

# CBSE Class 8 Social Science History Notes

## Chapter 2 - From Trade to Territory

Did you know that the British originally came as a small trading company and were reluctant to acquire territories? How then did they come to be masters of a vast empire? In this chapter you will see how this came about and also learn how East India Company came into power, how trade expanded, how new rules for business were implemented, and also about The Battle of Plassey, etc. With the help of these CBSE Class 8 Social Science History notes for Chapter 2 - From Trade to Territory, students can write their History exam confidently.

### Overview

The last powerful Mughal ruler was Aurangzeb and after his death in 1707, many Mughal governors (subadars) and big zamindars began asserting their authority and establishing regional kingdoms. By the second half of the eighteenth century, a new power emerged on the political horizon – the British.

### East India Company Comes East

The East India Company, in 1600, acquired a charter from the ruler of England, Queen Elizabeth I, granting the Company sole right to trade with the East. According to the charter, the Company could venture across the oceans, looking for new lands to buy goods at a cheaper price, and carry them back to Europe to sell at higher prices. The Portuguese established their presence on the western coast of India and had their base in Goa. By the early seventeenth century, the Dutch were exploring the possibilities of trade in the Indian Ocean and very soon the French arrived on the scene.

All the companies are interested in buying the same things. The fine qualities of cotton, silk, pepper, cloves, cardamom and cinnamon were in great demand. The urge to secure markets led to fierce battles between the trading companies. Trade was carried on with arms and trading posts were protected through fortification.

### East India Company begins trade in Bengal

In 1651, the first English factory was set up. It was the base from which the Company's traders, known as "factors", operated. In the warehouse of the factory, goods for export were stored. The Company by 1696 built a fort around the settlement. The Company continuously tried to press for more concessions and manipulate existing privileges.

### How trade led to battles

The conflict between the Company and the nawabs of Bengal intensified. The Bengal nawabs refused to grant the Company concessions, demanded large tributes for the Company's right to trade, denied it any right to mint coins, and stopped it from extending its fortifications. They also claimed that the Company was depriving the Bengal government of huge amounts of revenue and undermining the authority of the nawab. The conflicts led to confrontations and finally culminated in the famous Battle of Plassey.

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### The Battle of Plassey

In 1756, Alivardi Khan died and Sirajuddaulah became the nawab of Bengal. The Company tried to help one of Sirajuddaulah's rivals to become the nawab. After Sirajuddaulah came to know about the Company's strategy, he asked them to stop meddling in their political affairs, stop fortification, and pay the revenues. In 1757, Robert Clive led the Company's army against Sirajuddaulah at Plassey. The main reason for the defeat was that the forces led by Mir Jafar never fought the battle. The Battle of Plassey became famous because it was the first major victory the Company won in India.

The prime objective of the Company was the expansion of trade. If it can be done without conquest, through the help of local rulers, then territories need not be taken over directly. But, very soon the Company discovered that this was rather difficult. In 1765, the Mughal emperor appointed the Company as the Diwan of the provinces of Bengal. It allowed the Company to use the vast revenue resources of Bengal. From the early eighteenth century, the Company's trade with India had expanded. Goods from India had to be brought with gold and silver imported from Britain.

### Company officials become "nabobs"

After the Battle of Plassey, the Company officials forced the actual nawabs of Bengal to give land and vast sums of money as personal gifts. When Robert Clive left India, his Indian fortune was worth £401,102. In 1764, he was appointed as the Governor of Bengal and was asked to remove corruption in Company administration. Many Company officials died an early death in India due to disease and war. Some of the officials came from humble backgrounds and their desire was to earn enough in India, return to Britain and lead a comfortable life. Those who managed to return with wealth were called "nabobs" – an anglicised version of the Indian word nawab.

### Company Rule Expands

After analysing the process of annexation of Indian states by the East India Company from 1757 to 1857, certain key aspects emerge.

The Company rarely launched a direct military attack on an unknown territory. It alternately used a variety of political, economic and diplomatic methods to extend its influence before annexing an Indian kingdom. After the Battle of Buxar, the Company appointed Residents in Indian states. They were political or commercial agents and their job was to serve and further the interests of the Company.

Subsidiary alliance means Indian rulers were not allowed to have their independent armed forces. They were to be protected by the Company, but had to pay for the "subsidiary forces" that the Company was supposed to maintain for the purpose of this protection. If the Indian rulers failed to make the payment, then part of their territory was taken away as a penalty.

