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Towards a political economy of conquest: the changing scale of warfare and the making of early colonial South Asia

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Continuity and change in colonial war- and state-making

War-making and state-making have been understood to be closely interrelated and have been studied as such for the early modern period. The 'bellicist' origins of the modern nation state have continued to attract cross-disciplinary attention following Charles Tilly's influential formulation 'war made the state and the state made war'.¹ The case of early colonial South Asia is particularly significant for these long-standing debates, especially given the scale of military activity towards the close of the eighteenth century. This rapidly changing scale of warfare, already impressive in itself, exercised a consequential impact on the career of the colonial state across South Asia's long nineteenth century (1817–1919).² Furthermore, the changes in the scale of warfare necessitated qualitative changes that in turn enabled an intensification and expansion of military violence. Ideological justifications for territorial conquest as the engine of colonial expansion were fashioned to expand the scale of colonial war-making. Taken together – ideological structures, political justifications of territorial conquest, economic restructuring of the state apparatus, and a regime of laws that normalized prolific state-authored violence – these elements came to constitute a distinct early colonial order for South Asia.

Conquest as a violent transformation of territory has generally not received attention from historians of South Asia. The study of colonialism and the historiography of colonial South Asia are riddled with several unexamined verities. At least two of these deserve to be highlighted at the outset – the extractive nature of colonial rule and the violence inherent to the colonial project – both of which were essential to the process of territorial conquest.³ In examining the changes in and potential limits to large-scale violence in the early modern world, the case of early

colonial South Asia is particularly instructive. The discussion that follows interprets large-scale violence through the prism of state-authored violence as represented by a series of military campaigns that came to characterize colonial rule towards the final quarter of the long eighteenth century (c.1775–1807). It is argued that colonialism marked a violent and sharp break in the historical trajectory of South Asia and that careful analysis of colonial warfare is the most sensitive register from which these profound changes can be observed. Across the wider early modern world, inflicting large-scale violence was hardly the exclusive domain of the state. The emergence of a territorially acquisitive company regime testifies to the usefulness of the bellicist origins of the modern state thesis. The relationship between the fabrication of state-like structures within the commercial edifice of a private joint-stock company and its need, or ability, to organize large-scale violence deserve to be explored in much greater depth, towards which with this chapter seeks to provide an initial contribution.

Historiographical debates about the eighteenth century in South Asian history have stabilized along two opposing positions which can be neatly summarized as those characterizing colonial rule as a sharp, violent, and disruptive break, and a revisionist thesis arguing for broad continuity between the precolonial and colonial periods.⁴ The revisionist thesis has gained wide scholarly approval, though its claims of economic rejuvenation accompanied by creative political realignments and cultural efflorescence have by no means gone unchallenged. It does offer an appropriate corrective to a presentation of the eighteenth century as an era of dismal post-Mughal imperial decline leading to unmitigated political chaos and economic enervation. The arguments in favour of retaining continuity as the dominant mode of understanding historical developments across the eighteenth century can be summarized as operating along two axes. The first traces the importance of late Mughal influences into the early colonial period, especially in terms of bureaucratic technologies of revenue extraction and political norms of governance, while the second analyses the ebbs and flows of economic activity below the substratum of political strife and violent transactions between competing state formations.⁵

Another line of revisionism addressed continuities in colonial practice, criticizing the earlier interpretation of the East India Company (EIC) as exclusively committed to 'quiet trade' and scrupulously maintaining itself above temptations of territorial acquisitiveness before the mid-century collapse of the Nawab of Bengal in the 'Plassey Revolution' (June 1757). Philip Stern has argued for understanding the 'Company-state' as a manifestly early modern formation, which engaged with the entire spectrum of political behaviours that are conventionally reserved for a later period of 'high' colonialism.⁶ This argument posits continuities between a late seventeenth-century company regime and its politically interventionist, militarily aggressive hegemonic avatar in the latter half of the eighteenth century, with the latter being understood as an important element of continuity that would

further undermine any sharp watersheds in mid-century Bengal. It is further argued that a range of political characteristics most closely identified with the late eighteenth-/early nineteenth-century progeny of the Company regime were present in an embryonic form as early as the late seventeenth/early eighteenth century, including pretensions of exercising political sovereignty, tensions inherent to a post-1689 Revolutionary arrangement of civilian control of the military, proclivity to entangle the EIC within political disputes, and an ideological edifice that justified garrisoning of its fortified settlements (the three presidencies of Bengal, Madras, and Bombay that constituted the territorial possessions of the Company). Understood as an early modern political animal, the Company-state presents itself as exhibiting many of the defining characteristics attributable to a much later period. However, such claims to continuity between a seventeenth-century early modern Company-state and what followed in the latter half of the eighteenth century, while generally persuasive, need to be qualified. The revisionist position itself needs further revision in order to better understand the scope and nature of violence that birthed the colonial regime.

