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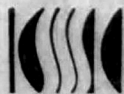
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TRADE AND EMPIRE IN AWADH, 1765-1804

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My friend Gautam Bhadra first suggested I write this piece; he not only discussed this paper with me, but guided me with his usual expertise through the Board of Trade, Commercial Proceedings at the West Bengal State Archives. Amalendu Guha, Sabyasachi Bhattacharya, Nripen Bandopadhyaya, Hitesranjan Sanyal and Simon Commander were kind enough to offer their valuable comments. Amiya Bagchi has shown infinite patience in reading and commenting on this paper more than once.

It has been a pleasure and a privilege to discuss all my ideas with Indrani Ray, Asok Sen and Berun De. They know how much I owe to them.

I would rest easier at least if all the above mentioned scholars shared the responsibility of this paper with me, but academic norms demand that I alone be responsible for what I have dared to write.

This paper is dedicated to the memory of my friend Viky (Vikram Kadan) whose untimely death has been an irredeemable personal loss.

### Abbreviations used in foot-notes

BTC	-	Board of Trade Commercial
NAI	-	National Archives of India



In the early eighteenth century, when the Mughal court in Delhi was caught in the factional strife for control over the wizarat, ambitious nobles carved out for themselves areas of control in the former Mughal subahs. Such areas were to become, in the later years of the eighteenth century, independent principalities with their own autonomous administration and line of rulers. The traditions of the Mughal Empire were carried over in many respects, in such regional political formations.<sup>1</sup> Awadh was one of such powers. Founded early in the eighteenth century,<sup>2</sup> truncated in 1801-2, its twilight glow persisted in the North Indian heartland, only to be extinguished by Dalhousie's imperialistic zeal.

Coterminous with this decline of Imperial authority in North India, a new force entered the scene - that of the Marathas. Under the leadership of the Peshwas, particularly Baji Rao I, they had penetrated what was formally the first line of imperial defence - Gujarat, Malwa and Bundelkhand.<sup>3</sup> After Nadir Shah's invasion, the final cession of Malwa and Burdelkhand to the Marathas made them a de facto entity in North Indian politics, capable of making an independent bid for supreme power.<sup>4</sup> Such an effort came as a logical

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1. Barun De, "Some Implications of Political Tendencies and Social Factors in Eighteenth Century India" in O.P. Bhatnagar (ed.), Studies in Social History (Modern India) (Allahabad, 1966).
  2. According to A.L. Srivastava, the independent principality of Awadh might be dated to 1727-8 when Saadat Khan refused the imperial transfer to Malwa and came back to Awadh to take possession of it. See A.L. Srivastava, First Two Nawabs of Awadh (Lucknow, 1933), pp.78-9, and Satish Chandra, Parties and Politics in the Mughal Court, 1707-40 (Delhi, 2nd ed., 1972), p.186n.
  3. See Satish Chandra, op.cit., Chs.VIII and IX, and for a recent detailed study of the integration of Malwa into the Maratha Empire, see Stewart N. Gordon, "The Slow Conquest: Administrative Integration of Malwa into the Maratha Empire, 1720-40" Modern Asian Studies, Vol.2, Part 1 (February, 1977), pp.1-40.
  4. Satish Chandra, op.cit., p.239.

sequel to Baji Rao I's policies, when Balaji Raji Rao's generals and sardars rode the Maratha horse to Attock, overrunning the Doab and the entire trans-Jumna tract.<sup>5</sup> What followed inevitably was the Afghan riposte, and issues were decided at the Battle of Panipat. The rout of Sadashivrao Bhan's army and the Afghan retreat, later, left North India in a fluid situation.<sup>6</sup>

This vacuum in and around Delhi and Punjab was never filled by a stable power in the 18th century. The 1760s saw the thrust and parry between the Sikhs and Afghans, a situation that never really settled. The Sikhs continued to scour the trans- and cis-Sutlej areas even after Ahmad Shah Abdali's last invasion in 1767.<sup>7</sup> In the eighteenth century, the Sikhs never acquired the strength and unity to mould anything concrete out of the flux.<sup>8</sup> And this created the danger of the Afghans, after their recuperation under Zaman Shah, rolling down via Haryana on to the plains.

This situation in Northern India was the raison d'etre of Awadh being made a buffer between British dominions in Bengal and Northern India, after the Battle of Buxar.<sup>9</sup> The necessity of such a buffer, from the British view point, existed right into the late eighteenth century as the flux in Northern India persisted inspite of the efforts of Mahadaji Sindhia.<sup>10</sup> In fact, the

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5. J.N. Sarkar, Fall of the Mughal Empire, Vol.2 (Calcutta, 1971), pp.96-119, 139-164.

6. Ibid., pp.215-69, and also Shejwalkr, Fanipat:1761 (Poona, 1941).

7. J.N. Sarkar, Fall of the Mughal Empire, Vol.2, pp.345-55.

8. Ibid., pp.355 and Vol.3, pp.101-8. Mark Bence-Jones, Clive of India (London, 1974), p.218.

9. C.C. Davies, Warren Hastings and Oudh (Oxford, 1939), p.248.

10. Fall of the Mughal Empire, Vol.3, Chs.XXXIII-XXXVI.

Maratha revival and the activities of Perron increased the strategic importance of Awadh vis-a-vis the British possessions in Eastern India.<sup>11</sup>

Awadh with its sprawling boundaries stretching right across Rohilkhand via Cawnpore, Allahabad in the south, rising upwards to Azamgarh and Gorakhpur, held the crucial Jamuna frontier, the entry into the rich and fertile lower Doab.<sup>12</sup> Here an Iranian Shiah dynasty tried to control Rajput zamindars and chieftains who dominated the rural scene and the surplus appropriation process at the grass roots. The refractoriness of such zamindars dated from the time of Aurangzeb and continued throughout the eighteenth century; it was virtually impossible making such zamindars disgorge the revenue to the Awadh court without some kind of zortolab.<sup>13</sup> It was in such a situation that the British intervened after the Battle of Buxar, first as traders and then as revenue farmers, to ensure prompt payment of subsidy. The instability that was immanent