### Tipu Sultan – The "Tiger of Mysore"

Mysore, under the leadership of powerful rulers like Haidar Ali (ruled from 1761 to 1782) and his famous son Tipu Sultan (ruled from 1782 to 1799) had grown in strength. It controlled the profitable trade of the Malabar coast where the Company purchased pepper and cardamom. Tipu Sultan, in 1785, stopped the export of sandalwood, pepper and cardamom. The Company fought four wars

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with Mysore (1767-69, 1780-84, 1790-92 and 1799). Finally, in the last – the Battle of Seringapatam – the Company achieved victory.

### War with the Marathas

The Company from the late eighteenth century was planning to destroy Maratha power. The Third Battle of Panipat in 1761, the Marathas were defeated and their dream of ruling from Delhi was shattered. They were divided into many states under different chiefs (sardars) belonging to dynasties such as Sindhia, Holkar, Gaikwad and Bhonsle. These chiefs were held together under a Peshwa (Principal Minister) who became its effective military and administrative head based in Pune.

Marathas were indulged in a series of wars. The first war ended in 1782 with the Treaty of Salbai, there was no clear victor. The Second AngloMaratha War (1803-05) was fought on different fronts, resulting in the British gaining Orissa and the territories north of the Yamuna river including Agra and Delhi. Finally, the Third Anglo-Maratha War of 1817-19 crushed Maratha power.

### The claim to paramountcy

Paramountcy a new policy was initiated under Lord Hastings (GovernorGeneral from 1813 to 1823). The Company claimed that its power was greater than that of Indian states. In the late 1830s, the East India Company became worried about Russia. It imagined that Russia might expand across Asia and enter India from the north-west. The Company fought a prolonged war with Afghanistan between 1838 and 1842 and established indirect Company rule there. Punjab was annexed in 1849, after two prolonged wars.

### The Doctrine of Lapse

Under Lord Dalhousie who was the Governor-General from 1848 to 1856 the final wave of annexations occurred. The Doctrine of Lapse is a policy devised by him which declared that if an Indian ruler died without a male heir his kingdom would "lapse", that is, become part of Company territory. In 1856, the Company took over Awadh. Enraged by the humiliating way in which the Nawab was deposed, the people of Awadh joined the great revolt that broke out in 1857.

### Setting up a New Administration

Warren Hastings (Governor-General from 1773 to 1785) played a significant role in the expansion of Company power. During his time, the Company had acquired power in Bengal, Bombay and Madras. British territories were broadly divided into administrative units called Presidencies. There were three Presidencies: Bengal, Madras and Bombay. Each was ruled by a Governor. From 1772 a new system of justice was established. According to the new system, each district needed to have two courts – a criminal court ( faujdari adalat ) and a civil court (diwani adalat).

The Brahman pandits have different interpretations of local laws based on different schools of the dharmashastra. To bring uniformity, in 1775 eleven pandits were asked to compile a digest of Hindu laws. By 1778 a code of Muslim laws was also compiled for the benefit of European judges. Under the Regulating Act of 1773, a new Supreme Court was established, while a court of appeal – the Sadar Nizamat Adalat – was also set up at Calcutta. The Collector was the principal figure in an

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Indian district. His job was to collect revenue and taxes and maintain law and order in his district with the help of judges, police officers and darogas.

#### The Company army

In India, colonial rule brought some new ideas of administration and reform. The Mughal army composed of cavalry (sawars: trained soldiers on horseback) and infantry, that is, paidal (foot) soldiers. The army of the Mughal was dominated by cavalry. In the eighteenth century, changes occurred when Mughal successor states like Awadh and Benaras started recruiting peasants into their armies and training them as professional soldiers.

The East India Company adopted the same method which came to be known as the sepoy army (from the Indian word sipahi, meaning soldier). In the early nineteenth century, the British began to develop a uniform military culture. Soldiers were subjected to European-style training, drill and discipline that regulated their life far more than before.

#### Conclusion

The East India Company was transformed from a trading company to a territorial colonial power. In the early nineteenth century, new steam technology arrived. By 1857 the Company came to exercise direct rule over about 63 per cent of the territory and 78 percent of the population of the Indian subcontinent.