The shift to a territorially based warfare state

Over the long eighteenth century, the Company emerged as a prolific author of a specific form of state-authored violence which can most accurately be described as colonial warfare. Relying on a large mass of military labour which had provided the ballast for state-formation during much of the medieval and precolonial periods, the EIC was able to mobilize ever larger pools of military materials by perfecting an extractive regime of coercive rule.⁷ Towards the end of this period (c.1807), the EIC could claim a hegemonic status over its indigenous rivals, many of whom had sought to emulate its military-fiscalist procedures to contest territorial claims made by an expanding colonial state-formation.⁸ By the final quarter of the eighteenth century, the EIC rested on the culmination of a number of important transformations. The most significant of these was its overwhelming reliance on territorial revenues as the main source of income. From the 1780s onwards, the political relationship between territory, conquest, and revenues was clearly changing. The origins of this change can be traced back to earlier debates about the legitimacy of the Company demanding revenues from subjugated political state formations.⁹ As late as 1783–84, governors, like George Macartney at Madras, were still insisting on returning territories which had been acquired by the Company to pay for the rising costs of fighting the Second Anglo-Mysore War (1780–84).¹⁰ Yet, a mere decade later, the enactment of the Permanent Settlement (1793) presented itself as a bold experiment in creating a market in agrarian property, while generating a stable income for the EIC's largest and most resource-rich presidency of Bengal.¹¹ Despite its significance, the link between revenues extracted from the agrarian produce of eastern India and the Company's desperate search for a stable, predictable source

to fund its increasingly expensive military campaigns, has not been studied.¹² In short, the colonial regime by the 1790s had become an expensive, expanding, and insatiable war machine, and the primary concern of both the Company and its critics was how to sustain it. It will be argued here that earlier attempts to explain and sustain colonial warfare were replaced by new arguments prioritizing resources for war. This was a change that was sufficiently dramatic for it to be observed, commented on, and debated among contemporaries, and it is here located as the basis of a distinctly early *colonial* formation. This characterization of the eighteenth-century Company-state as a colonial state formation is to be contrasted with efforts to study the Company as merely another early modern entity.¹³

Historians have struggled vainly to identify a series of ‘turning points’ to trace the transformation of the EIC from an armed merchant to an imperial hegemon. Interminable debates attest to the unprofitable nature of this exercise – no such point of departure has been identified, nor perhaps can be clearly established. Searching for such a turning point is asking the wrong question. Instead, we should recognize that the tensions between extracting surplus revenue for commercial purposes or using it to fund warfare were perennial sources of contention. Territorial conquest in the final quarter of the eighteenth century not only aroused metropolitan anxieties about the scandalous rapacity of empire-building in South Asia, but also caused growing alarm about the ruinous cost of such territorial acquisitions.¹⁴ The EIC’s voluminous, yet opaque, financial records notoriously prevented any realistic assessment of its fiscal operations, especially as its original character as a joint-stock profit-seeking venture declined successively with each of its military campaigns.¹⁵ Scrutiny of the Company’s financial records was a necessary prerequisite of any metropolitan hopes of maintaining oversight and control over its military adventurism in India. The ‘India Budget’ was an important part of the response to the anxieties – moral and economic – about the rapidly changing complexion of the Company’s political presence in South Asia. Henry Dundas unequivocally signalled a profoundly important change in metropolitan attitudes towards accepting expensive territorial conquests when he presented the East India Budget for 1787. In his private correspondence, Dundas communicated this to the new governor-general, Charles Cornwallis, that the ‘investment’ (resources reserved for the annual export trade with Britain) would receive support from the EIC’s surpluses in times of peace,

but in the event of War, the whole would be applied to the purposes of War and no part to Investment ... if War necessarily comes upon you, from the restlessness of our European Rivals, apply the whole Revenues to the purposes of War and let Trade and Investment take care of themselves.¹⁶

The changes embodied in Dundas’s statement were to have a lasting impact on the political economy of conquest in South Asia, even if they did not mark a watershed in terms of the EIC’s political career as a state formation.

The acceptance of the costs of conquest was an important step towards the broader British embrace of a colonial empire founded on military violence.¹⁷ For political actors in South Asia, the readiness to accept the cost of war acted as an accelerant fuelling the growth of violence. As a prolific author of war, the EIC was already engaged in military campaigns for nearly half of the half century since its victory at Plassey (1757–1807). Each campaign raised the cost of maintaining, fielding, and even demobilizing the large standing armies of its three presidencies of Bengal, Madras, and Bombay, culminating in the most expensive and ambitious military project – the Second Anglo-Maratha War (1803–05). This conflict embodied many of the features of earlier struggles, while exemplifying a new paradigm for how the Company would marshal resources in its pursuit of territorial hegemony over the subcontinent.

The disproportionate historical attention paid to the Second Anglo-Maratha War can largely be explained by the fact that its campaigns included celebrated military victories of Arthur Wellesley, the future Duke of Wellington.¹⁸ Behind these are two rather more significant points: the Company achieved complete domination of the Indian littoral and, unlike previous military campaigns, this war was above all a subcontinental project.¹⁹ Local administrations and complex hierarchized chains of civilian/military command interlocked to a level that was unprecedented in terms of mobilizing resources for warfare. Transcontinental campaigns in the last quarter of the eighteenth century were characterized by the movement of detachments sent out from different corners of the subcontinent, with materials of war and retinues of camp followers, bullion, and cattle following in their train. These spatial extensions of power and resources were riven with political contradictions and fissiparous exchanges between civilian officials and military officers as the latter were often deployed across legally shifting territorial zones of jurisdictional control. Fractious exchanges over defraying the costs of military expenses, and legal disputations over civilian control of the military were, in the case of the Maratha war, replaced by sweeping political cover for military operations, a transcontinental mobilization of resources, and an unprecedented commitment of resources to feed the Company's ever more ravenous war machine. Thus, to paraphrase Tilly, the Second Anglo-Maratha War remade the Company-state which now made war on a subcontinental scale.

