economic crisis that the Calcutta Council was contemplating a major change in the Bengal Government. That the real issue was economic and not political and administrative was clearly shown by the way the Select Committee sought to solve the crisis. Despite the convictions about Mir Jafar's misgovernment the Company did not yet decide to throw him out. In August, 1760 Vansittart suggested to Colonel Caillaud that he would continue supporting the present administration if the Nawab made over to the Company land worth 50 lakhs of rupees. Vansittart had in mind the cession of Burdwan and Nadia²¹. Doubting the feasibility of the plan the colonel suggested that the Nawab 'can only be frightened into compliance'. It is thus clear that even the sceptical colonel did not look upon deposition as an inevitable course. Even on September 11, 1760 only 16 days before the conclusion of the treaty which raised Mir Qasim to throne, the Select Committee resolved to propose to Mir Jafar to assign the districts. The idea was that the administration could be made useful by some reforms. One is surprised to find the Committee concluding that the Company should not do anything which would ultimately weaken the Nawab. The most desirable course, the Committee believed, would be "to see power removed out of the hands of that sort of men, who now rule and direct his affair and through whose mismanagement and frauds, the coutnry and his administration suffered so considerably, and to have such a share of power invested in the Company as will enable them to prevent the bad consequences of so many contending interests, will effectually put a stop to that dissipation of revenues, which has reduced the Nabob to his present distressed condition"²².

The plan of reforming the administration with a view to appropriating a considerable part of the country's revenue was ultimately abandoned. The Company was probably impressed by Mir Qasim's professions of attachment to the English cause and his promise to take measures immediately to relieve the Company's financial distress.

The Company considerably gained by the arrangement with Mir Qasim²³. Three districts—Burdwan, Midnapore and Chittagong were ceded to the Company. The English would now participate in half of the Chunam trade of Sylhet. The curt expression that "his (Mir Qasim's) enemies are
our enemies and his friends are our friends" was incorporated in the treaty. The pledge of the Company to assist the Nawab with its army was re-affirmed.

The fulfilment of the financial conditions of the treaty involved an enormous effort for Mir Qasim. We have already referred to some of his measures to increase the resources of the state. The drive for maximum revenue necessitated a re-definition of the relationship of the state with the zamindars.

With the abandonment of the plan of reforming the administration, the idea of direct participation of the English in the government became unimportant. The Company needed fresh resources to get over its financial crisis, and Mir Qasim's promise that he would provide them simplified the matter for it. The policy was to avoid, as far as possible, interference in the general administration. As for instance, the Company promised not to allow the tenants of the Nawab's territory to migrate to the Company's land. In the beginning, there was a perfect accord between Mir Qasim and the Company; but circumstances soon arose which embittered this happy relation and before long Mir Qasim had to be thrown out.

Those who seek to explain this overthrow agree in emphasising two facts: the political ambition of the Nawab and the problem of inland trade. The disagreement among them is on the question of relative importance of the two issues. Dodwell concluded that "the English inland trade was not a cause of the ultimate breach between them and the Nawab, but an admirable pretext which he found ready to hand for distressing them". In his Chapter in the Cambridge History of India Vol. V, Dodwell suggests a different interpretation: "the dominating fact of the situation was that the interest of the English and of the Nawab were irreconcilable. There could be no stability in affairs so long as the Nawab fancied himself an independent governor and the English claimed privileges wholly inconsistent with that independence." This was a position which contradicts the earlier point of view of Dodwell. Nandalal Chatterjee's view agrees with Dodwell's put forward in 'Dupleix and Clive'. Both believed that the problem of inland trade was significant only as a part of the bigger question of the Nawab's 'project of emancipation from English control'.

What was being overlooked in this kind of argument is the incontestable fact that such a control was non-existent. So the question of emancipation from the control is altogether irrelevant. Verelst is primarily responsible for the view which Dodwell, Dr. Chatterjee and others upheld. Verelst made a distinction between the 'immediate' and the 'real' cause of the conflict. The immediate cause was the inland trade but the real cause was the Nawab's political ambition. "It was impossible that Meer Cossim should rest the foundation of his government upon our support. Self-defence taught him to look for independence." Contemporary observers mixed up things, and were prone to ignore the vital distinction between the private interest of the
Company's servants and the interests of the Company as a corporate concern. Not a single complaint was heard that the Nawab ever sought to resume the assigned districts, to question the right of the English to enforce with an unprecedented rigour their monopoly trade in saltpetre and to purchase *chunam* from Sylhet. The Nawab only opposed an unlimited extension of the inland private trade. But this opposition was interpreted as an opposition to the Company's interest. Verelst himself admitted that "a majority of the Council-viewed with jealous eyes every act of government. They considered all resistance to the privileges they claimed, as a settled determination to subvert the power of the Company; and passion thus uniting with interest, they urged a measure of national policy with the little pecuniary petulance of a personal quarrel".

We should examine the factual basis of the view that the political ambition of Mir Qasim caused all the troubles. Verelst believed that the reorganisation of administrative bureaucracy was entirely motivated by anti-English feeling. He chose the Ramnarayan affair as an illustration. It is preposterous to relate Ramnarayan's removal to Mir Qasim's project of emancipating himself from English control. It is strange that Verelst ignored the very simple explanation of the removal. Desperately in need of money Mir Qasim had to reorganise his finances. Ramnarayan's present position in Bihar was incompatible with the success of such plan. As a Deputy Governor of Bihar, Ramnarayan had so long enjoyed an unlimited control over the Bihar finances. Finding that a large amount was due from him, Mir Qasim asked him several times to submit his accounts. His replies were evasive. Even Vansittart became increasingly bitter against Ramnarayan, though in the beginning of Mir Qasim's rule, he was no less enthusiastic than any other Englishman in protecting Ramnarayan, who was looked upon since Clive's time as the main support of English influence in Bihar. The removal of Ramnarayan was, after all, a vital administrative necessity. Even the political considerations behind the removal had nothing to do with the alleged anti-English designs. Mir Qasim knew well Ramnarayan's political views. He did not gracefully accept Mir Jafar's accession to power and it was only Clive's intervention which saved him from Mir Jafar's wrath. Clive's protection naturally encouraged Ramnarayan's pretensions to arrogate to himself the powers of an independent ruler. His loyalty to Mir Qasim was as such hesitant. Mir Qasim interpreted Ramnarayan's temerity to refuse submission of accounts as an evidence of his political ambition. The situation became far more alarming as a result of Ramnarayan's alliance with Major Carnac and Colonel Coote who made no secret of their anti-Nawab feelings. Mir Qasim concluded that Ramnarayan must have to be destroyed if he had to rule with honour. Ramnarayan was not a scapegoat in the alleged attempt to destroy English influence and power. His removal only indirectly led to a decline of English influence. Yet many historians, following Verelst, have confused logic with prejudice. Verelst interpreted the reorganisation of army by Mir Qasim as a move for
independence. Such an interpretation is hardly more tenable than the one we have examined. The treaty concluded with Mir Qasim did not place any restraint on Mir Qasim in this sphere. The English did not question his right to modernise his army. There is no evidence to prove that the real motive of the Nawab in this case was the destruction of English power. Such a suggestion seemed ridiculous to Vansittart who knew intimately the real state of affairs. The pace of modernisation, Vansittart pointed out, was surprisingly slow, and the first project for which the Nawab used his new army was the conquest of Nepal. For anyone pursuing consistently the policy of restraining English power such a plan of conquest was wantonly extravagant. Had the Nawab been determined to destroy English influence, it was foolish of him to dissipate his resources in such a way.\textsuperscript{30}

In fact until the question of inland trade generated bitterness between the Nawab and the English, such allegations about Mir Qasim's political ambition were only rarely heard. Rumours that the Nawab had been planning to destroy the English owed their origin entirely to the irresponsible talks of Ellis, Carnac and Coote, Company's top-ranking officers in Bihar, who did not conceal their anti-Nawab feelings. They openly talked of overthrowing Mir Qasim and made the most of some extracts from the Court of Directors' despatches to Bengal which questioned the wisdom of bringing in Mir Qasim as the Nawab. The contents of the letter were assiduously propagated by them. But this hostile faction could not perceptibly influence in the beginning the formulation of policy. The consultations at the time seldom recorded an opinion betraying a distrust of the Nawab's intentions.

It was the inland trade question which ultimately generated the crisis. Almost all the members of the Council widely participated in the inland trade. Hence the public and private interests of the Company tended to overlap.

Inland trade was defined by Vansittart as 'the trade from place to place in the country, in the articles of the produce of the country'.\textsuperscript{31} The English servants claimed that the \textit{Farman} of 1717 allowed them to carry it duty free. The Bengal Nawabs from Murshid Quli onwards did not accept this interpretation of the \textit{Farman}. The Court of Directors themselves questioned the legality of the English claim.\textsuperscript{32} Clive held a similar view.\textsuperscript{33} Before Plassey, as Verelst observed, the privilege of duty-free inland trade was 'enjoyed rather from connivance than of right'.\textsuperscript{34} Thus Verelst wrote of the situation after Plassey: "the trade of the servants increased with the authority of the Company, and they now engaged, at first sparingly, in the land traffic of salt. Some even claimed an exemption from duties, but as these pretensions were dis-countenanced by Colonel Clive during his Government, such claims were at times relinquished".\textsuperscript{35} Clive, however, could only imperfectly control the free traders. Animated by a sense of power, they threw to the wind all principles of propriety. The ineffectiveness of Mir Jafar's government in the remote parts of the country
encouraged their pretensions. But some duties were still paid. As for instance, the traders of Luckypora Factory paid a duty of 15 p.c. on the prime cost of salt and 10 p.c. on the prime cost of tobacco\textsuperscript{36}. But the English traders sought, whenever possible, to enlarge the scope of duty-free trade. Numerous factories sprang up and the English servants traded in more and more commodities. Mir Qasim thus wrote to Vansittart: "In every pargunnah and every village they have established ten or twenty new factories .... In every factory, they buy and sell salt, betelnut, ghee, rice straw, bamboos, fish, gunnies, ginger, sugar, tobacco, opium and many other things"\textsuperscript{37}. The trade, however, did not remain confined to the English. Finding it futile to carry on inland trade in the face of the free traders' offensive, a large group of indigenous traders, like the Armenians, started to collaborate with the English traders as junior partners. Not less significant was the participation of the Indian agents (gomastahs) of the Company's servants. Ignorant of the customs and practices relating to trade, the English found these agents indispensable in some cases. In not a few cases, the loans from the gomastahs, themselves traders in some cases, enabled the servants to start their trade. The agents did independent business if they "found it expedient to purchase the name of any young writer in the Company's services"\textsuperscript{38}. With the growth of English influence in the interior, anybody wishing to make ready fortunes gave himself the air of an English agent\textsuperscript{39}.

The trade carried on by all these various agencies was in fact not a simple duty-free trade. The duty-free trade was by itself an ample means of buying cheap in an otherwise competitive market. Not content with this, the traders devised methods to buy still cheaper. The Nawab wrote to Vansittart: "They forcibly take away the goods and commodities of reiats, merchants etc. for a fourth part of their value; and by ways of violence and oppression, they oblige the reiats, etc. to give five rupees for goods which are worth but one rupee"\textsuperscript{40}. In all these transactions the gomastahs were extremely useful. The recent change in the method of investment from contract with the merchants to contracts with the manufacturers and producers had already made the gomastahs more powerful than before\textsuperscript{41}. About these gomastahs Mir Qasim wrote: 'whenever a unge or golah has been established they act as zamindars, talookdars and renters'\textsuperscript{42}. The private traders could now utilise this powerful instrument.

Such a development in inland trade was disquieting to the Nawab. The situation tended to grow far worse when the indigenous traders, to prevent being undersold, were adopting artifices to avoid paying the duties. The Nawab estimated the yearly loss of income from duties at 25 lakhs a year\textsuperscript{43}. The methods of trade indirectly affected the normal collection of land revenue. The peasant-producers, abandoning in some cases the production of salt, tobacco etc., found it increasingly difficult to pay their rent, since their resources declined.

The Nawab viewed with concern the fall in the state income precisely when he was desperately in search of more resources. Moreover, he could not
afford to ignore the distress and sufferings of the country merchants and the common producers. The Nawab himself wrote of the plight of the Kashmir merchants who had so long advanced money at Sunderbans to the salt-manufacturers but were now dislodged by the English private traders\(^4\). The Armenian merchants who had a large share in the inland trade and held important posts in the state grew more and more clamorous against the free traders. The Armenian had already been bitter about the recently established English monopoly in the saltpetre trade of Bihar. Now they did not accept without protest a fresh invasion on their rights. The Nawab risked losing his face if he failed to redress their grievances.