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11. According to J.N. Sarkar, "The key-note of Wellesley's Indian policy was the destruction of 'The French State now formed on the banks of the Jamuna' as he called Perron's vicerealty of Northern India nominally under Sindhia.....His first step was to create a belt of British territory on the western flank of Oudh, so as to intercept any Maratha invasion from Sindhia's part of Hindusthan and also to enable British forces to penetrate into 'Perron's French Kingdom' without delay. By a treaty forced on Nawab Sadat Ali Khan (on 10 November 1801), he secured for occupation and administration by the British the nine districts of Rohilkhand, Mainpuri, Etawa, Cawnpur, Allahabad, Azamgarh, Basti, Gorakhpur and Farrukabad". See Fall of the Mughal Empire, Vol.4, pp.265-66. Also see Iris Butler, The Eldest Brother (London, 1973), Ch.XIII, passim, and p.283 where Butler writes, "The Governor-General now felt satisfied that the Company's frontiers were secure. The Ceded Districts gave protection to the north-west with Oude enclosed between them and Bengal, but slashing right across the peninsula from the western sea-board to the coast of Orissa lay Mahratta territory".
12. In fact the fertility of this area "gave it an unique place among the provinces of Mughal India". Srivastava, op.cit., p.31. Also see Srivastava, Shujaudaulah (Lahore, 1945), Vol.2, pp.366-81.
13. See Srivastava, First Two Nawabs, pp.32-33, 39-43; Davies, op.cit., pp.88-89; Abu Talib, History of Asafuddaulah (Lucknow, 1971) (a translation of Tafzihu'l Ghafilin), pp.23, 25-6, 33 and passim; S.B. Chaudhuri, Civil Disturbances during the British Rule in India (1765-1857) (Calcutta, 1955), pp.20-21.

in the Awadh administration and economy because of the struggle between the court and the zamindars/talukdars was enhanced by the rack-renting, greed and arrogance of some of the British revenue farmers.<sup>14</sup> The most notable example was Col. Hannay who administered Gorakhpur as his personal fief. The fortune he amassed "became a matter of amazed speculation both among Indians and Europeans".<sup>15</sup>

It was in the context of such activities concerning the plunder of the Awadh countryside and commercial penetration (the details of the latter we try and explore later in the paper) that the British assumed gradual territorial control over Awadh in the late eighteenth century, till it was severely truncated by the 1801 treaty. Such control has been explained in politico-strategic terms by C.C. Davies.<sup>16</sup> Davies explicated the rationale of controlling Awadh in terms of the situation in North India which we have described earlier. To keep the frontiers of the Company safe from Maratha and other depredations, it was necessary to strengthen and control Awadh, the buffer. And if the Nawabi administration could not pay the subsidy promptly, greater control and interference was called for.<sup>17</sup> In fact, it is essentially the same argument that is put forward to explain Wellesley's annexation, since during Wellesley's time there was the imminent danger of an Afghan invasion led by Zaman Shah. Based on the political logic of imperialism, this argument is apparently strong and sensible. It, however, underplays the fact that what was most important to the English was the prompt and regular payment of the subsidy, to ensure which Hastings was willing to annex portions of Awadh whose revenues were equal to the subsidy.<sup>18</sup> The argument also does not note

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14. S.B. Chaudhuri, op.cit., pp.20-21.

15. P.J. Marshall, East Indian Fortunes: The British in Bengal in the Eighteenth Century (Oxford, 1976), pp.211-12; S.B. Chaudhuri, op.cit., pp.56-58; and Abu Talib, op.cit., pp.32, 44-46 and passim.

16. C. C. Davies, op.cit.

17. Ibid., p.241ff.

18. Ibid., pp.242-3.



the fact that Asafuddaulah's inability to pay the subsidy or to streamline his administration was not just a function of his indolence and laziness but of the rebelliousness of the zamindars and of the kind of activities that Col. Hannay and his friends were engaged in. And regarding Wellesley, the argument grossly inflates the Afghan bogey. It is true that in the 1790s rumours of an Afghan invasion were rampant and British officers at the outposts were apprehensive of an Afghan-Rohilla (disgruntled faction led by Muhammad Khan Rohilla) link-up.<sup>19</sup> In the higher echelons, among Henry Dundas and his friends, there was also some talk of a combined attack by Tipu and Zaman Shah.<sup>20</sup> But all this notwithstanding, neither Shore nor Wellesley were quite convinced about the practical feasibility of Zaman Shah's invasion.<sup>21</sup> In fact, Wellesley was quite unbuttoned about the utility of the Afghan bogey. He wrote to Dundas privately on 28 February 1798:

"It is very difficult to form a conjecture with respect to the probability of Zaman Shah's being able to execute his romantic design. That he entertains such a design is unquestionable; and whatever may be the result, it is prudent to be on our guard, and in the meanwhile to derive every collateral advantage from his declaration."<sup>22</sup>

Such advantages would provide Dundas not only with "a supper of Oudh....."<sup>23</sup> but also immense commercial and economic gains to British imperialism.

Recently, the entire question of British expansion into Awadh and of the factors behind such expansion have been exposed to a rigorous analysis by

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19. Purnendu Basu, Oudh and the English East India Company (Lucknow, 1943), pp.170-8.

20. C.H. Phillips, The East India Company, 1784-1834 (Oxford, 1961), p.102.

21. Purnendu Basu, op.cit., pp.56-64.

22. B.M. Addl. Mss 13,455 fol. 50, quoted in Basu, op.cit., p.178n 70 (emphasis mine).

23. This phrase is from Wellesley's letter to Dundas, 25 Jan., 1800. Add Mss 37275 f 8, quoted in Phillips, op.cit., p.104.

P.G. Marshall.<sup>24</sup> Dr. Marshall's contention is that there was an important economic element in the British conquest of Indian coastal lands; but in the later years of penetration into the Indian heartland, the case was rather different. In fact, Marshall's analysis takes off from Eric Stokes's suggestion that in the late eighteenth and early nineteenth century, the British 'political frontier' had moved well ahead of the 'economic frontier'.<sup>25</sup> With much valuable data Marshall shows the extent of British commercial penetration into Awadh. We will have occasion to use some of Marshall's data, but the framework in which we shall place such data will be somewhat different from that adopted by him.