The emergence of war on an expanded, subcontinental scale was distinctive enough for contemporaries to comment on its transformative impact on colonial warfare. For an earlier generation of Company directors, the rising cost of military adventures in India was much more than a cause for serious concern – it was understood as an existential threat to the Company's political clout and financial solvency. Prominent among the critics of the inexorable privileging of the military in the Company's political and financial calculations was the figure of Jacob Bosanquet, who was elevated to chair the EIC's Court of Directors on the eve of the Maratha war.²⁰ Engaged in a detailed statistical examination of two decades

of commercial and political policy, Bosanquet reviewed the fluctuating fortunes of the Company by asserting that 'the total Debt in India ... have been intailed [*sic*] upon the Company chiefly by territorial and not Commercial Pursuits'.²¹ The EIC had come full circle, from Henry Dundas assuring the governor-general that in times of war the revenue surpluses of the Company should be exclusively directed away from the trade of the Company, to two decades later when military expenditure was cited as the pre-eminent source of its burgeoning debts. The Maratha war was a political success in terms of territories acquired by the Company. In terms of its financial impact, the war was an unmitigated disaster.

Feeding Leviathan: the Second Anglo-Maratha War

For contemporary Company officials, success in colonial warfare was essentially predicated on the state's ability to extract and channel an increasing volume of resources towards military expenditure. Since land revenues constituted the principal source of state income, the acquisition of territory – from which revenues were extracted – was deemed to be essential in order to sustain the expanding military apparatus that came to characterize colonial rule in nineteenth-century South Asia.²² Thus emerged a quintessential logic of colonial rule/warfare – territories yielded revenues which sustained the military apparatus of coercion even as the acquisition of territory wreaked havoc on the colonial state's fiscal health. For contemporaries and historians alike, the Second Anglo-Maratha War may have been a political success in defeating the Company's last major political opponent, but equally, for critics of the EIC's military expansionism, war was synonymous with fiscal collapse.

The most visible, public symptom of the fiscal imprudence of colonial warfare was the EIC's exploding interest-bearing debt. In a little over a decade (1793–1804), the Company's interest-bearing debt more than doubled – from £15 million to £31 million.²³ The criticism in Parliament about expensive war-making was echoed in a scathing review of the relationship between colonial warfare and the EIC's worsening financial state:

It is difficult to conceive, what new pretences [*sic*] can be set up for absorbing the immense revenues of India in extra military charges ... Tippoo Sultan is destroyed, the Mahratta empire is subdued and dismembered, the French are extirpated and the whole peninsula laid under contribution to the power of Great Britain. The hacknied [*sic*] plea of unexpected war and unforeseen expenses must fail at last in a country, in which an enemy in arms is not to be found and where it is impossible for an European power to attack us.²⁴

Immediately below the surface of a hostile exchange in official dispatches and polemical pamphleteering was a complex world of financial strain which attested to the innovations that characterized the colonial regime's capacity to organize

violence. Bosanquet calculated that by 1793 the EIC incurred a deficit between its financial resources and its territorial and commercial expenditure of £4 million. He emphatically pointed to how in the decade between the defeat of Mysore (in 1793) and the beginning of the Second Anglo-Maratha War (1803–04), the Company's deficit had halved from £4 million to £2,104,621. By 1807, this deficit had again grown to £10.7 million. The inescapable conclusion was that, despite the acquisition of additional revenue-yielding territories, the Second Anglo-Maratha War had worsened the Company-state's deficit by £8,661,443 – a fivefold increase in three years (1804–07), making this the most expensive as well as most extensive conflict in South Asia. Bosanquet averred that the expenditure on the Maratha war had absorbed any surpluses generated by the acquisition of territories.²⁵ Verging on bankruptcy, the Company had to seek financial assistance from the British government each year between 1806 and 1810, prompting Parliament to appoint a select committee to investigate.²⁶ The question was not that war had ruined Company finances, but why this particular war had proved so expensive.

The Marathas – a complex political agglomeration of four ruling families and a titular head – has conventionally been described as a 'confederacy'.²⁷ The ruling families of Sindhia, Holkar, Bhonsle, and Gaekwad, owing nominal obeisance to the court of the Peshwa at Poona, dominated a territorial mass that, at its zenith, stretched from Delhi in the north to the edge of the kingdom of Mysore in the south. The war against the chiefs did not proceed along any evident rules of a confederated alliance – with Sindhia and Bhonsle fighting the Company in the first phase of the war (August to December 1803), followed by a desultory second phase (April 1804 to December 1805) which pitted Holkar against a shifting alliance that at various points included the Company, Gaekwad (who had stayed neutral in the preceding phase), and Sindhia. The Company fielded the largest military force assembled in South Asia – divided among two theatres of war – under Lieutenant General Gerrard Lake in the Gangetic plains of northern India, and a southern detachment under the command of Major General Arthur Wellesley. Wellesley's nearly 10,000 strong force would subsume another detachment operating from the territories of the Company's ally, the Nizam of Hyderabad.²⁸ The main force serving in the Deccan under Wellesley required such extensive material and political resources that the term 'logistics' does not sufficiently convey the complexity of the extractive exercise.²⁹ Reflecting the kind of painstaking attention to detail that would characterize his successful career against Napoleon in Europe, Wellesley had begun commandeering resources across peninsular India as early as January 1803. The forces under his command advanced north from Mysore into hostile territory in central India, supported by the treasuries and granaries of the southern peninsular tip of the Madras presidency. It was both logical and desirable that Wellesley should obtain resources locally from the western territories of the Bombay presidency and the cotton-rich province of Gujarat (ruled by the Maratha court of the Gaekwad of Baroda).