The Nawab was as much worried over the political implications of the development. The methods of the English traders constituted a menace to the maintenance of his political authority. The methods by which the traders brought and sold commodities involved an application of force. The traders were of course resisted by various indigenous groups. The farmers who collected duties at the gunges, the merchants who found themselves hopelessly undersold, the basic producers who were deprived of their expected surplus, the smaller landholders who felt the impact of the new economy in diverse ways and similar other groups sought in their own way to fight back the free traders' offensive. The result was often serious conflicts and breakdown of law and order. In such cases of conflicts, the English factories, often disdainful of the local courts, took law into their own hands. The affront was much more than the Nawab could put up with. The question of inland trade thus tended to develop into a political issue.

One gets an idea of the free traders' notions about their right from negotiations over the settlement of the inland trade question. Having received a report from Mr. Hastings (who was sent on a deputation to the Nawab in March, 1762) on the extensive abuses in inland trade, Vansittart, promised the Nawab all possible assistance to set matters right. He even suggested application of force, whenever necessary, to stop the misdeeds of the English traders and their gomastaks. These verbal assurances were followed up by a set of regulations which were based on some assumptions\(^4\). The *Farman* of 1717, Vansittart argued, did not give the English the privilege of duty-free inland trade. But since the English had been carrying on such a trade for long, it would be unrealistic to ask them to forego their gains. The main principle of Vansittart's regulations was to admit the English traders to a share in the inland trade, provided they paid the usual duties an accepted the Nawab's ultimate authority in the settlement of disputes about the trade. The only legal *dastak* would be the one issued by the Nawab, and without it the merchandise of the English would be confiscated. The duty was fixed at 9 p.c. on the prime cost of commodities.

Vansittart believed that his plan would be acceptable to the English traders, since it sought to legalise an illegitimate trade. But he brought a hornet's nest about his ears. The free traders sent up a howl and accused him
of sacrificing their rights. The Nawab's hastiness in enforcing the regulations only made matters worse. The character of the free trader's reaction of the regulations is well worth examination. The two most disagreeable features of the regulations related to the payment of duty and the question of jurisdiction over the gomastahs in cases of disputes. Surprisingly enough, the traders agreed to pay some duties. But the idea of restoring the Nawab's authority over their gomastahs seemed to them abominable. It was a widely held opinion among the members of the Council that such a restoration need to be examined. Major Carnac's view that the restoration would simply amount to 'acknowledging a dependency on the country government, the deliverance from which he (Carnac) had ever regarded as the greatest happiness resulting from our first revolution', formulates a political philosophy which is significant in so far as it shows the temper of some senior officers. Of the 'numberless grievances' against the local courts, only one or two were precisely stated. One was the obligation to pay to the Court ¼ of the money recovered from the accused. But, as Cartier pointed out, it was common for all and by no means a device affecting the English alone. The 'country' courts had their faults, but these alone did not create all the troubles for the English. As a junior servant of the Company at the silk aurungs 'at a time when we were subject to the most lavish dependence on the government', Hastings had very little obstruction to face from these courts. To him the explanation of the complaints about the 'moorish laws' was very simple. He observed: "...... if our people, instead of erecting themselves into lords and oppressors of the country, confine themselves to an honest and fair trade, and submit themselves to the lawful authority of the Government, they will be everywhere courted and respected. The illegitimate trade involved coercion, and the gomastahs were the instrument of this coercion. The subjection of the gomastahs to the Nawab's authority would, therefore, weaken the foundation of the illegitimate trade. Mr. Cartier believed that the subjection would result in the "commencement of our declining influence in the country. According to Mr. Marriott, the subjection "must take from us that sway we ought to have in the country, without which no business will be able to be carried on", and 'must make us esteemed very light in the eyes of the generality of people and ...... be the means of depriving our gomastahs of the influence necessary for carrying on the least business. The ultimate result of the change, according to Mr. Johnstone, would be "the entire loss of that credit and pre-eminence we have ever maintained. The maintenance of the duty-free inland trade was thus inseparable from the necessity of retaining the institution of gomastahship, functioning independent of the Nawab's authority. The right to such a trade was thus much more than a simple economic right.

As a result of the opposition of the Council, the regulations proposed by Vansittart could not come into force. The Nawab, however, did not yield to the opposition and authorised the local officers to suppress, wherever
possible, the frequent clashes between them and the English. This was the background of the Nawab's decision to abolish all duties, though he intended it to be an experimental measure for two years. Mir Qasim believed that this would eliminate the sources of local conflicts, which had been convulsing the country. Moreover, the recent spate of violence brought all legitimate trade to a standstill. The income of the state from duties dwindled to insignificance. In fact, the collection at the gunges was scarcely enough to pay for the maintenance of the local check-posts.

The pretensions of the free-traders were revealed when they questioned the Nawab's right to take such a measure pointing out that the proper authority in this case lay with the Emperor. The traders got panicky over the implications of the measure. They would have to work now in a more competitive market than before. Once they lost their usual differential advantage, the main support of their trade would weaken. The duty-free trade enabled them to attract almost the entire trade. The indigenous traders, now rid of the discriminatory duties, were better equipped to compete favourably with the English traders in the buyers' market. A higher price could now be offered to the producers for their commodities. Once the English traders had lost their semi-monopolistic control, they could not buy cheap any longer. As a result, the prices of commodities purchased by the English tended to rise.

Alarmed at this development, a section of the English traders saw in war the only way of getting rid of Mir Qasim. To create an atmosphere of war, they circulated all sorts of rumours to convince others that the Nawab was determined to exterminate the English. One such rumour had it that the Nawab had issued orders to root out all mulberry and cotton plants in order to destroy the Company's trade. The stiff attitude of the English Council was reflected in the instructions of March 28, 1763 to Amyatt and Hay, deputed to carry on negotiations with the Nawab. They re-stated, only in a stronger language, the well-known point of view of the private traders. The recent order abolishing all duties would have to be called off. A duty of 2½% would be paid only on salt. They insisted on the immediate solution of the currency problems. The Nawab would hence forward strike only one species of rupees. The deputation would get him to issue 'peremptory order' to the shroffs and others forbidding them to molest the English traders by their exactions. The Nawab found the scheme of solution unacceptable. The final show down was inevitable.

It is unhistorical to isolate the question of the assertion of sovereign rights by the Nawab from the wider question of private inland trade. Later the Company itself had to admit that the inland trade caused the conflict with Mir Qasim. Clive had to agree with the court of Director's that the inland trade had been 'the foundation of all the bloodshed, massacres and confusion which have happened of late years in Bengal'. It was also admitted that the methods of English trade were incompatible with the
maintenance of the Nawab's sovereign authority. Verelst thus described the impact of the trade on Mir Jafar's second government: 'If the country government had been oppressed before, it was now annihilated'. According to Gray, Resident at Maldah, the 'influence' of the government had been "torn to pieces by a set of rascals, who in Calcutta walk in rags, but when they are sent out on gomastahships, lord it over the country, imprisoning the ryots and the merchants......". Clive was only repeating the complaints of Mir Qasim when he wrote to the Court: "The whole trade of Bengal has, I find, been monopolised by your servants, their agents and gomastahs. Thousands of the natives are starving for want of those accustomed profits, which are now diverted and confined to one particular channel". The only difference was that the abuses were seen on a much vaster scale.

The attitude of the Company as to the desirable form of political authority in Bengal underwent a striking change in all these years of tension. The entire period of conflict enriched the Company's understanding of the political reality. Some members of the Council were now extremely fond of talking in terms of assuming direct political authority as the ultimate remedy for the recent anomalies. Watts believed that "the best method would be taking of the government into our own hands, on account of the Company". The principle was found acceptable by Marriott and Cartier. With all their enthusiasm to propound a new doctrine, the members could not afford to ignore the hazards of such a step. Fresh conflicts would result from this, and the Company with its limited military resources would be unequal to the task. A direct Government, it was so concluded, would be ultimately self-defeating. Under these circumstances, the only other alternative was to choose a Nawab who would be totally submissive to the Company's will. Marriott laid down the formula: "There appears no medium can be observed; for we must either govern him or he will us". There was no more any doubt regarding 'the evil consequence of suffering an over-growth of power in a nabob'. It was believed that the selection of Mir Jafar as the new nabob would serve Company's purpose. Marriott argued: "the late nabob's weak capacity, that was made an argument against him, I think would, consistent with good politics, rather plead in his favour, as it certainly can never be the Company's interest to have an enterprising nabob, for the subah of the provinces".

Even without assuming political authority, the Company got nearly all it wanted from Mir Jafar. Mir Qasim's order abolishing the discriminatory duties on the indigenous merchants was called off. The duty-free inland trade of the English was legalised. The only exception was salt for which 2½% duty would be paid. The Company got the right to purchase half of the saltpetre of Purnea. The chunam production of Sylhet would be jointly controlled by the Company and the Nawab. The Nawab's decision to allow the rupees coined in Calcutta 'to pass in every respect equal to the Siccas of Moorshedabad, without any deduction of Batta' removed and important
source of the recent anomalies in the Company’s financial transactions. The cession of the three districts—Burdwan, Midnapur and Chittagong was confirmed.

The political credo of non-interference did not apply to the military sphere. The Company was determined to reduce the military strength of the Nawab. The first draft of the treaty (July 6, 1763) reduced the army to 6,000 horses and 12,000 foot. The Nawab was, however, allowed to maintain 12,000 horse by the ratified treaty (July 10, 1763). The war with Mir Qasim was imminent and the Company thought it imprudent to antagonise the Nawab by any rigidity over the military issue. Moreover, the stipulation that the English would be informed of the Nawab’s decision regarding the places where he would hold his Court and that an English resident would stay in the Court "to transact all affairs" between the Nawab and the English gave the English some control over the administration. Under the existing circumstances, however, the profession of non-interference was superfluous. The regime was the result of the most conspicuous form of interference, and it would continue functioning only if the privileges of the English were not invaded again. In the military sphere, the English control was visibly growing. It was the less spectacular financial transactions which clearly demonstrated how much the Nawab had to depend on the Company’s will. Amidst all these, Mir Jafar looks a pathetic figure, trying to assert himself again and again, but frustrated as often by the overweening self-confidence of the English. The financial pressure had laid him prostrate. The point need to be emphasised. The historians treat it merely as a moral issue and overlook its political implications. The Nawab agreed to pay thirty lakhs of rupees ‘to defray all the expenses and loss accruing to the Company from the war and stoppage of their investment’. The amount to be paid to make good the private traders’ losses was not specified. None knew better than Mir Jafar himself the actual state of the country’s finances. His inability to satisfy the Company’s financial demands cost him his throne three years ago. The situation in which he now found himself was far worse. Mir Qasim had in the mean time signed away the revenues of three districts. The income from duties on land trade had further declined. Mir Jafar knew well that he was signing an unworkable contract. In fact, the entire arrangement was imposed upon him. Mir Jafar agreed to it because he preferred the vainglory of Nawabship, whatever its worth, to the prospect of sinking into obscurity.

It took the Nawab only a few months to realise the utter absurdity of the late arrangement. Even till January 1764 he could not scrape together enough resources to pay more than four lakhs of rupees. The English immediately reacted by a threat to deny him protection from his enemies. The Nawab had to yield. The settlement over the compensation for private losses was yet another occasion demonstrating the helplessness of the Nawab. The amount of compensation was unspecified and the English took full advantage of it. The Nawab was asked to pay twenty lakhs of rupees.
Believing that the private losses were exaggerated, the Nawab wanted a statement of their losses. The English promised it but wanted the Nawab to pay the amount in advance. The Nawab's contumacy to pay brought upon him a retribution. He now found the demand inflated to forty lakhs. The Nawab's suggestion for paying the amount in five instalments was turned down. The English did not stop even at that and demanded eight lakhs more. The Nawab wanted this business postponed till the arrival of Clive for the second time. But he had to yield. The Nawab was asked again to pay twenty-five lakhs as donations to their navy. The Nawab paid it. His exasperation to meet a fresh demand on this account brought this angry retort from Vansittart: 'if you do not consent, we know how to manage it'. That the Nawab could be cowed by similar threats clearly reveals the extent of the English hold over the administration.

The financial pressure can largely be attributed to the war situation. Mir Qasim was not fighting alone and was actively assisted in his war efforts by Shah Alam and Shuja-ud-daula of Oudh. Thus while the war was dragging on, the English could not afford to be soft to Mir Jafar.