Marshall does not see any connexion between the commercial penetration and the political expansion into Awadh:

".....a connexion between commercial and political expansion is easier to suggest than to substantiate..  
....There can be no doubt that the operations of British traders were one of several factors which turned Awadh into a satellite of the British in the last quarter of the eighteenth century. But whether these operations contributed in any material degree to the annexations of 1801 is quite another question...  
The annexations of the Ceded Provinces can hardly be described as a triumph for an economically motivated imperialism".<sup>26</sup>

According to Marshall, the annexation grew out of the mind of the Governor-General<sup>27</sup> who "believed as most Englishmen did, that Oudh was deteriorating

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24. P.J. Marshall, "Economic and Political Expansion: The Case of Oudh", Modern Asian Studies, Vol.9, No.4 (October, 1975) [henceforward cited as Marshall, EPE].
  25. Eric Stokes, "The First Century of British Colonial Rule in India: Social Revolution or Social Stagnation", Past and Present, LVIII (1973).
  26. Marshall, EPE, pp.479-81.
  27. Ibid., p.482.

rapidly under incurably bad native administration and he could only remedy this situation by annexation."<sup>28</sup> Such an analysis makes irrelevant the pressures and priorities of colonialism; that apart, it also ignores the fact that even before Wellesley's departure for India, Dundas was convinced "that the time was ripe for an expansion of British India".<sup>29</sup> Such an attitude, we feel, grew out of the logic of expanding imperialism and the "collateral advantages" that such expansion would bring to Britain and her capitalist growth.

Our purpose will be to emphasize that attempts to create spastic distinctions between the 'political' and 'economic' frontiers of colonialism merely fuzz the issue since under colonialism the trade and the flag are always interrelated. What is important is to understand the total process of inter-action between the trade and the flag through which a region, in our case Awadh, was brought into the ambit of colonialism. Attempts to show that colonial expansion was a function of the altruistic instincts of Governors-Generals are perhaps naive efforts to resurrect that pathetic myth of the White Man's Burden: a myth at which modern historians in India, still suffering from the after-effects of colonial under-development, can only look askance.

Apart from such a polemical purpose, we hope our exercise will help in seeing the penetration of colonialism into Awadh in a new economic perspective. This was one in which the origins of the shift towards cash cropping, the responsiveness of Awadh to the export-import nexus of colonialism operating from Calcutta, all lay in the period when the frontiers (both political and economic, a la Stokes) of colonialism expanded into Awadh. Such problems have been dealt with by Dr. Asiya Siddiqi in the later part of her book on agrarian change in the British areas occupied from Awadh in the early nineteenth century.<sup>30</sup>

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28. Ibid., p.481

29. Phillips, op.cit., p.103

30. Asiya Siddiqi, Agrarian Change in a Northern Indian State 1818-1833 (Oxford, 1973), Ch.5 passim.

II

It is well-known that the first spurt of British commercial penetration came immediately in the wake of the Battle of Buxar. When the British army entered Awadh it brought in its trail traders and merchants who sold British or Bengal goods and bought saltpetre. Mirzapur was one of the major centres of such trade.<sup>31</sup> Gomastahs under British employ moved into Awadh in large numbers, trading under parwanas which exempted them from all duties and impositions; this was basically an illegal trade for the President of the Select Committee had

"granted no Peruannahs or Dustacks extending beyond the Provinces (i.e. Bengal) but to officers who proceed thither for their provisions and other necessaries".<sup>32</sup>

This illegal trade created some amount of tension between the English and the Nawab Wazir who represented to Col. Richard Smith, the Commander-in-Chief in Awadh, about

"the great inconveniences which arise from the Gumastahs and Dependents of English gentlemen residing in his Dominions particularly at Gorrapore, Mirzapore and in the zemindary of Benares and Gazeepore.....that these people

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31. Francis Fowke to Hastings, 3 April 1776, Foreign Department, Secret File No.1 [NAI].

32. Letter from Select Committee to Commander-in Chief, 27 January 1768, Foreign Department, Select Committee Proceedings, File No.15 [NAI].

were guilty of many impositions and extortions on his subjects as well as defrauding him of his duties".<sup>33</sup>

Verelst in Fort William was responsive to such complaints and in fact promised Shujauddaula that he would do everything in his authority to stop such trade in Shuja's territories.<sup>34</sup> Such promises were, however, easier made than carried out. For as soon as notices were issued for the immediate recall of the gomastahs, there was a hue and cry. This was quite natural since merchants and gomastahs had invested considerable sums of money in Awadh. For example, the Armenian merchant Geregore Cojamaul informed the House of Commons Committee that he had left behind goods and debts worth £ 5,000 of his own in

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33. Letter from Col. Richard Smith to the Select Committee dated 3 Jan., 1768, discussed by the Committee on 27 June 1768. See Foreign Dept., Select Committee Proceedings, File No.15 [NAI 7]. Thomas Rumbold said before the House of Commons Committee on 26 May 1772, "In course of time, complaints came that the Gomastahs of the English were guilty of many oppressions in that country (i.e. Awadh). Many letters were wrote by Shujah Dowlah; some I received myself, and General Smith who was at the Court of Shujah Dowlah often made Representations to me how disagreeable it was to the Nabob to have those Gomastahs residing with such protection within his country". See Second Report from the Committee Appointed to Enquire into the Nature, State and Conditions, of the East India Company and of the British Affairs in the East Indies. (National Library, Calcutta, Rare Book Copy, Bound with other reports), p.268.

34. Letter from Verelst to Shujauddaula, 27 January, 1768, Foreign Dept., Select Committee Proceedings, File No.15 [NAI 7]. In attempting to recall gomastahs, Verelst was in fact acting according to the advice of Clive who had written to Verelst and the rest of the Gentlemen of the Select Committee that ".....All the Company's Servants at the Aurungs, all those at the Out Factories,.....all free merchants must be recalled and their place of Residence confined to Calcutta". Quoted in Second Report, op.cit.. p.266.