Away from the celebrated battlefield victories and below the surface of military manoeuvres,³⁰ the Maratha war can be presented as a story of a contentious restructuring of the Company's administration in Madras and Bombay as it desperately sought to mobilize resources on an unprecedented scale. It is here we can see the validity of Tilly's dictum: the pressures of war compelled the Company to adapt as its higher political and military authorities commandeered resources across the jealously maintained jurisdictional boundaries of its hitherto disjointed possessions. This transformation was sanctioned legally through the delegation of complete political authority to military commanders, further militarizing the Company and encouraging the expansion in the scope of its campaigns. By June 1803, Governor-General Richard Wellesley had decided to disengage from the dilatory negotiations with Sindhia and Bhonsle and to commit the Company to war. The military commanders – Lake and Arthur Wellesley – were given sweeping political powers to operate independently of all civilian authorities – including the 'superior' government of Bengal and the local administrations of Madras and Bombay.

This delegation of unqualified political authority addressed a persistent problem that had hobbled the Company's ambitions of territorial aggrandizement – commanders resented their theoretical subordination to civilian control in wartime, causing disputes and contributing to military disasters.³¹ The new, sweeping delegation of power extended down to local military officers who could requisition resources and ignore civilian officials, to whom they were no longer answerable, and contributed directly to the burgeoning scale of resource extraction.

Logistical planning for Wellesley's main force had begun in earnest as early as January 1803. Less than a month after his arrival in the Peshwa's capital at Poona, Wellesley was complaining about the inadequacy of the resources allocated to him.³² Four months before open hostilities began, the Bombay presidency was struggling to sustain its military guests, with the garrison storekeeper Edward Moor defending himself by claiming that, while his 'means are sadly cramped, half by scarcity of men and money', he had scoured the hinterland to meet the army's substantial demands.³³ Such was the scarcity of resources that the governor of Bombay, Jonathan Duncan, admitted to being 'alarmed at our growing difficulties in procuring Money and for your Wants'. The civilian administration scrambled to corral financial resources to fund military operations, including appropriating £28,000 in silver dollars originally meant for the Madras presidency. Desperate measures like this impacted adversely on the Madras treasury's ability to meet its own obligations to the army, Duncan advising Wellesley to directly draw on the Bengal treasury instead.³⁴

The effect of war on the regional economies of western-central India underscores the more general point that conflict always has specific regional, political, commercial, and financial constraints. Lakshmi Subramanian's work on the indigenous networks of moneylending and mercantile exchange has illuminated a sophisticated

interregional matrix of relationships in which the Bania moneylenders (referred to as *shroffs* in contemporary records) played a crucial role in remitting capital across the peninsular landmass.³⁵ By drafting *hundis* or bills of exchange drawn on the Bengal treasury, the main source of capital, the shroffs of Surat and Bombay could safely convey money to specified locations in a given local currency. Remittance of funds through this network obviated the need to rely on the hazardous alternative of moving bullion either by sea or by unsecured overland routes, and provided what armies operating in India needed most: ready cash. Reliance on these networks of exchange was inevitable, especially during periods of intense financial strain wrought by war. As an anonymous correspondent complained to the governor of Madras, Edward Clive, 'it was known in the Black Town that the money was absolutely required for the Pay of the Army ... the state of our Treasury is always known in the money market which gives the lender an evident advantage which he naturally converts to his own benefit and to the loss of the Public'.³⁶

Thus, the growing scale of the Company's military operations depended directly on local agents and financial networks. The difference in the values of local currencies gave additional, near permanent advantage to indigenous moneylenders, whose importance during periods of extreme financial distress was all too obvious to desperate Company administrators and military commanders alike. However, even after acknowledging this axiom to the political economy of colonial warfare, Subramanian's assertion that 'the ability to provide credit to the ruler made the banker the most important functionary in the politics of transition in the eighteenth century' needs to be qualified.³⁷ Untimely demands on the paymasters of a military force, the recalcitrance of an Indian moneylender, and the mutinous sullenness of Indian recruits impatiently awaiting pay, undoubtedly added up to the difference between a glorious military victory and a humiliating outcome.³⁸ However, more significantly, it was the Company's ability to extract and marshal resources in service of its war machine that was ultimately determinative of the outcome of all contests against their Maratha foes. It is being argued here that, while the importance of the availability of cash and assured transmission of capital cannot be overstated, the true significance of how the Company differed from its South Asian opponents only emerges when we consider other war-making resources as well.

Among the long-drawn-out acrimonious exchanges about the inadequate supply of *arrack*, cattle, fresh meat, iron, and coolies to carry supplies, the example of rice in particular illustrates how the Company drained resources from well beyond its territories to increase its war-making capacity and defeat its opponents.³⁹ Rice was essential to war as the principal foodstuff of all armies in India. As early as March, well before the arrival of the Company's force from Madras, the Bombay garrison storekeeper admitted to his inability to provide supplies on the scale demanded. On the eve of his arrival at Poona, Wellesley had revised his estimates for the stores required just by his force alone to encounter protests from the governor of Bombay that the civil administration simply could not cope with

the increased demand.⁴⁰ Over the summer of 1803, while hostile forces manoeuvred across the Deccan, the rice scarcity induced by military demands worsened. The civilian population and administration of Bombay hosting the concentrated military forces already faced collapse by the time open hostilities commenced (6 August 1803). The growing supply crisis runs through official and private correspondence in dissonance to the news of military victories. Governor Duncan of Bombay was compelled to defend his administration by explaining that the army's demands had already exceeded the capacity of his rice and grains store by April. The acute shortage of rice was further exacerbated when, as early as May, Duncan admitted that his treasury had run out of money and issued rice in lieu of pay to the Bombay garrison. Reports of crop failures and a sharp increase in rice prices forced Bombay to send two ships to beg for rice from the south (Mangalore) and east (Bengal).⁴¹