With the defeat of the combined powers in the battle of Buxar (October, 1764) the major preoccupation of the English in the first year of Mir Jafar's second administration ceased. The English had now to tackle other problems as they cropped up. Surprisingly enough, the fundamental issue of the late conflict—the private inland trade—gradually lost its importance. While the war continued it naturally receded into the background. After the war was over it lost much of its importance as a political issue. The old incompatibility between this trade and the preservation of the country's law and order manifested itself again, and the Company could not afford to overlook it now. Mir Jafar's complaints about the abuses in the sphere of inland trade were no longer disrespectfully ignored. Clive was probably the first Englishman in Bengal to analyse the alarming implications of this question for the Company's administration in Bengal. His own share in the trade may lead one to believe that his plea for replacing the existing system under the control of a motley group by one of monopoly control was motivated by selfish considerations. Such a surmise is not far wrong. Clive's originality lay, however, in the exposition of the point of view that the private inland trade was a menace to the Company's public affairs as much to the country government. The trade did not directly injure the public investment of the Company since it did not include the articles of inland trade. Still the preoccupation of a large number of Company's servants with their trade was naturally inconsistent with the system of control necessary for procuring the full quantity of one public investment. After the introduction of the system of direct advances to the producers, constant alertness on the part of the commercial residents was a necessary precondition of commercial success, particularly in view of the Dutch and French competition in the field.
Much more serious were the consequences for the Company's administration as a whole. Often did Clive emphasise the gradual transformation of the Company from a body of traders into a body of administrators, and he viewed the question of inland trade against this perspective. Concerned primarily with the maintenance of discipline and order, Clive found the inland trade a menace precisely to this system of order. Clive attributed the prevailing confusion in the Company's affairs to the 'spirit of independency' bred in the servants by fortunes from this trade. Clive found in the beginning of his second administration "individuals so suddenly enriched, that there was scarce a gentleman in the settlement who had not fixed upon a very short period for his return to England with affluence." It frightened Clive to find that the 'independency of fortune' had even corrupted the army. Such a mood, Clive believed, 'is always averse to those duties of subordination which are inseparable from the life of a soldier'. He was convinced that a government 'continued upon such a plan' would not long 'subsist'. Henceforward the private inland trade question ceased to influence Bengal politics.

Other issues arising out of the war left more lasting traces on Bengal politics. The overthrow of Mir Qasim resulted in the consolidation of the political system that the English created. The defeat of Shuja-ud-daula of Oudh and Shah Alam posed problems which required cautious handling. When Mir Qasim finally went off the scene, Shah Alam whose showing was all along poor considered it prudent to surrender to the English. Political and economic considerations made the English willing to make an ally of Shah Alam. An alliance with Shah Alam would convincingly disprove the enemy propaganda that the English were bent on destroying the Muslim power in India—a propaganda the Nawab of Oudh had had recourse to for winning allies. The economic motive of the English was to shift on to Shah Alam a portion of the war expenses.

The real gain from this alliance was the acquisition of diwani. The English had earlier rejected, out of predominantly political considerations the offer of diwani. In 1758 the Court of Delhi, impressed by the spectacular success of the English in Bengal, thought of "appointing the President (Clive) the collector" of the revenue due from Bengal. Such a right, which did not give the English any control over the utilisation of Bengal revenue, was much less substantial than the one conferred in 1765. Despite his belief that "such a dignity ...... would give extraordinary weight to the Company in the Empire which nothing could be able to remove", Clive rejected the offer on the ground that the English risked antagonising the Nawab who would resist the change directly affecting his own political authority. Such an opposition could develop into an active hostility, and the English with their small force were not equipped to meet this eventuality. The English rejected the offer again when it was renewed after Buxar. They believed that the time was not opportune for its acceptance. The Nawab of Oudh, still actively hostile against the English, did not give up hope of winning over Shah Alam.
In view of this uncertainty, the English were afraid that the payment to Shah Alam from Bengal revenue, which formed a part of the proposed diwani arrangement, would ultimately result in strengthening the enemy. With the crumbling of Oudh's resistance such an apprehension died away. The change in the political scene was quite reassuring, but it was predominantly economic calculations which led the English to agree to the diwani arrangement. In view of the enormous expansion of the English military force during the war with Mir Qasim, the English felt more acutely than ever before the need for larger economic resources. Further assignments out of the country's revenue seemed to the English the only way out of the financial stringency. On 26th November, 1764 they wrote to the Court of their inability to finance the usual investment if matters did not improve. Under these circumstances the offer of diwani came as a godsend to the English.

From now on the English got a control over the utilisation of the entire surplus revenue of Bengal after paying Rs. 26 lakhs as yearly tribute to Shah Alam and a little over 53 lakhs annually to the Bengal Nawab. So far as the financing of the Company's investment was concerned, a new epoch was being introduced. The inflow of silver from Europe was ceasing altogether since the Bengal revenue was quite adequate for the entire investment of the Company. The political implications of the change were significant. The last traces of the sovereign authority of the Bengal Nawab were now blotted out. Clive boasted that after the diwani the Company became "the spring which, concealed under the shadow of the Nawab's name, secretly gives motion to this vast machine of government." The Nawab lost all control over the treasury and he had to be content with a fixed allowance. The immediate consequence, as Clive believed, was that "revolutions are no longer to be apprehended; the means of effecting them will in future be wanting to ambitious Mussulmen."

Historians should, however, guard against any overestimation of the significance of the diwani and need not accept uncritically Clive's verdict. In 1773 Hastings ridiculed the entire business of Shah Alam, who was only a protege of the English, conferring the right of diwani on the English. He maintained that it was the military might of the English which gained them the right. The claim was perfectly justified. One should not isolate the diwani from the wider phenomenon of the increasing consolidation of English power in Bengal. The right to diwani followed as a matter of course from the prior process of reducing the Bengal Nawab to a nonentity in the Bengal administration. The authority of the Nawabs had already dwindled to insignificance after Mir Qasim's overthrow. The treaty of February, 1765 with Najm-ud-daula drove the last nail to the coffin. It deprived the Nawab of all control over military affairs. Moreover, he had to transfer the ultimate political authority to Muhammad Reza Khan, appointed as the deputy nawab. Since Reza Khan was merely a tool in the hands of the English, they could control the machinery of government in all vital affairs. The Nawab could not appoint or remove any officer in the
revenue department without the prior consent of the English. Clive’s letter of 10th April, 1765 from Madras to the Chairman of the Company in England, shows his clear comprehension of the existing political reality. The conclusion he arrived at was that "we must indeed become the nabobs ourselves in fact, if not in name, perhaps totally so without disguise". The signing away of the revenue of Bengal by Shah Alam was an exceptional measure; but the English would not probably have waited for long if this generous measure had not come of itself. The move for securing further assignments out of the country’s revenue was already under way. If the Nawab had been reluctant, the English would have compelled him. The imperial measure gave this inevitable process a certain amount of grace.

Out of the wars with Mir Qasim another political alliance emerged that is, the alliance with the Nawab of Oudh. The settlement of term with him was an embarrassing business for the English. Once the idea was to blot out Oudh from the map of India by portioning it out among different powers. Spencer, the Governor, looked upon such a measure as a piece of expert showmanship and believed that the demonstration of English power in this case would in future discourage the country power from trying strength with the English. In concluding a settlement with the Nawab of Oudh Clive, however, had worked on a different assumption. To him it was an integral part of the wider question of safeguarding the Company’s Bengal possessions. Clive himself denied the existence of any ‘generous principle of attaching him (the Nawab of Oudh) for ever to our interest by gratitude’

He had no pretence either of making a virtue of necessity. The problem-ridden Governor was only anxious to avoid further commitments in a newly annexed territory. It is interesting to note that his forecast of what would probably happen in Oudh was much coloured by his experiences in Bengal. Since he believe the English servants would not behave differently in Oudh, it would fast become after annexation a scene of ‘oppressions and innumerable abuses’. Clive was afraid that such abuses ‘must have laid the foundation of another war’—an eventuality which it was the interest of the Company to avert. The Court of Directors opposed the plan of annexing Oudh on political grounds, through their notions about the current India politics were somewhat mistaken. The Court exaggerated when they wrote that the annexation would be “breaking down the strongest barrier against the Afgans Morattas, and all the invaders of the Empire who were checked from penetrating into the eastern provinces by a power so respectable as his was throughout Indostan”

The concept of Oudh as a buffer state appealed as much strongly to Clive. He only took care to make the alliance with Oudh as much useful as possible from that standpoint. The restoration of the Nawab to his dominions was not an act of unalloyed generosity. Clive attached some strings to the alliance, the most important one being the obligation on the part of the Nawab to render gratuitous military assistance to the Company in case of war or invasion,
and to pay for any service rendered to him by the Company in similar circumstances. Oudh thus became much more than a buffer state. The English were in a position to control the use of the state's military resources.

The second administration of Clive saw the emergence of a definite political system consisting of what was considered the most desirable form of relationship with the Bengal Nawab and a pattern of alliances with some important powers in the country. In his last political testament Clive stressed the need to preserve the pattern and to eschew any kind of ambitious foreign policy. He argued that the move for further annexation would create troubles which, considered from the standpoint of the consolidation of English power in India, were not worth taking. His assumption was that the real foundation of English power was the Bengal possessions. All commitments which distracted the English attention from them should therefore be avoided.

In fact till the renewed offensive of the Marathas nearly a decade after the battle of Panipat (1761) there was no real menace to these possessions, and an optimism about their security pervaded the political thinking of Clive's successor, Verelst. Verelst sought to justify his faith before the Court by an elaborate study of the 'constitution of politics' of contemporary India. There was no other comparable power to put up effective resistance to the English. The invasions of Nadir Shah, the Marathas and Abdali left the Mughal empire, the only comprehensive political system, in complete exhaustion. The enormous money tribute exacted by Abdali dislocated the economy 'which produces no silver but very little gold'. The resultant fall in the quantity of money in circulation brought about 'a decay of trade and a diminution of cultivation'. The obvious consequence was the inability of the different powers to raise a large army and to conceive plans of conquest. Constant feuds among themselves further weakened them, so that a combined opposition to the English was out of question. The resources of Shah Alam, a force to reckon with, were spent 'to support rather the name than the substance of an army'. Since his absorbing passion was to sit on the throne of Delhi, he had no intention of dissipating his resources by quarrelling with the English. The Nawab of Oudh, who owed the English his restoration to his dominions, was bound to the English by 'policy and necessity'. The Marathas were torn by 'intensive divisions and jealousies'. Moreover, the Maratha army, by constitution and composition, was undependable for sustained warfare. Far from being a menace to the English, the emergence of the Sikh power was quite reassuring, since it served as a buffer against Abdali's invasions.

This optimism was often co-existent with another distinct strain of thought, which was not wholly consistent with the optimism. The English did not feel confident that they could make their possessions secure only by their role of passive onlookers. On the contrary, their policy was not to allow any power to grow to such extent where it would prove a menace to the
English. The judgement, however, as to when and how the menace would be real was liable to be faulty, as a consequence of which the English often committed themselves to a positive policy of reducing the strength of the state concerned to a level where it ceases to be a menace altogether. Hence the basic dualism in the Company's foreign policy.

The relation with Oudh may be taken as an illustration. During Clive's time it was perfectly cordial, and Verelst inherited Clive's optimism that things would go well in future, though he had different notions of the uses of the alliance. To Verelst the Nawab of Oudh seemed 'a much more proper instrument to accomplish the Company's maintaining themselves as the umpires of Hindoostan than an enemy who from his strength or situation could give them any material uneasiness or trouble'\textsuperscript{79}. Such a notion was not inconsistent with the optimism alluded to before. From the beginning, however, a dissident voice was being heard, which could gradually make its influence felt over the Select Committee. The voice was Smith's, the Commander of the Company's forces at Allahabad. He suspected anti-British plot in the reorganisation of army by the Nawab of Oudh, arguing, with amusing naivete, that in the general state of peace the only conceivable motive behind this reorganisation was anti-British hostility. The Select Committee at first argued it away as utterly preposterous, emphasising the old theme that considerations of 'policy and necessity' would prevent him from pursuing an anti-British policy. Verelst related the army reorganisation to the Nawab's "wishes to recover that degree of influence he once held in the empire". Verelst believed that such a move was quite natural, particularly in view of the big changes in the politics of the Court. Moreover, the candidness of the Nawab in informing the English of this reorganisation should have completely disarmed the English apprehension. Yet the Select Committee thought it prudent to "check in the beginning those symptoms of ambition that may in time become dangerous and insisted on "a speedy reduction of his (the Nawab's) unbounded ambition which will make him regard us as his rivals for power, than his steady friends". Thus Verelst stated the new point of view: "While the Nawab continued weak and dependent it mattered little what his secret intentions were and the moment he could rise considerably above the common level, a restriction of his increasing strength in consequence became necessary from such an accession of power, as our plan of politics and the general tranquillity were endangered whether the blow was immediately levelled at ourselves or some weaker neighbours"\textsuperscript{80}. The English decided to reduce the strength of the Nawab's army, but not to the point of destroying its efficacy to withstand enemy aggression. By the treaty of Benares (28th November, 1768) the Nawab could keep an army of not more than 35,000 and agreed not to train it in the European style.