Awadh when he had been captured, and goods and debts worth £10 to 12 thousand belonging to Mr. Bolts and Mr. Hare whose trade he conducted.<sup>35</sup> Complaints flowed in from Awadh about how badly the commerce would be hit, if such an order was executed. And the Select Committee at Fort William was far more responsive to such representations from gomastahs and their employers than it was to the complaints made by Shuja; the Select Committee was aware of how "a too hasty removal of them.....may prove prejudicial to their constituents".<sup>36</sup> The date on which the gomastahs would have to leave Awadh kept on being extended since the gomastahs pleaded that they needed time to settle their accounts.<sup>37</sup> Together with this extension of the date of the recall of the gomastahs, the Select Committee requested the Nawab to "grant them [the gomastahs] every reasonable assistance that they may require for the Speedy Regulation of their concerns".<sup>38</sup> Dr. Marshall himself has detailed the entire story about gomastahs and their recall in his latest book.<sup>39</sup> The Nawab was, in fact, being asked to help in the very process that was sapping his state of its financial resources. Evidently, it was one of those situations where what was foul to the Nawab was fair to the English, since the latter seemed in no great hurry to execute an order that would hinder the commercial activities and interests of the gomastahs and their employers. The process of extension logically culminated when gomastahs were formally allowed back into Awadh in 1771.

Together with this was the trade of the army officers and British officials in Awadh. In fact, this duty-free trade was considered the chief

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35. See Second Report, op.cit., pp.266-7.

36. Letter from Select Committee to Col. Smith, 23 February 1768, Foreign Dept., Select Committee Proceedings. File No. 15 [NAI].

37. See Foreign Dept., Select Committee Proceedings, 27 March 1768, and letter from Rumbold to Verelst, Foreign Dept., Select Committee Proceedings, 27 April 1768 [NAI].

38. Foreign Dept., Select Committee Proceedings, 27 March 1768, File No.15 [NAI].

39. East Indian Fortunes, Ch.VI.

advantage of a posting in Awadh. Col. Richard Smith, when appointed Commander-in-Chief in Awadh, had initially refused to take the Dastak Oath since he had no intention of venturing into commercial pursuits. Recalling this, he wrote to Verelst on 8 February 1768: "..... soon after this, you yourself observed to me ..... that you thought I was wrong in giving up the greatest and indeed only, Advantage from my new Appointment....."<sup>40</sup> This trade was carried on under the patronage of those who had influence in the Awadh court. Often such a trader was the British Resident himself who was also sometimes a man with massive commercial interests in Awadh. The best example of this was Nathaniel Middleton, whom Philip Francis while wielding his pen against Warren Hastings described as the uncrowned king of Awadh.<sup>41</sup> Middleton established his own saltpetre monopoly and amassed a fortune that enabled him to found a London banking house.<sup>42</sup> Under the lavish patronage of men like Middleton were a number of dependent free merchants enjoying extensive commercial privileges: men like John Scott who launched one of the biggest European enterprises in Awadh: the cotton piecegoods aurung at Tanda.<sup>43</sup> Or men like John Hyde who, living with Middleton, enjoyed a position of privilege: Middleton secured for Hyde parwanas and permits from the Nawab to prevent Hyde from being hindered or molested; Hyde even had his own fleet of servants who went around adorned in Hyde's own badges.<sup>44</sup> It seems that Hyde traded in items like tin, copper, and brimstone, the sale of these products fetching him two lakhs and more.<sup>45</sup>

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40. Quoted in Second Report, loc.cit., p.290 (emphasis ours). In 1772, Hastings called trade in Awadh 'a military monopoly', East Indian Fortunes, pp.212-13.

41. C. C. Davies, op.cit., p.104

42. P.J. Marshall, The Impeachment of Warren Hastings (Oxford, 1965), p.111. Also see East Indian Fortunes, p.244

43. Marshall, EPE, p.469.

44. John Hyde against Ojayur Mull, Supreme Court, Equity, 1798, Calcutta High Court Records. The transaction on the basis of which the case was fought had taken place in 1775. I owe this reference to Gautam Bhadra.

45. Ibid.

Thus, by the time of the first spurt of English control in Awadh, the English had already developed strong economic interests there. And the decision-making circles in London were not totally unaware of the importance of such economic and commercial interests and of their free and unhindered expansion. When Hastings was to meet the Nawab Wazir in Benares in 1773, the Court of Directors was clear about their priorities in the guidelines they laid down for Hastings:

"In a treaty of firm alliance with the Vizir, a free intercourse of commerce with his Dominions ought to form an article and as you are acquainted with the earnest wishes of the Company on this head you will no doubt pay the greatest regard to them".<sup>46</sup>

Indeed, even earlier, during the fiasco about recalling the gomastahs, the Court of Directors had not quite appreciated Verelst's decision to recall the gomastahs. Invoking the eighth article of the English treaty with Awadh in 1765, it objected to Verelst's orders and wanted the introduction of unrestricted trade,<sup>47</sup> since it was

"convinced of the benefits which must result both to the Company and the province of Bengal from such intercourse of traffic".<sup>48</sup>

And underlying such a conviction was the Directors' "earnest desire to extend the vend of the staples of this kingdom to as great a degree as possible".<sup>49</sup>

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46. Foreign Dept., Select Consultation, 4 October 1773, File No.1 [ NAI ]

47. Public letter from Court, 10 April 1771, para 33, FWIH, Vol.VI.

48. Ibid., para 35.

49. Ibid., para 16.



Cartier and his Council at Fort William were more than responsive to such sentiments since they were convinced through experience about

"the great detriment which had accrued to the commercial interests of our employers from the closing of so considerable a channel through which the staple imports had before found a conveyance to the provinces situated northward of your possessions".<sup>50</sup>

And in permitting trade once again in Awadh, the Directors were guided amongst other considerations by

"the consideration of another object of equal importance, we mean the hopes of increasing our currency by means of the specie brought into the country by the merchants for the purchase of silk as well as the return for the goods disposed of in Sujah Dowlah's country which was to be principally in specie".<sup>51</sup>

The gradual penetration of British commercial activities into Awadh, the importance the decision-making echelons of the Company gave to such activities, the inability of the officials in Calcutta to take a decision that would adversely affect the business of private traders and that of the gomastahs under European employ ---- these were some of the operative factors behind the first thrust of English control in Awadh. Admittedly, it is not possible to demonstrate a one-to-one causal linkage between the British economic and political expansion into Awadh. At the same time, however, the simultaneous political and economic expansion does not seem to support the contention of Stokes and Marshall that in the late eighteenth century the political frontier of British control had moved well ahead of the economic frontier of trade and

50. Public letter to Court, 9 March 1772, para 30, FWIH, Vol.VI

51. Ibid.

investment. In Awadh in the 1770s, gradual economic penetration moved hand in hand with growing political control. British expansion into Awadh in the seventies of the eighteenth century is another instance of how coterminous and inter-related the trade and the flag of colonialism were in its period of mercantile domination.