Crop failures and steeply increasing prices were familiar challenges for the EIC's bureaucracies, but the unprecedented scale of the new war began to dawn on the civilians. A mere month into the war, the Bombay government noted with alarm that there were 'ground[s] to apprehend a very speedy and severe scarcity in the article of Rice, at a time when not only the local consumption is to be provided for, but ample supplies of this indispensable article required for the use of the armies under the command of the Hon'ble Major General Wellesley'.⁴² The beleaguered garrison storekeeper, Edward Moor, admitted he could not procure the seven months' supply of rice demanded by Wellesley, and even if he could do so the scale of the necessary purchase would have destabilized the grain market.⁴³ Dismal reports on the grain markets alarmed the governor sufficiently for him to admit that western India would suffer a famine unless the *Elphinstone* returned with rice from Bengal.⁴⁴ Just as news of Wellesley's stunning victory over the combined forces of Sindhia and Bhonsle at Assaye (23 September 1803) reached Bombay castle, Governor Duncan attributed 'the present scarcity of grain in the market' to 'the quantity purchased ... for General Wellesley's Army in the months of April and May last, which would have been our stock for the Rains'.⁴⁵ The acute scarcity of resources was not restricted to rice as the custom master starkly recommended that 'unless a total Prohibition is put to ... [the] Exportation [of rice]; an inevitable Famine will be the Consequence. I would also recommend an entire stop to the export of Ghee, Wheat, and every other sort of grain for the present'.⁴⁶ The subsequent bans on the export of wheat, coarse grains, and rice disrupted an extended network of trade in these commodities extending to Muscat and Basra across the Arabian Sea and to Madras in the Indian Ocean.⁴⁷

The famine-inducing shortage of rice was symptomatic of a much wider and more serious problem – the complete exhaustion of the Company's financial ability to transact warfare on a subcontinental scale.⁴⁸ By the beginning of the next phase of the war against Malhar Rao Holkar (April 1804 onwards), the financial distress of both the Bombay (a theatre of war) and Madras presidencies (far removed from the

war) was crippling the Company's overall ability to continue fighting. Already by January 1804, well ahead of the renewed hostilities, the governor of Madras, William Bentinck, abjectly confessed to his inability to 'disguise ... the very great embarrassment, in which I have found myself involved ... [with] a treasury entirely empty, as well as from the prospect of a very large Deficit in our Resources'. Wellesley's force in the Deccan was raised and partially financed by the Madras presidency, which estimated that a quarter of its annual deficit was due to the exigencies of funding the first phase of the war. The Madras administration's efforts to raise a loan to meet its increasing financial expenses had already failed in September 1803.⁴⁹ By March 1804, Bentinck was warning Bengal that the 'the Military Expenses will be found to be underrated'.⁵⁰ Less than three months into the renewed war, Madras was willing to follow Bombay's example of ignoring orders and appropriating bullion aboard ships carrying £200,000 in specie from New York and Norfolk, originally destined for Bengal. Bentinck argued that, given that he had 'discretion with regard to the money to be landed at Fort St George', he was not in a position to judge whether, 'a supply of bullion will be more urgently required at Bengal than at this presidency in the early part of 1804/s'. Madras argued that, since the abrupt outbreak of war against Holkar was not budgeted, 'the distance of the Theatre of War, [made it] necessary that ... [the detachment in the Deccan] should be supplied very much in advance'.⁵¹

The financial crisis in Madras in 1804 struck before Bombay had recovered from its experience as the main theatre of devastation the preceding year. Financial exhaustion drove the Bombay council to due expedients, such as selling the Company's cotton meant for export to Canton to a private company (Bruce, Fawcett & Company) and to buy two months' food for the force operating in Gujarat.⁵² That force was currently embroiled in a protracted dispute over the authority to extract resources from the revenue-rich territories of the Gaekwad ruler of Gujarat. The local military commander, Colonel John Murray, insisted on operating independently of the Company's local political agent and the civilian administration at Bombay, thus contributing to the incremental loss of civilian control of military operations. Murray complained that monies needed to maintain his troops were being diverted to paying arrears of the Gaekwad's army.⁵³ Governor Duncan defended his administration by detailing its efforts to create a 'well-replenished Military Chest' for the force in Gujarat.⁵⁴

Like the Bombay presidency's search for money in 1803, Murray's dispute with its council in 1804 reveals the significant role of indigenous financiers in the Company warfare state; in this case, the influential Surat-based Brahman banker Tarwady Arunji Nathji.⁵⁵ Murray's problems also demonstrate the importance of distinguishing between the supply of money as opposed to its immediate availability. Finally, this episode underscores the need to qualify the prevailing assumption that 'even before the British prevailed over the Marathas in the military struggle, they had won in the financial struggle'.⁵⁶ The secret of the Company's success

lay in how it responded to the crisis of its own making by using private banking networks not just to remit cash payments to troops in the field, but to extend its financial reach to the distant corners of its rapidly expanding territorial empire and beyond. The importance of bankers like Tarwady is evident from his ability to negotiate substantial contracts to exchange money and supply cash to the Company's forces in the field at markedly favourable terms by using networks connecting the Gangetic pilgrimage centre of Benares and the western port of Surat. Tarwady's activities attracted complaints from the Bengal administration and Murray in Gujarat, indicating the continued friction between the different parts of the Company administration, as well as the ongoing civil-military tensions.⁵⁷ As late as December 1803, Murray believed that he could negotiate a more favourable contract independent of Tarwady's dominance of the local money market of Gujarat.⁵⁸ The plan to replace the Surat banker failed, but it nevertheless reveals the confidence with which the Company's military was now willing to operate across western India. Contrary to Subramanian's assertion, Tarwady's problems with the Bombay council do not provide evidence of the former's unassailable clout in prefiguring the outcome of the military contest that would follow, but rather indicate how the Company was expanding its ability to tap resources across much of India.⁵⁹