The English were hesitating between two choices: to weaken the Nawab to such an extent that he ceased to be a menace to the English, or to use Oudh as a buffer state in which case a strong force would be the first
requisite to withstand the enemy. The conception of Oudh as a buffer state had grown weaker since Clive’s time, probably due to the absence or real danger on the frontier. The notion that some dangers may arise out of the Nawab’s ambitions tended therefore to harden. Cartier, the successor of Verelst, inherited this stubborn prejudice and was fond of reiterating that the Nawab had been constantly vacillating between ‘ambition’ and ‘timidity’. In fact Cartier’s attitude to the Nawab was stiffer in view of the latter’s secret negotiations with the Marathas who were looked upon as enemies by the English. Cartier could not approve of this alliance though it was merely a part of the Nawab’s strategy for annexing Rohilkhand and was not even remotely motivated by anti-English designs. The English were afraid that the absorption of Rohilkhand would remove an effective barrier against the Marathas, and so compelled the Nawab to abandon the scheme of annexing the state. By a treaty the Nawab agreed to defend the state against the Marathas in return of the payment of Rupees Forty lakhs to him by the Rohillas. Thus under new circumstances the concept of buffer state was revived again.

The relationship with Oudh was developing new features when the English, with the help of their increasing political control, started to utilise a part of the state’s economic resources. The forms and methods of this utilisation varied in different periods. Besides a considerable amount paid as war indemnity, the Nawab agreed, by the treaty of 1765, to pay for the employment of English troops, whenever this was necessary. Circumstances, mostly connected with the stationing of Company’s Third Brigade at Allahabad, compelled the English to claim a larger share in the surplus revenue of the state. The first doubts as to the usefulness of the brigade gradually faded away, and it was looked upon as an indisputable, requisite for the security of Company’s possessions. Thus Verelst stated its usefulness: “Its situation makes it in some measure the key of the surrounding countries, and its vicinity to the several countries of Suja Dowlah, the Rohillas, Jats, and Marathas enable us to penetrate their views with more certainty and, in case of necessity, to enter any part with our army in ten or fifteen days”\[1\]. The problem, however, was to pay for it, and it was tending to be serious in the perspective of the present distressful state of this country proceeding from the ‘scarcity of silver specie’—a theme Verelst was fond of discussing at length. With the deepening of the silver crisis the English were desperately searching for some palliative measures. Once a suggestion was offered to pay Shah Alam the Bengal tribute no longer in ‘silver but in the new gold mohurs coined in the mints of Calcutta and Murshidabad. At another time the English virtually encouraged Shah Alam to pursue his plan of annexing some territories of the Hindu raja of Bundelkhand, since they were promised by Shah Alam half of the revenue from the new acquisitions. Once the situation appeared so alarming that Verelst even contemplated the withdrawal of the Third Brigade, since it would considerably minimise the ‘annual drain of treasure’ from Bengal. None of these suggestions was put into practice. It was
Hastings who in 1773 could persuade the Nawab to pay a considerable amount for the maintenance of the Brigade.

In a real sense the period from 1765 to 1772 saw the beginnings of English economic domination over Oudh—an issue which complicated the political relationship with the state. The private trade of the Company's servants developed first. The treaty of 1765 contained a provision (clause 8) permitting a free commerce for the Company. The Nawab, however, opposed all suggestions for setting up English factories in his dominions. He showed, as Clive wrote, an 'uneasiness about the word factories'. He was afraid that 'a private trade in his dominions must necessarily be productive of disputes with the English and, would probably end in his destruction, as it had before ruined Meer Cossim'. So strong were the Nawab's feelings over the question that Clive had ultimately to yield. The Nawab was assured that the right to free commerce would not be exercised without the final approval of the Court of Directors. Whatever the reasons, the Court did not encourage free trade.

Despite the early restrictions private trade did grow in Oudh. Verelst related this growth to the decline of opportunities for private traders in Bengal as a consequence of which they turned to Oudh. He has analysed the various circumstances which caused this decline. The strict enforcement by Clive of the covenants forbidding taking of presents left to the servants no other means of 'acquiring the most moderate independency but by trade'. The scope for such a trade, however, was getting narrower and 'the prodigious advance' of the Company's investment had "struck at the very existence of small private commerce". The competition in the market from the Dutch and the French, who were 'amply supplied with money', made the English company more eager to make as large purchases as possible. The Company found it easier to exclude the English private traders than the organized Dutch and French companies. The abolition of the private monopoly trade in salt and betelnut was another encroachment on the private traders' preserve. Under these circumstances Oudh seemed to them a more promising field for their activities.

As in Bengal, the trade was illegitimate and thrived on various malpractices. The established local trade groups, of whom the most important were the Armenians, invariably served as middlemen for the private traders. Verelst was surprised to learn that "the Armenians indeed, in general, seem to have adopted a system of fixing themselves in the Nabob's dominions, as they were formerly at Murshidabad". Bolts (the author of Considerations, whose strictures on the trade organisation and general administration of the Company were provoked by the annoying restrictions on his private trade) employed 150 Armenian agents.

The Nawab could not for long ignore this development and wrote to the English Government in Bengal of his anxiety of "free his country from the Armenians and Bengalis". Complaints about the trade came from other quarters as well. In March, 1768 Captain Harper observed that the permission to the Armenians, a 'designing and intriguing set of people' to settle in the
Nawab's dominions would inevitably result in clashes with the Nawab. Even Colonel Smith, whose anti-Nawab prejudices were too well known, suggested to the Select Committee 'most vigorous measures for entirely abolishing a system so fraught with pernicious consequences'. To allay the Nawab's apprehensions, the Select Committee passed a set of regulations forbidding Company's servants and other Europeans to trade in Oudh. A covenanted servant violating these regulations would risk confiscation of his goods and dismissal from service. A free merchant guilty of this violation would forfeit his licence to reside in the country. The Nawab succeeded to a great extent in restraining the private traders by rigorously enforcing the regulations.

Private trade could thus be kept confined to narrow limits. The Company, however, as a public body was becoming more and more aware of the potentialities of Oudh as a field of English commerce. The Court of Directors considered the prohibition on English commerce in Oudh as 'impolitic and pernicious'. The extension of English commerce to Oudh was a vital need, particularly in view of the oppression in Bengal commerce in various ways. It would give the English access to other markets nearby, particularly the long distance trade line from Oudh. Moreover, the increasing sale of British goods and the extension of the market for Bengal silk would result in a flow of specie from Oudh to Bengal—a development most welcome to Bengal ridden for long by a silver crisis.

While the English were thus widening tentacles over Oudh, Shah Alam was drawing apart, the reasons of which are not far to seek. The settlement of 1765 could scarcely satisfy him, and he took it to be a stop-gap arrangement, though it gave him a sound political base and a handsome income. He looked forward to the day when he would sit on the throne of Delhi and he wished away the practical difficulties in the way. The execution of this grandiose plan of his was not necessarily incompatible with the alliance with the English. The English knew well of Shah Alam's ambition, and yet did not hesitate to make an ally of Shah Alam. But a conflict soon developed over this issue. Finding that the English had no enthusiasm for his plan Shah Alam turned to the Marathas who in the late sixties recovered much of their influence in Northern India and promised Shah Alam all possible assistance towards the execution of his plan. Shah Alam completely ignored the English warnings against the alliance with Marathas, whom the English looked upon as a new threat to the existing balance of power in India. The final breach came in 1773 during the administration of Hastings. It is quite likely that the English, desperately searching for means to solve their financial crisis, would have sooner or later stopped payment of Bengal tribute to Shah Alam which would amount to a repudiation of the alliance. The ill-judged step of Shah Alam in trusting the Marathas only hastened the inevitable process.

In the years 1757-1772 the English thus emerged as a political power in the country. The Bengal Nawabs, deprived of all political authority, became a mere pageant. The political alliances strengthened the political
system in Bengal to the extent that they constituted an effective barrier against any external attack. But in spite of increasing political control of the English they abstained from active participation in the country's administration, and one of the significant problems of the political history of Bengal in the period under review is how the English finally decided as late as 1771-72 in favour of this participation.

Before 1765 any direct administration by the English was of course limited to few districts—the 24-Parganas, Chittagong, Burdwan and Midnapur. The acquisition of diwani in 1765 gave the English much wider opportunities for this. They, however, kept themselves aloof from administrative responsibility and trusted it to indigenous agencies, supervised and controlled by the English Resident at the Durbar. One finds it difficult to agree with Firminger's view that the English were wary of this responsibility primarily because of their ignorance of the land revenue administration of the country. Such an ignorance is an undeniable fact, but it is unhistorical to explain the shirking of administrative responsibility by the English by this alone. In fact before Verelst's plan of Supravisorship (1769) the English did not take any trouble to enrich their understanding of the complex agrarian situation of Bengal and the administrative problems connected with it. They stood aloof from direct administration because they believed that the troubles it would mean were not worth taking and in fact were unnecessary, since the state of land revenue collections was not any worse for their indifference. With time such a complacency was shaken, and the conviction that only a direct administration by the Company's servants would set matters right was precisely the reason why the English finally decided to intervene.

The Court of Directors stressed often the incompatibility of the existing mode of management of zamindaris within the broad framework of diwani administration with the security of Company's revenue. In the letter of 11th November, 1768 the Court selected the question of large arrears in the Dinajpur zamindary as a test case. The fall in collections was not due to any decline in population, but 'solely' due to 'the villainy, profusion, and folly of the Rajah and his ministers', who were inadequately controlled by the general diwani administration. A 'thorough investigation' by "one or more of our most experienced servants' was suggested as one of the fruitful means for stopping the 'depredation of the revenues'. In the letter of 30th June, 1769 the Court contrasted the prosperity of the ceded districts with the economic decline of the districts under the diwani administration, and attributed the former to "the constant and minute direction of our covenanted servants'. The Court believed that 'a patient and moderate exertion of the powers invested in us by the grant of the Dewance' would go a long way towards restraining 'the numerous tribes of fougedars, aumils, sirkars', whose 'oppression' largely accounted for the unhappy state of land revenue collections in the diwani districts. The removal of this 'immense number of idle sycophants, who ....
are placed between the tenant and the public treasury' would prevent an enormous waste of state revenues. Of the means suggested for the security of Company's revenue, the court emphasised a sound knowledge of the country's economic resources to be obtained through the active participation of the servants in the administration and an eventual replacement of the zamindary bureaucracy by the Company's servants. The appointment of 'Comptrollers for the management of the Duannee revenue' was the first step in the direction of introducing direct administration of the Company. The Resident at the Durbar, Richard Becher, another powerful voice in favour of modifying the diwani administration, described the usual device of the administration to send amils to replace the zamindars who were reluctant to pay the high revenue demanded of them. The practice, Becher thought, amounted to a simple desertion of responsibility on the part of the administration and left the wretched peasants fully exposed to the exploitation by a class of speculators. The remedy suggested by the Resident was a farming system, on the basis of three years' lease, the working of which would be supervised by an English collector. It was Verelst who made the first significant experiment in respect of Company administration in the diwani districts. Verelst mixed up ethical considerations with economic, though no one misses his emphasis on the latter. The ethical principle he enunciated was simple enough: "The people give us the labour of their hands, and in return, we owe them our protection"90. Arguing from this assumption he concluded that "to hold vast possessions, and yet to act on the level of mere merchants, making gain our first principle; to receive an immense revenue without possessing an adequate protective power over the people who pay it..... are paradoxes not to be reconciled". But Verelst did not forget for a moment that the direct administration of the Company was after all an economic necessity. He was writing in the shadow of a great economic stringency which he characterised as a 'crisis'. A silver crisis had already caused a great deal of dislocation in the economy. Moreover, the Company was in dire need of much larger resources in view of the increasing dependence of its Far Eastern trade on the Bengal surplus and the necessity of a larger payment by the Company to the Crown treasury. But the existing administration was scarcely equipped to grapple with the problem. With a fervent belief that a direct participation of the Company's servants in the administration would go a long way towards solving it Verelst created a new office called 'supravisorship' manned entirely by Company's servants. Verelst's idea, however, was not to replace the existing administration by this new institution. In the field of land revenue administration the Supervisor's duties were limited, to collection of informations relevant to the country's agrarian situation.

Verelst's plan failed, but by the end of his administration an intellectual climate was created where new ideas on the desirable form of administration were received with greater open-mindedness. Constant criticism of the diwani administration had already undermined the force
of convictions of its supporters. In the letter of 29th August, 1771 the Court announced the decision "to stand forth as Duan, and, by the agency of the Company's servants, to take upon themselves the entire care and management of the revenues".

The direct administration was believed to be a cure for all the ills, but it was soon found that it only aggravated them. The reason, the analysis of which lies beyond the scope of this chapter, was that the new scheme was a change only in the superstructure of administration and the basic anomalies arising out of gross over-assessment and maladjustment of relations between the farmers and the peasants were left as they were.