After the 1770s British expansion in Awadh generally displays the same tendencies but in a far more striking fashion. In fact, it is in the period after the 1780s that it can be understood how the priorities of a nation fast completing the Industrial Revolution<sup>52</sup> formed the background to the British expansion into Awadh. And such priorities can best be comprehended from the nature of British commerce in Awadh; it is to the arid details of such trade that we now turn our attention.

An idea of the extent of British trade in Awadh can be had from some of the figures that are available for the years between 1785 and 1804. Customs records at Benares for 1785-86 show that goods from Bengal to the western provinces were valued at Rs.17,92,326.<sup>53</sup> In 1795-96, Rs.31,70,000 worth of goods passed through the Bihar border for Lucknow and a further two lakhs to other points in Awadh.<sup>54</sup> By 1803 the total value of the goods imported into the ceded portions of Awadh from the Hon'ble Company's Lower Provinces was worth Rs.24,73,811.<sup>55</sup>

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52. The process of this transformation in England is analysed in Eric Hobsbawm, Industry and Empire (Harmondsworth, 1968).

53. Marshall, EPE, p.473.

54. Ibid., p.474

55. BTC, 27 April 1804. This contains a voluminous report on the commerce of Awadh. We have depended on this report somewhat heavily. It is important to note here, as my friend Gautam Bhadra suggested, that a coherent account of British trade in Awadh and of its impact can be worked out from the Board of Trade papers which are unique to the West Bengal State Archives, Calcutta. The U.P. State Archives, Lucknow, my initial investigations tend to show, though rich in material for agrarian history, may not be as useful for reconstructing all the dimensions of trade and its impact.

In 1785-86, goods exported from the 'western provinces' to Bengal were valued at Rs.9,27,412.<sup>56</sup> In 1795-96, exports to Bengal recorded at Manjli was Rs.1,12,93,453 of which at least Rs.50 lakhs were Awadh goods.<sup>57</sup> By 1803 goods exported from Awadh to Bengal were worth Rs.76 lakhs.<sup>58</sup> It is significant that as early as 1803, within a year of Wellesley's annexation, trade with Awadh was showing a declining trend in buying goods from Bengal but a rising trend in the export of raw materials to the Company's Lower Provinces. In fact, of the Rs.76 lakhs that were exported in 1805, a little more than Rs.57 lakhs were composed of cotton and sugar.<sup>59</sup>

The major share of this trade was in the hands of Europeans. In 1796, Cherry, as Resident at Lucknow, had written to Shore that "the greatest commerce of Awadh was carried on by Europeans or in their names".<sup>60</sup> Fortunes were easy to come by in this trade : James Paull who ran a large business from Lucknow thought that his own exports alone would be worth "at least 15 lakhs of rupees".<sup>61</sup> In 1804, the Commercial Resident at Etawah wrote that the trade in the Doab and in the Rohilkhand was chiefly in the hands of "European merchants who reside principally at Lucknow and Furrakabad.....".<sup>62</sup> It is important, in terms of the impact British commercial expansion had on indigenous trading communities in the eastern hinterlands, that till 1784 inland trade in food grains, raw cotton, etc. remained outside European control.<sup>63</sup> But by the turn of the century, this trade seems to have gone into European hands.

We have already noted how imports into Awadh were showing a declining trend while exports from Awadh were rising. Within this phenomenon of rising

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56. Marshall, EPE, p.473.

57. Marshall, EPE, p.474.

58. BTC, 27 April 1804.

59. Ibid.

60. Marshall, EPE, p.474.

61. Ibid.

62. BTC, 27 April 1804.

63. See East Indian Fortunes, p.265.

exports from Awadh, it is necessary to underscore a particular trend. In 1795-96, Rs.50 lakhs worth of goods were exported from Awadh of which Rs.30 lakhs were composed of cotton piece-goods.<sup>64</sup> The figures seem to indicate that in the 1790s more than half of the Awadh exports to Bengal was cotton piece-goods. But by the time of Wellesley's annexation this trend had changed. By 1803 exports from Awadh to Bengal was worth Rs.76,18,193, but the proportion of cotton piece-goods within that total amount had fallen to only Rs.9,93,630.<sup>65</sup> Significantly, this gap was filled by the increasing export of raw cotton which was now worth Rs.55,42,927 within the total export to Bengal of Rs.76,18,193 in 1803. Thus, within a year of the annexation of Awadh by the nation that was not only the pace-setter of the Industrial Revolution in Europe,<sup>66</sup> but was also making cotton the leading sector in that process of transformation,<sup>67</sup> Awadh was supplying more raw materials than manufactured goods. It may be argued that much of the raw cotton that was exported from Awadh to Bengal was not the produce of Awadh but of other regions, particularly the Maratha country. It is true that some of the raw cotton was the produce of regions outside Awadh. That, however, does not alter our point since, according to the Resident of Etawah, "a considerable proportion of the quantity of the cotton purchases is

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64. See East Indian Fortunes, p.265.

65. BTC, 27 April 1804. The Resident of Etawah noted "the small sum allotted for the provision of investment regarding piece goods".  
Ibid.

66. Eric Hobsbawm, op.cit., p.13 et seq.

67. "Whoever says Industrial Revolution says cotton" : So Hobsbawm, op.cit., p.56. See pp.56-68. It is important to introduce a caveat here that the Awadh cotton did not supply directly the raw materials of the Industrial Revolution in England. The Awadh cotton was used as we show later, for the China market to provide for the massive tea 'investment'. But the maintenance of favourable world patterns of trade was an intrinsic element in the transformation which we know as the Industrial Revolution in England. See Hobsbawm, op.cit., pp. 51-54.

the growth of the Doab".<sup>68</sup>

The importance that the Awadh cotton had acquired in the commercial priorities of the English is seen from the fact that

"To encourage the cultivation of cotton in the Portion of the Doab under the Control of the Hon'ble the late Lieut. Governor, all Transit duties were abolished and a duty of 4 as. per md. of 96 lbs. directed to be levied when the Cotton is exported to the Hon'ble Company's lower provinces. A duty of 8 as. per md. is levied on all foreign cotton imported which thereby acts a Bounty on the Produce of the Country Ceded to the Hon'ble Company".<sup>69</sup>

The whole purpose of gearing up cotton cultivation and export of raw cotton from Awadh to Calcutta was to supply the China market. There was a considerable demand for raw cotton at Canton.<sup>70</sup> Though the West Coast was the chief source of supply of raw cotton,<sup>71</sup> Awadh cotton was also welcomed by the English

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68. Resident of Etawah to G. Uny, President Board of Trade, BTC, 27 April 1804. And moreover, the imposition of a very high duty tended to cut off the raw cotton from regions outside Awadh. The export of raw cotton from Awadh continued to rise. In April 1806, "the directors warned Bombay that, .....the cotton from upper India which was exported through Calcutta was challenging the Gujarat produce.....". Pamela Nightingale, Trade and Empire in Western India, 1784-1806. (Cambridge, 1970), p.229.