Conclusions

The problems of mobilizing resources for territorial conquest encountered by the Bombay and Madras presidencies during the Second Anglo-Maratha War were not entirely new, but they were on an unprecedented scale and they forced a new level of innovation and political development within the Company-state as a whole. This is to be contrasted with historiographical claims for broad continuities between seventeenth-century late/post-Mughal regimes and the EIC as yet another 'successor state' to the Mughals. Conquest and the warfare that created a distinctive colonial regime in the final decade of the long eighteenth century was in marked contrast to its early/mid eighteenth-century predecessors and its contemporary Indian rivals. Much of the administration's response was ad hoc and expedient, such as diverting bullion meant for other presidencies, selling export cotton to private traders, and sending begging expeditions to stave off famine. But beneath these contingent and often panicky measures, the underlying shift was unmistakable: the Company had become a territorial hegemon dependent on violent conquests to sustain itself. As Murray's underfunded contingent conquered the principality of Godhra (in Gujarat) from Sindhia, the colonel gestured towards the ultimate bedrock of the colonial warfare state: its ability to conquer districts 'in the highest state of cultivation' and then to urgently generate 'every information relative to the revenue to be collected'.⁶⁰ At a much higher level, the governor-general was keen to assure his metropolitan overseers that:

The rapid and brilliant success of the British arms in the present War has already added to our Possessions in India the Fortress and District of Ahemdnagar; the Fortress of Barroach with the adjoining Districts the Territory heretofore possessed by Dowlut Rao Scindia in the Dooaub of the Jumna and Ganges, the City of Delhi and adjacent Territory and the valuable Province of Cuttack in Orissa and no doubt can be entertained that a Revenue will be derived from these acquisitions in the present year, whatever portion of the Conquered Territories may be retained at the conclusion of Peace.⁶¹

The political economy of conquest operated by conquering revenue-yielding territories and rapidly incorporating these into the state cadaster as the most aggressively pursued source of state income. This was supplemented by the manipulation of indigenous financial networks to ease cash-flow problems during crises. The Company had become trapped in a loop of continued violent expansion and permanent financial crisis from which the only escape seemed to be to plunge forward into a fresh campaign of conquest.⁶² The logic of colonial war- and state-making expanded the scale and scope of warfare on the subcontinent. To paraphrase Tilly – much like its early modern peers, war made the Company-state, but more importantly it transformed it into a distinctive early colonial state formation.

Notes

- 1 C. Tilly, 'Reflections on the History of European State-Making', in C. Tilly (ed.), *The Formation of National States in Western Europe* (Princeton, 1975), p. 42.
- 2 D. M. Peers, 'State, Power and Colonialism', in N. Gooptu and D. Peers (eds), *India and the British Empire* (Oxford, 2012).
- 3 For a recent and original attempt to theorize violence as conquest in the folk memory of medieval North India see S. Amin, *Conquest and Community: The Afterlife of Warrior Saint Ghazi Miyan* (Chicago, 2016).
- 4 For a cogent summary see P. J. Marshall, 'Introduction', in P. J. Marshall (ed.), *Eighteenth Century in Indian History: Evolution or Revolution?* (Oxford, 2003), pp. 1–49.
- 5 For a representative sample see C. Bayly, *Rulers, Townsmen and Bazaars: North Indian Society in the Age of British Expansion, 1770–1870* (Cambridge, 1983) and P. J. Marshall, *The New Cambridge History of India*, vol. 2.2, *Bengal: The British Bridgehead, Eastern India 1740–1828* (Cambridge, 1987).
- 6 P. J. Stern, *The Company-State: Corporate Sovereignty and the Early Modern Foundations of the British Empire in India* (Oxford, 2011).
- 7 For the influential formulation of a 'military labour market' see D. H. A. Kolff, *Naukar, Rajput and Sepoy: The Ethnohistory of the Military Labour Market of Hindustan, 1450–1850* (Cambridge, 1990). For a long-range study of changing modes of inflicting military violence in South Asia see J. J. L. Gommans and D. H. A. Kolff (eds), *Warfare and Weaponry in South Asia 1000–1800* (Oxford, 2003).
- 8 Historiographical notice of eighteenth-century Indian rivals competing against the Company in a bid to emulate its practices was acknowledged as early as B. Stein, 'State Formation and Economy Reconsidered', *Modern Asian Studies*, 19:3 (1985).