The gradual transformation of the structure of political authority in Bengal brought fundamental changes in the economy and society of the country. The remaining portion of this chapter will be devoted to a brief analysis of one such change having clear political implications—a redefinition of the relationship of the state with the zamindars. In very many cases in the 24-Parganas and the ceded districts, the change consisted in the supersession of a large number of traditional landholders by a new class of farmers. Political considerations partly account for this radical measure. The English had a built-in prejudice that the existence of large estates would be incompatible with the security of their new regime since 'the several rajahs and zamindars would assume to themselves an independent power' and would be prone to 'despise' the administration. Far more important, however, were the economic considerations. A usual phenomenon in the big estates was large arrears in the payment of revenue. Moreover as the English proceeded to enforce the new principle of land revenue assessment, that is, gradual approximation of revenue to the entire economic surplus, the zamindary system appeared as a cumbersome anachronism. Either the system would have to be reoriented to the economic needs of the Company, or if it was found wanting that way, it would be set aside. It was soon found that the system was inconsistent with the Company's requirements. Arguing from the assumption that the country could pay more than the zamindars were paying, the Company concluded that the continuation of the existing zamindari system would ultimately defeat the scheme of forming an estimate of the actual resources of the country. The system of putting up land to the highest bidders was believed to be the only infallible guide to them, since it was argued no rational person would agree to pay more than he could. The new system thus superseded zamindars in very many cases. Even when it failed to fulfil the high expectation of the Company, the substitute for the discredited system was not the old zamindry system. In Burdwan the method of public auction of land revenue was abandoned and Verelst exercised his option 'to engage men of substance and character'. The substance of farming system was thus retained.

The experiments of Mir Qasim himself were based on the assumption that when the object was to increase revenue suddenly, the existing system was an unworkable mechanism. Mir Qasim had to mobilise all possible
resources in order to stabilise his position, and found in the appropriation of
a large part of zamindars' income a ready means for that. Ghulam Husain,
the author of Seir, would have us believe that Mir Qasim "in his heart, had
been at all times an enemy to zamindars". His conviction, we are further told,
was that a direct administration by the state "rendered the country populous
and flourishing, the husband-man easy, the traveller safe, the land everwhere
tilled and green .... whereas now that the zamindars are left to themselves
and the reins floating on their necks, mischiefs are increasing every day, the
land becomes desolate, and the revenues fall short and are in confusion"91.
Such a conviction lent an edge to his decision to appropriate the income of
some zamindars—which was after all an unavoidable necessity for the state.

After the acquisition of diwani in 1765, the Company did not alter its
methods of land revenue administration. Ignorant of the actual resources of
the country, the Company accepted the assessment of Mir Qasim as a model
for the diwani districts. The enforcement of such an assessment which was
suited for an emergency situation and was thus evidently based on an
exaggerated valuation of the country's resources resulted in excluding very
many zamindars from the land revenue settlement. The new system was
especially a farming system though the agency to operate it was restricted
to a group of persons called amils.

The redefinition of the state relationship with the zamindars was a
revolutionary change in this sphere. The system of Murshid Quli, the only
other experiment before the English took over which left a deep impact on
the zamindary system, was not conceived as a substitute for the zamindary
system. Murshid Quli himself created new zamindars and encouraged the
formation of extensive zamindaris; in this case the experiment resulted in
weeding out only an inefficient section of zamindars. The English system
amounted to a negation of the zamindari system altogether, and the political
powers in their hands enabled them to make choices as regards a substitute
for it.

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    (b) Clive to Secret Committee; 26th July, 1757, para 10.
    (c) Clive the Court of Directors, 22nd August, 1757, para 2.
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5. To the Court of Directors 31st December, 1758, para 7.
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7. Vide No. 5.
17. Ibid; Vol. I. Copy of the Memorial delivered by Holwell to the Select Committee upon the arrival of Vansittart. p. 148.
18. Ibid; Vol. I; p. 64.
19. Ibid; Vol. I; Mr. Sykes to Vansittart, Cassimhazar, September 16, 1760. p. 82.
20. Ibid; Vol. Select Committee at Calcutta to President and Council of Fort St. George. 28th July, 1760. pp. 76-78.
23. Verelst. A view etc. Appendix No. XLVI.
25. Ibid; Ch. 9, p. 173.
26. "The dispute in regard to the duties on private inland trade was neither the sole, nor even a principal cause of his war with the English. He had wider, and more ambitious designs, when he finally determined to go to war". Mir Qasim by Nanda Lal Chatterji. Allahabad. 1935. p. 235. By way of explaining these "ambitious designs" he wrote: "There is no doubt that the Nawab had, from the beginning, aimed at establishing his complete independence of the English, and that he patiently strove to break the supremacy which they had obtained after the revolution of 1757. His object was to establish an independent and unfettered 'Subahdar' in Bengal by reducing the extraordinary power and influence of the European traders". Ibid. p. 219.
27. Vide No. 24.
29. Ibid.
32. "Treaties of commerce are understood to be for the mutual benefit of the contracting parties. Is it then possible to suppose that the Court of Dehly, by conferring the privilege of trading free of customs, could mean an inland trade in the commodities of their own country ... to the detriment of their revenues and the sum of their own merchants? We do not find such a construction was ever heard of until our servants first invented it and afterwards supported it by violence". Letter from Court. April 26, 1765. Para 23. Verelst. A view etc. Appendix No. XXX.
34. Verelst. A View, etc. Chapter IV, p. 105.
35. Ibid.
39. Hastings wrote to Vansittart from Bhagulpore: "I have been surprised to meet with several English flags flying in places which I have passed; and on the river, I do not believe that I have passed a boat without one". Letter dated April 25, 1762. Vansittart—A Narrative etc. Vol. 2; p. 80.


43. Ibid; Vol. 2, p. 100. The Nawab to the Governor, May, 1762.

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55. Letter to the Court, January 24, 1767. para 20.

56. Verelst. A View etc. p. 49.

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58. Letter to the Court, February 1, 1766. para 17.


61. Ibid; p. 282.

62. Ibid; p. 323.

63. Ibid; p. 284.

64. Treaty of July 10, 1763. Verelst—A view etc. Appendix XLIX.

65. Forrest thus commented on these transactions: "All delicacy was laid aside in the manner in which payment for the personal losses was pressed. The Life of Robert Clive—Vol. 2.


67. Ibid.

68. Ibid. February 1, 1766.


70. Ibid. February 20, 1764.

71. Ibid. September 27, 1764.

72. Ibid, January 24, 1767.

73. Ibid. September 30, 1765. para 12.

74. Verelst. A View etc. Appendix No. 1.II.

75. Letter to Court, September 10, 1765, para 8.

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**POLITICAL HISTORY : 1772-1793**

*Mir Qasim's political activity in exile*

One of the great fighters of India in a lost cause was Mir Qasim, for some time ruler of Bengal. After the battle of Buxar he was a homeless wanderer. But the British in Bengal had some respect for him as an enemy and tried naturally to keep themselves well-informed of his movements. We can form some idea of fugitive Mir Qasim's hopes and plans, many of them quixotic and extravagant, many the impotent imagination of despair. Like a 'phantom vessel floating about on the wide seas without an anchor without a port', he still catches our imagination and gives to his own life story an interest and as a determined adversary to the history of the establishment of British power in Bengal a dignity that it would not otherwise have attained.

Even before the battle of Buxar he was disgraced and imprisoned by the orders of Shuja-ud-daula and most of his friends had disappeared after having made each of them his nest in the bosom of the Vizier's court. It is a story sickening in its details. "He was robbed by Shuja-ud-daula of the whole of his property which was traced by the means of severities exercised upon his women, upon his eunuchs and upon his other dependants. The whole was confiscated and nothing remained to him but a few jewels of high value which he had some time before sent to Najib-ud-daula's country under the care of a trusty servant of his". It was the sale of these jewels that supported the forlorn prince in his days of distress. "There might have been some other matters besides which women by the means of old ones, their attendants, may have found means to conceal". After the defeat of his nominal allies at Buxar, the unfortunate prince had a providential escape. He fled to Allahabad and managed to free his family, confined in the fort there by Shuja-ud-daula. Thence by forced marches he reached Bareilly and sought shelter among Rubela Afghans.

From this retreat he emerged again and again and planned the recovery of his lost dominion. But he had not the sinews of war. Therefore Shuja-ud-daula by crippling the resources of Mir Qasim must be held primarily responsible for rendering these attempts so futile. Fighting under such circumstances where the sale proceeds of jewels would meet the expenses was not merely a desperate task but an absurd one. The bankers with whom he had deposited much of his money in Bengal took advantage of his helpless situation to withhold payment. With one of them, Bolaki Das, Mir Qasim had deposited 12 lakhs and he got only 80,000 out of this sum².

Still what he had saved from the wreckage of his fortune in jewels was just sufficient to make him restless but not sufficient to make his schemes
effective. But Mir Qasim was a man of boundless energy, implacable revenge and a very rare opponent to meet in the indolent east.

In his hopeless project of restoration Mir Qasim looked out for allies. Those from whom he could possibly expect any help were the Ruhelas, the Jats, Ahmad Shah Abdali, the Sikhs, the Marathas, the French and Haidar Ali.

The emperor Shah Alam II, a fugitive 'with high claims and feeble resources', was a British pensioner at Allahabad. Even when he returned to Delhi in 1772 with Maratha help his position was far too precarious, his resources much too limited to incline him to help in another ex-ruler's restoration.

The Ruhelas were the enemies of Shuja-ud-daula. Naturally Mir Qasim expected that they would be of some use to him. But they went too much divided among themselves. None of the chiefs—Hafiz Rahamat Khan, Dundi Khan, Sardar Khan and Fateh Khan was singly strong enough for a foreign war. Moreover, Hafiz Rahamat Khan, the oldest of them was very parsimonious. Only when attacked could the Ruhelas possibly combine. They had not the enterprise for a grand undertaking of restoring a king to his throne. The Jat state of Bharatpur, so strong and so rich under Suraj Mal, had been very much weakened under his successor Jawahir Singh, and domestic disputes gave full employment to the sons of Suraj Mal who had naturally no time to look abroad. Najib-ud-daula, Regent of Delhi (1761-70) who was the chief beneficiary of the Abdali victory at Panipat, had no desire of interrupting his own tranquillity. He died in 1770 and his successor Zabita Khan was so incapable that he ruined his heritage within a very short period. The Sikhs created such a difficult situation for Abdali that he ceased to count in North Indian politics even before his death in 1773. The Sikhs, described in the British records as 'the Marathas of the North, like them their sole profession arms, their sole pursuit plunder' were extending their revages even beyond the Jumna but they were incapable of concerted expeditions on a large scale and to make things more difficult for Mir Qasim their services would have to be bought and he had not the wherewithal. The French could not be of any help to him as they were at a great distance. Neither could Haidar assist him materially as he had bid hands too full in the south. Mir Qasim meditated an alliance with the Marathas. He bitterly regretted that he had not turned to the Marathas for support after the capture of Azimabad by the English. In 1768, from his retreat in the Ruhela country, he wanted to go to the south to join the Marathas. But the Ruhelas would not let him go. The over-cautious Hafiz Rahmat Khan feared that this would give rise to grave complications. He wrote to Dundi Khan about the ill consequence and though Mir Qasim had started he was ordered to come back and he had to comply.

Mir Qasim reappeared on the scene in the seventies. He came to Agra from his retreat in the Ruhela country. After a few day's stay in Agra he went to the territory of the Raja of Gohad, about 60 miles from Agra. There a little
fort was vacated and given to him for residence. It is said that he began to negotiate with the Maratha chiefs who had come to Northern India and to raise troops on his own account. He published a declaration "promising large rewards to such of his chiefs as were formerly in his service and will again join him. Scarcely anything is heard of but Qasim Ali Khan". He expected that the Marathas would join him as also the Sikhs. Ghaziuddin, a former Delhi Vizier, also promised to stand by him. Hafiz Rahmat Khan was reported to be in the confederacy though this seems to be very doubtful. His son, Inait Khan was, however, ready to join Mir Qasim openly. Though Ahmad Khan Bangash of Farrukhabad openly refused any assistance to Mir Qasim privately he allowed troops to be raised for him. Samru and Madec, the treacherous European officers of Mir Qasim, who had joined Shuja-ud-daula and after his treaty with the English were roaming about, now came to Gohad to serve under Mir Qasim. Samru assured him that he would be able to reconcile the Jats and the Sikhs and bring the Sikhs over to his side. The Jats are even said to have allowed guns to be brought out of the Agra fort for the use of the confederate army. It was rumoured that Hafiz Rahmat Khan had informed Mir Qasim that if he advanced to Etawah five thousand foot soldiers and twenty loads of rockets would be sent. The formation of this strong anti-British confederacy synchronised with "a mysterious and unconfidential behaviour on the part of the Emperor and Shuja-ud-daula".