69. BTC, 27 April 1804.

70. Michael Greenberg, British Trade and the Opening of China (Cambridge, 1951). Ch.1, passim and pp.78-81; V.T. Harlow, The Founding of the Second British Empire, Vol.2 (Oxford, 1964), Ch.VIII; and Pamela Nightingale, op.cit., p.23.

71. Pamela Nightingale, op.cit.

super-cargoes at Canton. In this context it is well worth quoting from a letter written by one of the super-cargoes to the Board of Trade on 18 November 1803:

"We have been induced by the extensive importation of cotton this season from Bengal the growth we understand of the Hon'ble Company's Ceded Dominions.... our enquiries have led to the idea, the quality superior to the produce and the first cost more moderate than ~~that~~ of the Guzerat that this when full encouragement is given to the cultivation may not only rival the Bombay trade in respect to quality but even exceed it..... Should this opinion be well founded the article of cotton may become a source of considerable Revenue to the Hon'ble Company and ultimately of very important advantage to the China trade by authorizing a permanent and annual consignment this factory in aid of our other resources for the purchase of the Investment".<sup>72</sup>

Awadh as an alternative source of supply of raw cotton seems to have acquired a new importance since the 1790s when the super-cargoes began their complaints about the price and adulteration of the cotton from the West Coast.<sup>73</sup> The effort was, therefore, to be to maintain the cheapness of Awadh cotton by giving advances to cultivators;<sup>74</sup> for this some degree of political control was necessary. And such control became imperative in the rise in the price of raw cotton in Awadh round about the turn of the century : in 1800 the price of cotton in Awadh had shot up to Rs.25 per md. --- "double its usual rate".<sup>75</sup>

72. BTC, 27 April 1804.

73. Nightingale, *op.cit.*, p.188.

74. BTC, 27 April 1804.

75. BTC, 21 February 1800. In western India, in the late eighteenth century, roughly a similar situation prevailed and political control became imperative because of price-rise: "The situation could only be amended if the cotton-producing territories were brought under British control, or if new areas could be opened for cultivation....Wherever the commercial pressure was great enough and the military weakness of the local community allowed it, the European powers took territory for trade". Nightingale, *op.cit.*, pp.238-9-240.

Political control would help towards keeping prices in check and in eliminating unnecessary competition.

Thus, Awadh cotton was to supply the China market and help in maintaining the imperial balance of trade in favour of Britain.<sup>76</sup> In short, it was to serve the priorities of colonialism: China got the raw cotton from Awadh, Britain got the tea from China and Awadh got British control. That was to be the system, and the British officials in Awadh were not unaware of the position Awadh cotton occupied in the Sino-British balance of trade. One of them wrote:

"When the Result of the sale in China is communicated to the Hon ble Court of Directors, the Commercial and Political Advantages to be derived from the Acquisition of the Ceded Provinces will be clearly demonstrated. Facts speak for themselves".<sup>77</sup>

In the higher echelons, the Wellesleys were aware of the "great and solid advantages which the Company have derived from this most important addition".<sup>78</sup>

76. The problem regarding the balance of trade between China and Britain and the important part India, particularly Indian cotton, played in it is discussed in Greenberg, *op.cit.*, Chs. 1 and 4. The maintenance of a favourable balance of trade was one of the major thrusts of the man who fashioned the Second British Empire in India: "This after all was the main aim of Dundas's pattern of imperialism for India — a country supplying resources to purchase a favourable British balance of payments in its inter-Asian and Asian-European trade". See Barun De, "Henry Dundas and the Government of India, 1773-1801" (mimeographed Oxford University D.Phil thesis, 1961), p.397. Dundas planned to hold the hinterlands of Eastern India in such a way as to bring "the Commerce of India into the River Thames" (*Ibid.*, p.439); in the case of cotton it came via China.

77. J.T. Brown to G. Udny, *BIC*, 27 April 1804.

78. E. Wellesley to Governor-General, 10 February 1803, Parliamentary Papers, 806-7, VII, 34-42, cited in C.A. Bayly, "Town Building in North India, 1790-1830", *Modern Asian Studies*, Vol.9, Part 4 (October 1975), p.495.

In fact, the part that the Doab raw cotton could play in the British trade with China was known since Barlew's report of 1787.<sup>79</sup> The conquest of portions of Awadh was followed by Henry Wellesley's efforts to extend the Company's investment in cotton, indigo and other items: Henry Wellesley calculated that "Two thousand maunds of cotton furnished from the Company's possessions in the Doab and exported to China will bring to the Company's Treasury at Canton a net profit of Rs.28 lakhs".<sup>80</sup>

The change in the pattern of exports from Awadh from piece-goods to cotton, the part that cotton played in the China trade, the importance that the makers of policy placed on the advantages of holding Awadh and controlling Awadh cotton, tend to show how and why Awadh was brought into the ambit of colonialism. There is no need to look for the factors operating in such a process in the mind or in the private papers of Wellesley, since in a period of expanding capitalist frontiers, the operators of policy often subjectively rationalised the amalgam of objective factors pushing such frontiers forward.

Another commodity which also exemplifies the process through which Awadh was brought into the aegis of colonialism is indigo. The expansion of the European market for indigo stimulated the cultivation and trade of indigo in Awadh.<sup>81</sup> Between 1796 and 1798, four million lbs. of indigo was exported to London every year and three-fifth of the total came from Awadh.<sup>82</sup> The entire production and trade of indigo was geared to meet a demand originating in England, and was encouraged as a channel for the remittance of fortunes of

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79. Ibid.