- 9 H. Bowen, *Revenue and Reform: The Indian Problem in British Politics, 1757–73* (Cambridge, 1991).
- 10 T. G. Fraser, 'India 1780–6', in P. Roebuck (ed.), *Macartney of Lissanoure, 1737–1806: Essays in Biography* (Belfast, 1983).
- 11 As late as 1798 a newly incumbent governor-general, Richard Wellesley, would describe the resources of Bengal as 'the General Treasury and Bank of our Indian Empire': University of Nottingham Manuscripts and Special Collections, Nottingham, Bentinck Papers, Portland (Welbeck) Collection [hereafter Bentinck Papers, Portland Collection], PwJb 52, p. 33: Governor-General's Minute on Finance, 12 June 1798.
- 12 For a tentative link between revenue settlements and paying for expensive military adventures see S. Ahmed, *The Stillbirth of Capital: Enlightenment Writing and Colonial India* (Stanford, 2012), pp. 161–88.
- 13 See discussion of Philip Stern's *The Company-State* above.
- 14 T. Nechtman, *Nabobs: Empire and Identity in Eighteenth-Century Britain* (Cambridge, 2010) and N. Dirks, *The Scandal of Empire: India and the Creation of Imperial Britain* (Harvard, 2006).
- 15 M. Mann, 'From Ledger to Budget: British Fiscal Imperialism, 1750–1800', *Internationales Asienforum*, 33:3–4 (2002).
- 16 National Library of Scotland, Edinburgh, Melville Papers, MS. 3387, pp. 23–4: Henry Dundas to Charles Cornwallis, 29 Jul. 1787.
- 17 Peter Marshall has convincingly traced these changed attitudes of metropolitan society to the 1790s following the defeat of Tipu Sultan's Mysore in the third and penultimate Anglo-Mysore War in "'Cornwallis Triumphant": War in India and the British Public in the Late Eighteenth Century', in L. Freedman, P. Hayes, and R. O'Neill (eds), *War, Strategy and International Politics: Essays in Honour of Sir Michael Howard* (Oxford, 1992).
- 18 A. Bennell, *The Making of Arthur Wellesley* (Hyderabad, 1997); J. Weller, *Wellington in India* (London, 1972); R. Cooper, *The Anglo-Maratha Campaigns and the Contest for India: The Struggle for Control of the South Asian Military Economy* (Cambridge, 2003); H. Davies, *Wellington's Wars: The Making of a Military Genius* (New Haven, CT, 2012).
- 19 The EIC conquered contiguous territories from Gujarat in the west to Orissa in the east.
- 20 For his career as the descendant of the Huguenot merchant family of Jacob Bosanquet I, see H. Bowen, *Business of Empire* (Cambridge, 2006), pp. 122–3.
- 21 John Rylands Library, University of Manchester, Manchester, Melville Letters and Papers [hereafter Melville Papers, Manchester], GB 133 Eng MSS 673, n.p.: Jacob Bosanquet to Robert Dundas, Private 28 May 1807, no. 203.
- 22 For a thorough exposition of the EIC's militarized regime for a later period see D. M. Peers, *Between Mars and Mammon: Colonial Armies and the Garrison State in India 1819–1835* (London, 1995).
- 23 'Substance of Lord Castlereagh's Speech delivered in the House of Commons ... relating to the finances of the East-India Company in India and Europe, for the last ten years, 1804', in *Heads of Speeches delivered in the House of Commons by the several presidents or members of the right honourable the Board of Commissioners for the Affairs of India, relative to the Finances of the East India Company* (2 vols, London, 1809), II, p. 1411.

- 24 Anon., *Observations on Lord Castlereagh's Speech ... 19th of July 1804 and on the State of the East India Company's Affairs* (London, 1805). William Cobbett speculated that given the technical sophistication of the pamphlet, it was probably authored by the veteran Whig critic Sir Philip Francis: W. Cobbett, *Cobbett's Weekly Political Register*, vol. 7, 23 Mar. 1805 (London), p. 431.
- 25 Melville Papers, Manchester, GB 133 Eng MSS 673, n.p.: Jacob Bosanquet to Robert Dundas, Private 28 May 1807, no. 203.
- 26 A. Tripathi, *Trade and Finance in the Bengal Presidency, 1793–1833* (Bombay, 1956), pp. 111–16.
- 27 S. Gordon, *The New Cambridge History of India*, vol. 2.4, *The Marathas, 1600–1818* (Cambridge, 1993).
- 28 By recruiting a much larger proportion of 'native' sepoys the three presidency armies had swollen in the first year of the Second Anglo-Maratha War (1803–04) from 52,853 to 78,743 (Bengal), 72,278 to 81,907 (Madras), and 15,010 to 18,063 (Bombay) – a 27 per cent increase in the first year of the war itself.
- 29 The problem of reducing the supply of an army to a technical problem of provisioning a military force without engaging with the wider implications of extracting resources and committing these in service of colonial war-making is evident in R. Cooper, 'Beyond Beasts and Bullion: Economic Considerations in Bombay's Military Logistics, 1803', *Modern Asian Studies*, 33:1 (1999).
- 30 These feats of arms continue to dominate narrative retellings of what has essentially become a glowing chapter in the South Asian military career of the future Duke of Wellington. See Weller, *Wellington in India*; Davies, *Wellington's Wars*, pp. 40–75.
- 31 G. Bryant, 'Civil–Military Relations in Early British India, 1750–85', *Journal of the Society for Army Historical Research*, 83:334 (2005), pp. 142–3; and J. Lees, 'A "Tranquil Spectator": The District Official and the Practice of Local Government in Late Eighteenth-Century Bengal', *Journal of Imperial and Commonwealth History*, 38:1 (2010).
- 32 A. Wellesley, *Supplementary Despatches and Memoranda of Field Marshal Arthur, Duke of Wellington* (15 vols, London, 1858–72), IV, pp. 75–8: Arthur Wellesley to Jonathan Duncan, 11 May 1803, no. 1556 and Arthur Wellesley to Jonathan Duncan, 16 May 1803, no. 1563.
- 33 Hartley Library, University of Southampton, Southampton, Wellington Papers [hereafter WP, HL], WP3/3/32 pp. 35–35A: Capt. Moor to Arthur Wellesley 14 May 1803.
- 34 HL, WP3/3/18, pp. 19–19A: Jonathan Duncan to Arthur Wellesley, 9 May 1803. Even as Duncan admitted to the financial inadequacy of his resources he continued to assure Arthur Wellesley of the elaborate schemes for providing supplies for the detached force: WP, HL, pp. 25–28A: Jonathan Duncan to Arthur Wellesley, 14 May 1803.
- 35 L. Subramanian, *Indigenous Capital and Imperial Expansion: Bombay, Surat and the West Coast* (Delhi, 1996), pp. 253–316.
- 36 Bentinck Papers, Portland Collection, Pw Jb 52, pp. 136–7: Anon. to Lord Clive, 12 Nov. 1799.
- 37 L. Subramanian, 'Arms and the Merchant: The Making of the Bania Raj in Late Eighteenth-Century India', *South Asia: Journal of South Asian Studies*, 24:2 (2001), p. 26.