The Select Committee at Calcutta would have nothing to chance and ordered that the British magazine at Allahabad should be removed to the safe cantonments at Bankipore.

The rendezvous of this grand confederate army was fixed at Koil (Aligarh). It was hoped that the combination of the fighting strength of so many people would be irresistible. This grand plan of Mir Qasim of combining the Marathas, the Rohilla, the Sikhs, the Jats and the Rana of Gohad in opposition to the English reminds us of the grand design of that great enemy of a Roman Empire in the East, Mithridates the Great. After repeated defeats in the hands of Lucculus and Pompey, when Mithridates withdrew to Panticapacum "he planned to march westward through Thrace, Macedonia and Pannonia to carry with him the Scythians in the Sarmatian steppes and the Celts in the Danube as allies and with the avalanche of peoples to throw himself in Italy". The plan of Mir Qasim was as unrealizable as the Plan of Mithridates VI. His finances were insufficient to purchase allies and even to pay his own troops. The jarring interest refused to combine. The Sikhs and the Jats could not be reconciled. The Marathas had given him hopes with a view to sharing in his supposed treasure but when they found that he had not the ability to satisfy their demands they withdrew. The opposing interest of the coalitionists, their jealousy and distrust and his own want of money led to the failure of this plan of combination. Most of his Sardars deserted him but he had spent much of what he had and this collapse left him 'without a friend, without a treasure or any means of
defending himself, far less of molesting his neighbours'. The President of the Select Committee at Calcutta, wrote, "To whom these into one body in one cause is from the political genous of Hindustan, the characteristic manners of the people in general and of these chiefs in particular an improbable, if not an impracticable even". Mir Qasim found himself further discredited in the eyes of Hindustan.

Mir Qasim attempted to sow discord between the British and the puppet Nawab of Bengal by planning that certain letters of his written to the Nawab should fall into the hands of the English. But they saw through the design. He wrote, "My brother, once more by the blessings of God I have about 3000 horse and foot in pay. I have sent for the heads of the Sikhs and I shall soon be able to join you. I therefore recommend you to be watchful of the feringhees and find employment for their troops elsewhere ... send me bills for three lakhs". After all these futile attempts when all the plans of Mir Qasim had failed leaving him almost a bankrupt, we do not hear much of his activity in 1771. But in 1772 he sent a feeler to Shuja-ud-daula through one West, an Englishman in his employ. Though Shuja-ud-daula had so shabbily treated him and was responsible for much of his misfortune he now hoped that the Nawab must have found the English alliance galling as he himself had found. West wrote to Shuja-ud-daula about the injustice of the English and very cleverly attempted to instil suspicion, assured him that his strength was quite adequate and advised an alliance with the French. He added that the English forces were inadequate and the zamindars were dissatisfied. He added that Mir Qasim was very much willing to act in cooperation. "He wishes most earnestly from a friendship to submit and is ready to convince you of his sincerity, even to put one of his children under your protection as a proof of your friendship and regard". It was also suggested that if a combined attack was made the Dutch and the French would join. The dissatisfied zamindars might also act in concert. But to Shuja-ud-daula the lesson of Buxar was perhaps sufficient and he had no desire to ally himself with Mir Qasim whom he had wronged so much. He handed over the letter to the British.

In 1774 Mir Qasim was again in the limelight. Hastings had stopped the payment of tribute to the Emperor. On the advice of Abdul Ahad Khan Shah Alam II now wanted to make Mir Qasim a pawn in the game of diplomacy. He talked of establishing Mir Qasim in Ajmer. Khilats were given to Mir Qasim. We read in the Delhi-News from Poona that Mir Qasim was asked to come from Jodhpur to see the Emperor. But this show of taking up his cause did not have the desired effect on the English. Asaf-ud-daula, successor of Shuja-ud-daula, brought pressure to bear on the Emperor's advisers and Mir Qasim could not get a footing in the Imperial Court. In the revised treaty which was concluded with Asaf-ud-daula it was provided that the 'Nawab is not to allow Qasim Ali Khan, ex-sultan of Bengal, to enter his dominions'. In the Imperial Court Mir Bakshi Najaf Khan who had served
at one time under Mir Qasim in Bengal had some kindly feeling for him but he could not help him in his attempt to establish himself in imperial favour nor could he provide him with what might be sufficient for his maintenance in dignity and comfort.

In the course of his wanderings Mir Qasim is said to have gone to the country of the Rajputs and Tarikh-i-Muzaffari even informs us that he made an attempt on Nepal which was unsuccessful. In this connection the Riyaz-us-Salatain says very briefly and very vagueley that he had gone in the direction of the mountains. He wrote a letter to Hastings explaining how he was unable to control developments after his rupture with the British and made a prayer for forgiveness. He died of dropsy on the 7th June, 1777 at Shahjahanabad, and as his sons Ghulam Uraiz Jafari, Muhammad Baqir-ul-Husaini and others informed Mons. Chevaliers, the French Governor, he left no provision for the support of his children. Mir Qasim hoped and planned till there was life in him and even as an aged refugee he was considered to be a danger to the British in Bengal as the intelligence reports clearly indicate. This Mir Qasim 'menace', more supposed than real, was connected with a Maratha 'menace'.

Political Development 1772-1775.

The Marathas reappeared in northern India in 1769, recaptured Delhi in 1771 and brought the Emperor back to Delhi in January 1772. Clive's political system now required a substantial change. The Allahabad Settlement of 1765 made Oudh a buffer state, a barrier against the Maratha and the northern powers, a protected ally. The second article of the Treaty of 1765 laid down that in case of the invasion of the dominion of any one of the parties the other should help with a part or the whole of the force. "In the case of the English Company's forces being employed in his Highness's service the extraordinary expense of the same is to be defrayed by him". Nothing was mentioned regarding the expenses of the Wazir's troops. As Sir Arthur Wellesley later pointed out in an undated memorandum on Oudh, "The adoption of this system of alliance is always to be attributed to the weakness of the state which receives the assistance and the remedy aggravates the evil". Successive treaties between the Nawabs of Oudh and the British in Bengal indicate how the aggravation progressed.

The hostility between the Ruheals and the house of Oudh was traditional. Safdar Jang, Shuja-ud-daula's father, had tried to suppress them. "He did not like Afghan rule in a district so close to his subah and looked upon the Ruheals as serpents infesting the road to Delhi." But he failed to crush them. Shuja-ud-daula now found his opportunity. With his Maratha allies the Emperor attacked Zabita Khan, son and successor of the Ruhela chief Najib-ud-Daula and captured his strong-holds. Other Ruhela chieftains, headed by Hafiz Rahmat Khan who had rallied to his cause had to take shelter in the hills. Maratha light horse raided
Rohilkhand. Hafiz Rahmat approached Shuja and requested him to bring about a settlement with the Marathas. They demanded 40 lakhs as war contribution. An offensive and defensive alliance was concluded between the Ruhela chiefs and Shuja-ud-daula (13th June, 1772). This was sealed in the presence of the British general Sir Robert Barker. The Ruhela chiefs agreed to pay him 40 lakhs for "obliging the Marathas to retire either by peace or war, this to depend on the pleasure of the Wazir". The Marathas withdrew on the approach of the rainy season. The Emperor's opposition to the growing Maratha demands precipitated an open fight between them. The Emperor was defeated in the battle of Purana Qila on the 17th December, 1772. He agreed to cede formally to the Marathas the districts of Kora and Allahabad which had been given to him by Clive in 1765. The Marathas also crossed into the Doab and Shuja-ud-daula appealed to Hastings for immediate help. This led to what has been described as the Ramghat expedition. The Marathas had vacated Rohilkhand but everyone knew that they would be coming again as soon as possible. The cession of Kora and Allahabad to them created a difficult situation for the British. Shuja's frantic appeals for British help therefore met with a ready response. An English brigade under Colonel Champion first joined them and then came Sir Robert Barkar with further reinforcements. They reached Ramghat on the 19th March, 1773. The British crossed the Ganges there and the Marathas retreated. The Marathas sent their vakisls to Shuja who introduced them to Barker. Shuja promised to take bonds from the Ruhelas and deliver them to the Marathas. The Marathas left for the Deccan in May, 1773. The murder of Peshwa Narayan Rao created such complications in the south that they could not reappear in northern India until 1784. They thus left a vacuum in the power politics of the north a vacuum which Shuja-ud-daula did not certainly create.

British policy under Hastings now began to take shape. James Lawrell took over the charge of Kora and Allahabad from Munir-ud-daula who was holding the provinces on behalf of Shah Alam, on 16th June 1773. The Benares Conference between Hastings and Shuja was held in August, 1773. The treaty was actually concluded on 7th September. Hastings sold Kora and Allahabad to Shuja for 50 lakhs. Shuja promised to pay all the expenses of the Company's troops sent to his assistance, at the rate of 2,10,000 per brigade per month. Hastings promised to help Shuja in conquering Rohilkhand. There was to be a British political Resident in Oudh. Shuja agreed to confirm Chait Singh as the successor to Balwant Singh in Benares. Shuja would not agree to establish free trade between Bengal and Oudh and Chait Singh agreed to pass British goods duty free to Mirzapore, the chief mart for central and western Hindustan. Munir-ud-daula was at Allahabad after Shah Alam II's departure to his capital. He had not been forbidden to pay any more money to the Emperor on account of the Bengal tribute. He had remitted to Shah Alam at different times seven lakhs forty-five thousand eight hundred
rupees. He was not repaid this amount which Hastings was pleased to regard as Munir-ud-daula's personal loan to the Emperor²⁰.

It should be noted here that in all these transactions with Shuja-ud-daula money played the most important part. The Marathas were so divided among themselves and appeared to be so anxious to avoid an encounter with the British that the Maratha danger theory in the year 1773 looks almost like a pretext. Shuja demanded his forty lakhs. Hafiz Rahamat was not in a position to pay. Shuja now asked for English help in annexing Rohilkhand. He agreed to pay forty lakhs to the East India Company. He got the help he wanted. The battle of Miranpur Katra of 23rd April, 1774 was decisive. Rohilkhand was annexed to Oudh. The company got 40 lakhs.

It has been argued that this was a necessary frontier war 'against a nation from whom they had received no injury'. According to Hastings this transaction meant a reduction of military expenditure during the period of service and an ample supply to the treasury. To add to this "the Wazir would be freed from a troublesome neighbourhood and his dominion would be made more defensible". Hastings himself confessed "that the dependence of the Wazir upon the Company (in other words his weakness) would, by that extension of his possession be increased as he himself was incapable of defending his ancient possessions without the English support". The comment made by Mill is appropriate. "The desire of territory and plunder blinded the Wazir but of money, the Governor"²¹. The acquisition of Kora and Allahabad exposed the frontier to Maratha attacks in the Doab. The Ganges now formed the British frontier in Oudh. The acquisition of natural frontier perhaps played a secondary part in motivating the action of Hastings. He got money for the Company, money for himself, for some of his partisans and a new field and a new pasture for money-makers.

But this was the beginning of the rapid decay of Oudh. Financial distress created by weakness was increased by oppression. Interference with its internal economy now began. It set a new pattern. The treaty which was concluded with Asaf-ud-daula, Shuja-ud-daula's successor, in 1775, reduced him to the position of a subordinate ally. Maladministration vitiates the history of British connection with Oudh. It shares the odium with the Nawabi of Arcot and the Nizam's state as plague spots of gross 'native' misrule for which British connection was in large measure responsible.

On the death of Shuja-ud-daula in 1775 a new treaty was concluded with his successor. Benares with its dependencies was ceded in perpetuity to the Company. By the treaty of Fyzabad concluded after the Ruhela war it was arranged that a regular brigade of the Company's troops would be stationed in Oudh, the Nawab bearing the expense. A second brigade was added in 1777 called the temporary brigade, the expenses being charged on the Nawab. Some detached detachments of the Company were also placed in his pay. The establishment under the
Resident also swelled to a large extent. Englishmen like Colonel Hannay, in the service of Asaf-ud-daula, were also plundering as fast as they could. Asaf-ud-daula complained that the pressure was too much for him. He saw Hastings at Chunar after the Benares affair, made him a present of ten lakhs. Hastings put the money into the Company's treasury hoping that the Directors would permit him to take it for himself but they did not. Asaf-ud-daula pleaded for a new system. He argued: "My country and my house belong to you, there is no difference". The temporary briagade was removed. He was to maintain a single brigade and pay the expenses for the Resident's guard and the expenses of the Resident's office. But as Francis put it the English army had 'devoured his revenues and his country under colour of defending it'. The debt with which the Nawab stood charged in 1780 amounted to £1,400,00022. The Jagir of the Begams of Oudh was then seized and it was also decided that their treasurers were also to be seized. The Nawab's debt to the Company was thus to be paid off. The spoliation of the Begams was sought to be defended by Hastings on the ground that the end justified the means. He was no doubt facing a public emergency, and badly needed all this money. The Maratha War, the progress of Haidar Ali in the Carnatic, the advance of the Berar army towards Bengal, the impending arrival of a French navy in the Indian seas with an army under Bussy to fight in the Carnatic—all this was argued in extenuating the crime.