80. Ibid.

81. Benoy Chowdhury, The Growth of Commercial Agriculture in Bengal, 1757-1900. (Calcutta, 1964), p.76.

82. Marshall, EPE, pp.476-7.



merchants and servants of the Company. European merchants and servants of the Company used to transfer their private fortunes from India to Europe by means of bills of exchange on the Agency Houses or on the Court of Directors in London. The credit which the Agency Houses and the Company obtained in India by the sale of their bills was used by them to buy Indian goods for export. The demand for indigo in Europe made it a useful commodity for such remittances. This was one of the reasons why the English began to develop the production and export of indigo.<sup>83</sup>

The Court of Directors were particularly keen to see indigo grown in Awadh :

"We have long been accustomed to cherish a sanguine hope that the article of indigo would become one of the grand staples of our Indian territories and thus constitute a medium of mutual and essential benefit between the Sovereign and the Dependent State (i.e. Awadh)...."<sup>84</sup>

The indigo production in Awadh was particularly favoured by the Board of Trade because it was cheaper and because the peasants of Awadh were traditionally skilled in the production of indigo.<sup>85</sup> But to maintain that cheapness there was the need, according to the Court of Directors, of some sort of Political Regulation, interference and control on the part of the Government of Bengal.<sup>86</sup> The Court of Directors wrote that indigo was

"a trade which the Company have fostered at considerable expense, such a trade we regard

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83. Asiya Siddiqi, op.cit., p.141-2.

84. General letter from the Court of Directors to the Board of Trade, 20 August 1800.

85. BTC, 28 October 1796, cited in Benoy Chowdhury, op.cit., p.76.

86. General letter from the Court of Directors to the Board of Trade, 20 August 1800.

as naturally more subject to our direction and modification than if it had been established by the Natives themselves; and this observation applies still more strongly to the country of Oude....."<sup>87</sup>

It was in this context of the Company's control over the production and trade in indigo in Awadh and the necessity to "counteract the tendencies of the blind eagerness of individuals" that the Directors "conceived of a vigilant and enlightened administration"<sup>88</sup> in Awadh which, in their calculations, the Wazir's government was incapable of providing.

The ineptness of the Wazir's government had been a subject of comment from all the Residents at Lucknow as well as the Governors-General from Hastings to Wellesley. It is important to note here that British commercial expansion was contributing to that ineptness by sapping the economy of Awadh of its resources. Thus it accentuated the financial bankruptcy of the Wazir's government. Awadh was caught in a vicious circle where British commercial expansion kept a stranglehold on the region's resources and converted profits which should have accrued locally into financial gains to maintain a favourable British balance of trade: financial bankruptcy and administrative inefficiency of the government thus followed. The government became incapable of providing the administrative framework to sustain British commercial expansion. And such failure was finally used as the rationale of British political control which would provide "vigilant and enlightened administration" for supporting and extending British commerce.

Thus in Awadh in the 1800s, the political and economic frontiers of colonialism tended to advance cheek by jowl. Such an inter-relatedness of the trade and the flag was immanent in the logic of absorbing Awadh into the capitalist system, though in a subordinate position, by transforming Awadh into a supplier of indigo to be used by manufacturers in industrial England

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87. Ibid.

88. Ibid.

and into a supplier of raw cotton to the China market to maintain the balance of trade in favour of the British imperialist interests. Awadh was to be one of the many links in the chain of capitalist expansion and the creation of its colonial hinterlands and the maintenance of its own imperial markets and trade.

The process of bringing Awadh into the aegis of colonial exploitation and domination not only involved a subversion of the trend towards the emergence of regional and local political entities, springing from the former Mughal subahs, a trend that had been an important feature in the eighteenth century,<sup>89</sup> but it also meant that Awadh was to serve British commercial requirements: the tying up of the export cash crop sector of Awadh into patterns of world and inter-Asian trade. By the stimulus given to indigo and cotton, major sectors of the rural economy of Awadh were made susceptible to demands and fluctuations of the international market.<sup>90</sup> Such a tie-up was the background of some of the major agrarian changes in Awadh in the first half of the nineteenth century: the forced and exaggerated extension of the cultivation of indigo and cotton, the entry of capital controlled by the Agency Houses to finance such a process of commercialization, and the subsequent flight of such capital when the foreign demand declined, bringing in its trail acute agrarian distress.<sup>91</sup>