- 38 As the Resident at the court of the Gaekwad of Baroda, Col. Alexander Walker, imploringly reminded the governor of Bombay, the Maratha allies would not even consider taking the field in aid of a local detachment until their arrears were settled: WP, HL, WP3/3/18, p. 627: Alexander Walker to Jonathan Duncan, 14 May 1804.
- 39 For a representative example of the complexity of amassing resources to sustain a military force marching across peninsular India see WP, HL, WP3/3/18, pp. 25–28A: Jonathan Duncan to Arthur Wellesley, 14 May 1803.
- 40 For details of his request for supplies see Arthur Wellesley to the Secretary of Government of Bombay, 18 April 1803, in J. Gurwood (ed.), *The Despatches of Field Marshall the Duke of Wellington* (London, 1834–38), I, pp. 447–50.
- 41 WP, HL, WP3/3/18, pp. 288–91A: Minute of Governor in Council [GC], Pol. Dept., 18 Oct. 1803.
- 42 *Ibid.*, p. 304A: Extract from Progs. of GC of Bombay, 18 Sept. 1803, letter from Secy., Bombay Govt. to Collector of the Southern Division.
- 43 For the garrison storekeeper, the price of rice was already so high that he could not even purchase a modest quantity of it to meet the army's demand: WP, HL, WP3/3/18, pp. 314–14A: Edward Moor, Garrison Storekeeper to Francis Warden, Secy., Mil. Board, 18 Sept. 1803.
- 44 The results of the begging expedition to Bengal were not expected till December, by which point the two Maratha chiefs had already been defeated and signed peace treaties: WP, HL, WP3/3/18, pp. 309–9A: Secy., Bombay Govt. to Chief Secy., Bengal Govt., 23 Sept. 1803.
- 45 *Ibid.*, pp. 306–7A: Extract from Progs. of GC of Bombay, 23 Sept. 1803.
- 46 Extract from Progs. of GC of Bombay, 16 Sept. 1803; letter from the Custom Master to Secretary to Government, 10 Sept. 1803, WP, HL, WP3/3/18, pp. 304–4A.
- 47 Estimates of the daily consumption for the island of Bombay pointed to its stock sustaining the civilian population for a mere twenty-five days: WP, HL, WP3/3/18, pp. 306A: Extract from Progs. of GC of Bombay, 23 Sept. 1803.
- 48 *Ibid.*, p. 309: Secy., Bombay Govt. to Chief Secy., Bengal Govt. 23 Sept. 1803.
- 49 Bentinck Papers, Portland Collection, Pw Jb 52, pp. 39–47: Bentinck to Governor-General [hereafter G-G] Richard Wellesley, Private, 6 Jan. 1804.
- 50 *Ibid.*, p. 69: Bentinck to G-G Richard Wellesley, Private, 2 Mar. 1804.
- 51 *Ibid.*, pp. 95–7: Bentinck to G-G Richard Wellesley, Private, 6 Jun. 1804. Ultimately only a quarter of the bullion landed at Madras was kept, with the rest being forwarded to Bengal: *Ibid.*, p. 102: Bentinck to G-G Richard Wellesley, Private, 10 June. 1804.
- 52 WP, HL, WP3/3/18, p. 613: Jonathan Duncan to Arthur Wellesley, 20 May 1804.
- 53 *Ibid.*, p. 635A: Col. Murray to Maj. Gen. Nicholls, 17 May 1804.
- 54 *Ibid.*, p. 669A: Jonathan Duncan to Arthur Wellesley, 6 June 1804.
- 55 L. Subramanian, *Three Merchants of Bombay: Business Pioneers of the Nineteenth Century* (Gurgaon, 2012), pp. 47–87.
- 56 Subramanian, *Indigenous Capital*, p. 321.
- 57 *Ibid.*, p. 299.
- 58 WP, HL, WP3/3/18, p. 636: Col. Murray to Maj. Gen. Nicholls, 17 May 1804.
- 59 Subramanian, *Indigenous Capital*, pp. 299–301.
- 60 WP, HL, WP3/3/32, p. 60: Col. Murray to Maj. Gen. Nicholls 9 Oct. 1803.

- 61 Melville Papers, Manchester, GB 133 Eng MSS 696, p. 134S: Memorandum relating to the Finances of Bengal Extracted from the G-G's Letter to the Secret Committee, 20 Oct. 1803.
- 62 Not unlike its British contemporary, the characterization of the Company-state as a 'warfare state' relies on David Edgerton's *Warfare State: Britain, 1920–1970* (Cambridge, 2005). This characterization has been used instead of Douglas M. Peir's equally insightful 'garrison state': Peirs, *Between Mars and Mammon*.