Benares and Oudh affairs 1781-82:

Another episode of importance was the expulsion of Chait Singh from Benares. The British first strengthened him by securing his confirmation in all the rights and privileges enjoyed by his father. He rendered Hastings many services in public affairs and trade and war such as the grant of virtual monopoly for the purchase of opium in Ghazipur and assistance in the expedition against the Sannyasi raiders21. He also helped Hastings in his private affairs like the purchase of diamonds for the remittance of his fortune to England. He was called Fuzan (son) by Hastings. Contemporary Persian sources—Balwant Nama, Tulfa-i-Taza and Mishah-i-Khazain—explain the origin and growth of the enmity of Warrent Hastings leading ultimately to his victimization. Chait Singh has been described as weak and foolish, submissive and servile. He was asked by Francis Fowke, the Resident who was appointed by the Majority to disclose the nazaranas and salamis he had paid to Hastings. Hastings told Maharaja Misir, vakil of the Raja of Benares, that his honour lay in the hands of his master. Chait Singh thought that Clavering would become the Governor-General and he tried to gain the favour of the Majority by sending a deputation to Calcutta. But Hastings very soon acquired ascendency in the Council. Francis Fowke was recalled. Thomas Graham was appointed in his place and the harassment, intimidation and fleecing of the Raja now began. Demand was followed by demand.
Hastings came to Benares. William Markham, who was now appointed Resident, was no less hostile than Graham. "According to Khairuddin after a talk with Hastings Markham wrote to the Raja that if he offered seventy lakhs in cash, (50 lakhs according to British sources) accepted an increase of seven lakhs to his annual tribute and gave security for punctual payment through bankers there would be no trouble in future". The Raja was already under arrest. Then occurred the affray at Shivala. Subsequent events are well known. The Raja escaped. War was declared upon him. He fled. A nephew of Chait Singh was selected as the Raja. His annual tribute was raised from 22 to 40 lakhs of rupees and civil and criminal jurisdiction and police were taken from his hands. The last episode of the campaign against Chait Singh was the capture of Bijaygarh. The army took the booty as prize money and Hastings got no relief from the expected treasure of Chait Singh. "The treasure in the fort amounting to 23 lakhs to which he had looked to replenish the treasury was seized upon by Popham and his officers and divided among themselves, even the subalterns receiving 20,000 rupees each". The increased land-revenue demand was beyond the capacity and condition of the country. It had a devastating effect on the economy of the province. The decay of the province, its rapid decline and the distress of the people, necessitated a remedy. The revenue was kept up but the resultant misery could not be ignored. With Jonathan Duncan’s appointment as Resident in 1787 a change for the better began. Duncan abolished all abwabs introduced after the last year of Chait Singh’s management. The land revenue collection in 1789 amounted to Rs. 3,544,335.

It would not be irrelevant in this context if we describe the state of things in Oudh in 1783. Forster who visited Faizabad and Lucknow in 1783 writes in one of his letters: "A large portion of the amount paid by Asaf-ud-daula into the Company’s treasury is transported from thence in specie to relieve the necessities of Bengal. Much of the wealth accumulated by the servants of the Company residing in Oudh has been conveyed in a similar mode. The channels of commerce operate too tardily for measures which require despatch and embrace only the object of the day ... these drains, unsupplied by any native source, must soon exhaust the vigour of the country."

Hastings succeeded in bringing Benares and Oudh completely within the orbit of the economic system which prevailed in Bengal. In 1787 a report was submitted on the effects of British Investment policy in Oudh. "Previous to the introduction of the Company’s investment the trade of the province of Oudh was conducted by the native merchants without any interference on the part of the Government. The markets were open to purchasers of every denomination and the merchant and manufacturer met upon terms of perfect equality. The price of the goods was decided upon the true mercantile principle of one finding it his interest to buy and the other to sell. Advances were seldom given but for some rare commodities. The introduction of the Company’s investment caused a revolution in the trade of
the country which has operated greatly to its detriment by the establishment of a system highly unfavourable to the manufacturer and secondly the exclusion of the native merchants."28.

Nepal, Bhutan, Tibet and Assam Frontiers:

Prithvi Narayan, the Gurkha chief, succeeded in making himself the sole ruler of Nepal. He conquered three other rival principalities—Palan, Bhatgong and Kathmandu. By the end of 1768 he reduced all the cities that were holding out. A British attempt to give military assistance to the Niwar King Jaiprakash failed completely. The Kinloch expedition of 1767 which was sent for this purpose could not advance into the interior. But the British thus embittered this all-powerful ruler of Nepal. All those who were connected with Bengal trade—Kashmiris, Gosains and Fakirs—were expelled from Nepal. Even the Capuchin missionaries were forced to withdraw from the Nepal valley. James Logan was sent on a mission to Nepal in 1770 to reopen trade relations. He was to conciliate this powerful ruler. But his mission failed. Raja Prithvi Narayan was very distrustful of the British. Border conflicts became frequent. The new ruler of Nepal had brought under his control almost all the territory between Sarkar Champaran and the foot of the hills. The Terai and the Tanter parganas were occupied by him. This made border conflicts almost inevitable. Raja Coran Sein of Morang was an avowed enemy of the Gurkha chief. Morang was on the northern frontier between the Kosi and the Teessta. He was the leader of the petty hill Rajas and they were anxious to be on friendly terms with the British. This was also a cause of friction between the British and the Nepal Raja. But Morang became very soon politically disturbed and the Sannyasi raiders from Morang carried their plundering raids into the Company's territory. From Nepal also came every year Sannyasi raiders who carried their plunderings raids into Bengal. The Gurkha Raja's reply to British protests was that the river Gandak where the Sannyasis crossed over was not in his territory but in that of the Company. He could only stop them if he could extend his jurisdiction up to Gandak. Those raiders normally sought shelter in the Terai region after raiding the Company's territory. It has been said that "Warren Hastings and his wife played an important part in allaying the suspicion of the Raja of Nepal in respect of the Company and making a friend out of an enemy in Prithvi Narayan."29. It began in this way. For settling some border disputes the Gurkha Raja sent his vakil Deenanath Upadhay. While the vakil was in Calcutta a regular correspondence began between the Governor-General and the Nepal chief. Border disputes about Ammerpur and Bijepur were settled. Deenanath went back to Nepal. But further negotiations about disputed borders brought him back to Calcutta. Hastings was then on his way to Benares. Deenanath was asked to follow him. He halted at Patna while Hastings became involved in Chait Singh affair. The Governor-General's
wife was at Patna. In her anxiety for the safety of Hastings she wrote a letter to the Nepal Raja requesting him to send speedy assistance to her husband. The Nepal Raja at once sent an army under Dhoukal Singh. In the meantime Bijaygarh was captured and the Benaras imbroglio was over. Mrs. Hastings told Deenanath that the Gurkha army which had come to Mackwanpore might be sent back. She assured him that she would bring to the notice of the Governor-General his evidence of friendship which he would certainly value very much. The Gurkha army was asked to return. When Hastings came back to Patna he heard all this from his wife. The point at dispute about the pargana of Routichat was settled to the satisfaction of the Nepal government. Anglo-Nepalese political relations took a turn for the better.

Chronic anarchy and disorder prevailed beyond the eastern limits of Bengal. The first eastern state which accepted British paramountcy was Coochbehar. Family feuds exhausted this state. By 1770 Bhutan succeeded in establishing a vague suzerainty over it. But Bhutanese interference in settling succession compelled the Nazir Deo or the Chief Minister to open negotiations with the British government and a treaty was concluded by which the Company undertook to drive out the Bhutias from Coochbehar in return for an annual tribute. Capt. James advanced and captured the fort of Darling in the hills. The Tashi Lama of Tibet interceded in favour of Bhutan. Peace was concluded and territorial claims between Bhutan and Coochbehar were adjusted. The annual tribute which Coochbehar promised to pay to the East India Company was fixed in 1772 at one lakh Narayani rupees or Rs. 67,700-14-5 in the currency of the Company.".

Warren Hastings took this opportunity of intercourse with Tibet and sent George Bogle to Tibet in May 1774 with a view to exploring the possibilities of Anglo-Tibetan trade. Some valuable first-hand information was obtained about Tibet and the possibilities of trade routes. There was another mission under Hamilton in 1779. Though Tashi Lama was willing to cooperate yet trade through Nepal could not be established because Nepal and Tibet were very much opposed to each other and there could not be any negotiation between the two countries on trade. In all the hill states there was deep suspicion of British motives, a feeling perhaps that the merchant would be followed by the soldier. This deep suspicion found its best expression in the declaration of Nirpur Piaga, vakil of the Raja of Bhutan—"Formerly there was an extensive trade between the country of Lhasa and that of Bengal and Hindus and Musalmans used to visit the country freely and carry on business there: but of late the communciation has been rendered difficult on account of wars and disturbances. Now Deb Dharma Lama Rimboche and the English Company being united in sincere friendship it has been agreed on both sides that the Deb Raja shall in no way offer any obstruction in their passage or trade to the Hindu and Musalman merchants. These persons, however, shall not be allowed to bring sandal, wood, indigo, gogal (fragrant gum, resin),
skins, pan and betel-nuts. That no English or European merchants shall be permitted to enter the hills (Bhutan). That the Bhotias who may come to deal in horses and other articles in Bengal shall be subject to no duty on either side". Hastings sent Foxcroft to Nepal in 1784 with profession of friendship and proposals to establish trade relations and presents. Presumably nothing came out of it. The 'lofty trade lands being the snowy peaks to the north' remained outside the trade belt of the East India Company in Bengal.

Sannyasi and Fakir Raiders:

Reference has been made to the Sannyasi and Fakir raiders in Bengal. The following description of these people would give an idea of the nature of this source of disorder. "They inhabit or rather possess the country lying south of the hills of Tibet. They go mostly naked. They have neither towns, houses nor families but move continually from place to place, recruiting their numbers with the healthiest children they can steal in the countries through which they pass. Thus they are the stoutest and most active men in India. Many are merchants. They are all pilgrims and held by all castes of Gentoos in great veneration. The infatuation prevents our obtaining any intelligence of their motives ... they often appear in the heart of the province as if they dropped from heaven". They established a terrorism, a 'horrid ascendency' over the people in different parts of North Bengal. After the disruption of life caused by the famine of 1770 they became an organised threat to the administration of the country. This brand of Sadhuism affected also the Muslims. There were armed bands of fakirs who also levied contributions. Purnea, Dinajpur, Malda, Rangpur, Bogra and Rajshahi were the districts most affected. About the end of 1772 Capt. Thomas who was stationed at Rangpur was attacked by a band of these marauders. His pargana sepoys could not make any effective resistance. He was slain in the skirmish. The government had to start an offensive against these Sannyasis. Their suppression suddenly gained in urgency because Capt. Edwards and Sergeant Major Douglas were cut down while leading an attack upon a Sannyasi band in 1773. The pargana battalions were unequal to the task. The Fakir leader Majnu was defected by Capt. Williams when he reappeared in north Bengal towards the close of 1773. Rangpur suffered considerably in 1774. A treaty concluded by Hastings with the Debraja of Bhutan contained the following clause—"Whatever Sannyasis are considered by the English as an enemy, the Devaraja will not allow them to take shelter in any part of the district now given up nor permit them to enter into the Hon'ble Company's territories or through any part of his and if the Bhutias shall not of themselves be able to drive them out they shall give information to the British Resident at Coochbehar". Hastings also arranged with Chait Singh to furnish 500 horses to expel the Sannyasis. They assisted the troop of 50 horse raised for the
Governor-General’s bodyguard. A corps of light infantry commanded by Capt. Brooke, which was meant for hill service, was employed against the Sannyasis. The problem recurred in some future years but not in such a form as it appeared in 1773. Fakir raiders now created greater disturbance. The Fakirs under Majnu were defeated in north Bengal in 1776. He was compelled to withdraw. In 1783 we find him in Mymensingh. He was defeated and retreated, reappearing occasionally in Rangpur, Bogra and Dinajpur. The last raid of Majnu was in 1786. He died in 1787.