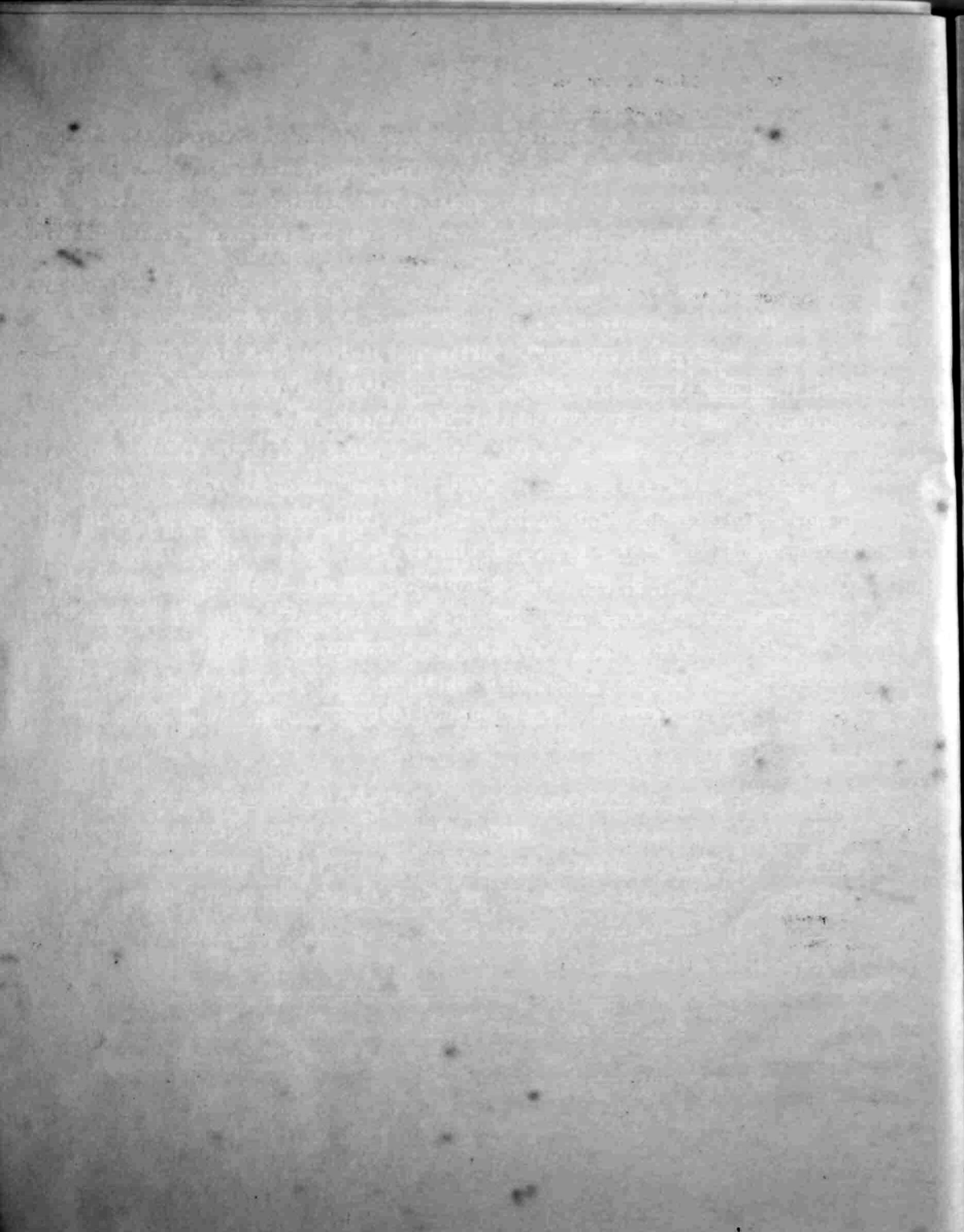
Our purpose has merely been to show how the beginnings of such changes lay in the last years of the eighteenth century and the first years of the nineteenth, when colonialism penetrated into Awadh and made very definite forays at encouraging the growth and trade of raw cotton and indigo, two commodities which would serve the interests of industrializing England and her expanding world trade.

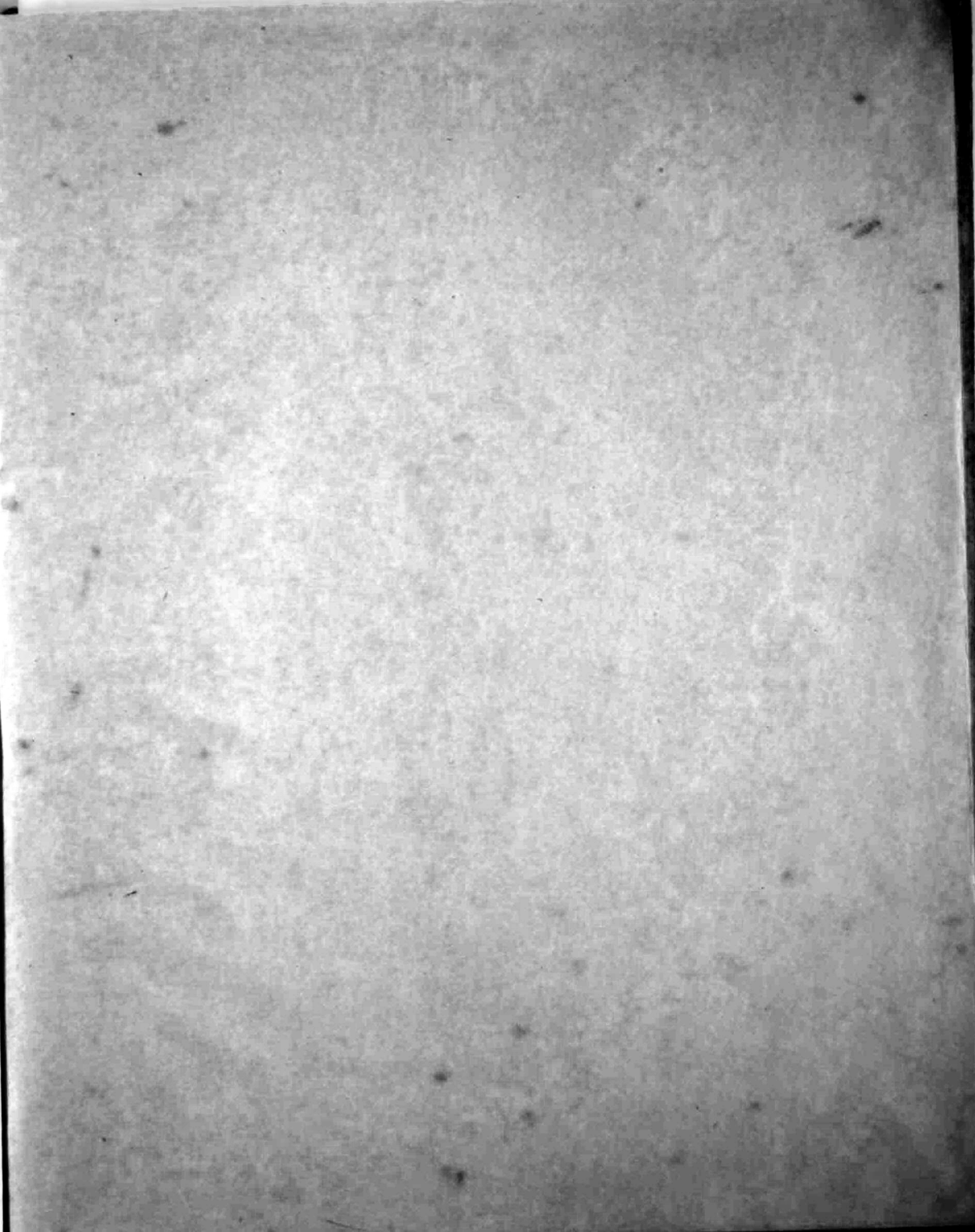
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89. See Barun De, op.cit., pp.219 and 265.

90. Asiya Siddiqi, op.cit., p.140 et seq.

91. Ibid., Ch.5.





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