Majnu Shah was the most notorious of the Fakir raiders. He belonged to the Burhana sect of the Madari order of Fakirs. One of his local headquarters in Bengal was at Madargunge near Goail, 12 miles south of Bogra town. Another was at Mahastan. "The no-man's land lying south of the stations of Dinajpur and Rangpur and west of present Bogra towards the Ganges (?) far removed from any local authority was a favourite haunt of the bandits". His raids compelled some of the zamindars to transfer their homes from these raiding zones and build residences at remote places. One of those who were allied to him was Bhowani Pathak who operated in Bogra-Rangpur-Mymensingh area. He was killed in 1787. Seven boats with arms and ammunition were taken. There is the report of a female leader named Devi Chaudhurani who was in close alliance with Pathak. She lived in boats and had a force of barkandazs in her pay. Bankimchandra's Devi Chaudhurani has immortalized the history of the activity of these two persons whose names would otherwise have remained confined to government reports and gazetteers. A poem Majnur Kubita was written in 1813 by Panchanan Das, twenty six years after Majnu's death. It gives an impression of the terror which he created in the countryside. With active measure taken by Hastings these raids began to diminish but they did not disappear altogether until about the end of the eighteenth century.

There was a wave of anarchy in Assam which made it necessary for Lord Cornwallis to send a detachment under Capt. Walsh to restore order in the border region. The principal officers of the Assam king—the three Gohainas, the Bara Barua and the Bara Phukan and the feudatory chiefs like the Rajas of Darrang, Rani and Beltola created so much disruption in Assam that the new king Gourinath Sinha, who ascended the throne in 1780, was unable to stem the tide of anarchy. He had also to cope with the Moamaria rebellion of the rabbles in the east and the raids of the Bengal Barkandazs of Krishna Narayan in Darrang and Kamrup. In his distress the Raja appealed to Cornwallis because the Bengal Barkandazs had been openly recruited from the British territory. Cornwallis sent Walsh with three hundred and sixty sepoys to restore peace. Gourinath had been driven out of Gauhati which was recovered by Walsh. The Darrang prince Krishna Narayan was attacked and forced to flee across the Bhutan frontier. But he returned to Walsh's camp and peace was concluded through the good offices of Walsh between the
Abom king and the Darrang prince. Walsh was getting ready to embark on an expedition against the Moamarias when Sir John Shore, successor of Cornwallis, sure to the policy of non-intervention, asked Walsh to return. The forces of anarchy had a new lease of life in Assam.

Anglo-Nepalese Relations 1792-1793:

In Nepal Prithvi Narayan was succeeded by Singh Pratap who ruled from 1775 to 1778. His successor Ran Bahadur was a militant ruler. British relations with both of them were cordial. An attempt to establish trade relations with Nepal was now more successful. Maulvi Abdul Qadir Khan, Munsif of the Dewani Adalat of Benares, was sent to Nepal with presents for Raja Ran Bahadur in 1792. Through the good offices of Gajaraj Misra, Nepal Raja’s guru or spiritual guide, he could disarm court suspicion. A treaty of commerce was concluded with Nepal on 1st March, 1792. 2½ p.c. duty was to be taken by both countries reciprocally on imports. Credit for this success should go to Jonathan Duncan, Resident at Benares.

Ran Bahadur was anxious to extend his dominion to Tibet. His army advanced as far as Lhasa and occupied it. The Chinese came to the help of the Lhasa government. The Dalai Lama, the Nepal Raja and Chan Chuan, the Chinese commandar-in-chief, who drove out the Nepal king’s army from Lhasa, appealed for assistance to the British. The Nepal king’s request was for 10 guns and 10 artillery officers. Cornwallis naturally followed the policy of neutrality. The Dalai Lama was informed that “the English do not want to infringe the rules of friendship by interfering in a hostile manner in the disputes prevailing among foreign powers except to secure their own defence against wanton attack”. But he offered to mediate between Nepal and China because the British were friendly with both. The Governor-General offered to mediate and send Capt. Kirkpatrick for this purpose. No reply was received. In the meantime severe engagements took place between the Nepalese and Chinese armies. The Chinese army approached Kathmandu. The Raja of Nepal sued for peace and restored the booty and prisoners he had taken at Lhasa. He also deputed his chief minister Deo Dutt to China with costly presents. Kirkpatrick had in the meantime proceeded on his mission and come to Patna when Ran Bahadur asked him not to proceed any further because peace had been concluded. Two Nepal vakils came to Patna for exchange of views. Kirkpatrick was allowed to proceed to Nepal. He met the Nepal Raja at Nagarcot. Sentiments of mutual friendship were exchanged. Deenanath Upadhyaya was again deputed as Nepal vakil to Calcutta.

First Anglo-Maratha War and the Quadruple Alliance War of 1780-1782

Warren Hastings was not only eager to secure the frontier of Bengal but he wanted also to intervene in the war and diplomacy of the Maratha empire.
He did not get any assistance from the subordinate presidencies. It has been said that Bombay government would do at very crisis what was exactly the thing that should not have been done and the Madras government followed this example. The Bombay government supported Raghunath Rao. The idea of Hastings was to detach Berar from the Maratha confederacy. "Why not sweep away the usurpation of the Peshwa?" He wanted to set up in the person of Mudhoji a new Maratha royal line in the very heart of India "a kingdom owing its inception to the Company and bound to it by chains of gratitude"—another Oudh. With this view he sent Elliot to Nagpur but the brisk activity of the Bombay government for Raghunath Rao compelled him to send messengers asking Elliot not to raise this subject and to speak only about the passage of a British army through Berar and an ordinary alliance. Elliot died, negotiations lapsed, Leslie, who was in charge of the Bundelkhand force, bungled and after him Goddard his successor took up negotiations but the disastrous Convention of Wadgaon (January, 1779) was a resounding Maratha triumph and British prestige slumped throughout India. There was a general feeling that British power was not stable. The French circulated the news of British defeats in America. So Hastings could not do anything on these lines. "He had played for a strong central position from which to command his enemies' lines of communication and had lost."

But Hastings was very much aware of the inveterate propensity of the Bhonsles of Nagpur to range on the side of the enemies of the Peshwas and it was always a source of weakness to the general cause of the Maratha nation. "He wanted to thrust himself into this line of cleavage. He succeeded in neutralising the Bhonsle with a bribe during the First Anglo-Maratha War. When it became merged in a general combination of Indian powers against the Company—The Peshwa, Haidar Ali, Nizam Ali and the Bhonsle Raja—the golden diplomacy was again at work. "The enormously extended southern frontier of British Bengal would have required half a million men in arms ever on the alert if it was to be scaled effectually against the myriads of light horsemen and Pindari looters that a word from Nagpur could have let loose on any part of it. And such a break through, however short and ineffective in its military effect, would have done incalculable loss to the economic life and settled order of the southern district of Bengal, Bihar and Allahabad."

Hastings wanted to safeguard this southern frontier from incursions and he also wanted to send troops and supply of provision from Bengal through Cuttack to the Carnatic. The sea route was risky on account of French naval activity. As a member of the grand anti-British alliance Mudhoji sent an army under his son Chimnaji to invade Bengal through Cuttack. Hastings succeeded in foiling this plan. "The needy Chimnaji Bhonsle secretly informed Hastings of the directions received from Poona and assured him that he was going to circumvent them by marching at a
snail slow pace from Nagpur to Cuttack and that instead of making an immediate dash into Bengal he would engage in a long harassing campaign against the Raja of Dhenkanal so that Bengal would enjoy a long respite. A Bengal force under T.D. Pearce marched through Orissa, received every assistance and supplies from Chimnaji’s agents. This friendly neutrality was purchased cheaply for 16 lakhs of rupees—3 lakhs in October, 1780 and 13 lakhs advanced as a loan to his envoy Raja Ram Pandit at Calcutta.

Nana Farnavis, the director of Maratha foreign policy, sensed the danger inherent in British policy towards the Maratha confederacy whether it originated from Bombay or Calcutta. He was determined to thwart attempts to raise puppets like Raghunath Rao or Mudhoji, who were to play the part that Mir Jafar had played in Bengal and Muhammad Ali in the Carnatic. The Nizam had grievances against the British. He won over Mudhoji Bhonsle. Nana Farnavis had come to an understanding with Haidar Ali. British policy of interference in Maratha affairs was seeking fresh openings. Haidar’s approaches to Nana Farnavis were met half way. The Maratha-Mysore anti-British alliance developed into a quadruple alliance against the British, Haiderahad and Nagpur joining it. But, as it has been shown Hastings succeeded in neutralising the Bhonsle chief who was from the beginning a very shaky member of the alliance. The Nizam was also very soon conciliated. He wrote to the Governor-General: “As your answer was late in arriving and in the meanwhile the violence of the Governor and Council of Madras increased I was on the eve of revenging them as was proper when your letter arrived and on the perusal of the explicit contents of it I put a stop to my preparations.” He practically withdrew from the alliance. Hastings was trying to isolate Haidar Ali by detaching his allies. British arms penetrated into the heart of Sindhia’s territory and forced him to open negotiations in August, 1781. A treaty was concluded with Sindhia on the 13th October, 1781, and Sindhia promised to mediate peace between the British and the Poona government. Nana Farnavis candidly avowed that the Peshwa was in reality Haidar’s enemy but as a treaty of alliance had been made and there was no failure on his part, the inclusion of Haidar Ali was a necessary preliminary in any treaty of peace. He delayed ratification in the hope perhaps of persuading Haidar to restore some of the Maratha territories he had annexed. Haidar died suddenly on the 20th December, 1782. The treaty was then ratified by the Poona-government. Haidar’s successor concluded a separate treaty. Tipu’s treaty of Mangalore of 11th March, 1784 makes no mention of the treaty of Salbai.

British military operations in different parts of India created financial difficulties for the administration of Warren Hastings. The resources of Bombay were not sufficient even for a peace establishment. The extreme poverty of that Presidency made it necessary for Bengal to maintain all field forces. Even in peace time the presidency of Bombay had drained all channels of loan and had been sinking in arrears very deeply. When in
addition the administration of Warren Hastings had to find money for war in the Carnatic he wrote, "Our expenses have been increasing; our means declining. And it is now a painful duty imposed upon me to propose that we should again have recourse to the means of supplying our growing wants by taking up money at interest". Warren Hastings had recourse to some crude methods to relieve his financial distress. Benares and Oudh were his victims. But Lord Hastings later also dipped his hands into the treasury of Oudh at the time of the Anglo-Nepalese War and Amherst had also recourse to an Oudh loan at the time of the Anglo-Burmese War. Oudh was for many years the anchor of British Indian war finance and Hastings showed the way.

*Political Developments 1784-1793*:

On the foreign policy of Hastings Wilson writes, "To the principles of his foreign policy no shadow of guilt can be attached. The times were critical.... great firmness was demanded and its excess was a venial error when its deficiency would have been an inexpiable crime". The 17th, 18th and 19th articles of the Impeachment charges against Warren Hastings criticised his foreign policy during the years 1784-85. He was accused of conniving at the designs of Sindhi—all the legal sovereignty of India. His reply deserves to be quoted: "I declare that I entered into no negotiations with Mahadji Sindhia for delivering the Mughal into the hands of the Marathas. But I must have been a mad man indeed if I had involved the Company in a war with the Marathas because the Mughal as his last resources had thrown himself under the protection of Mahadji Sindhia". Hastings had sent his agent Major Brown to Delhi Court and there was for some time a talk of assisting the Mughal Emperor but the proposition to grant him assistance was 'disrelished' by the Council. When Hastings was at Lucknow in 1784 the heir-apparent of the Mughal Emperor came to Oudh to secure British assistance against the warring factions in the Mughal court. But Hastings told him that this was not possible in view of the opposition of his colleagues and the prevailing temper of the British nation. He advised him to depend upon Sindhi. Hastings also thought of the danger from the Sikhs and expected the Marathas at Delhi under the leadership of Mahadji Sindhia to act as a buffer against them in their own interest. This would secure the Oudh frontier. In his minute of the 4th December, 1784 Hastings recorded his opinion of the rising Sikh power. He regarded the Sikh power extending from the most western branch of Attock to the walls of Delhi as a new object worthy of serious contemplation. He visualized a change in their polity, the rise of an individual of rare capacity and enterprise who would succeed in enveloping everything within his own supremacy. He feared that a new dominion would ascend from the ashes of the Mughal empire and wanted to prevent such a calamity to British imperialism by 'seasonable means of
opposition. He must have thought the Maratha power at Delhi would be a check upon the Sikh spirit of adventure. He could not also be altogether oblivious of the Durrani menace.

The third Anglo-Mysore War began in May, 1790. Madras was unprepared. Everything had to be done in Bengal. There was a heavy drain of silver from Bengal. Debts increased. Under the military necessity of transferring funds and supplies to Madras and Bombay Cornwallis thought of developing the 'country' trade of Bengal and abolishing the import duties at Bombay and Madras. He therefore established free coastal trade between the Presidencies.

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