

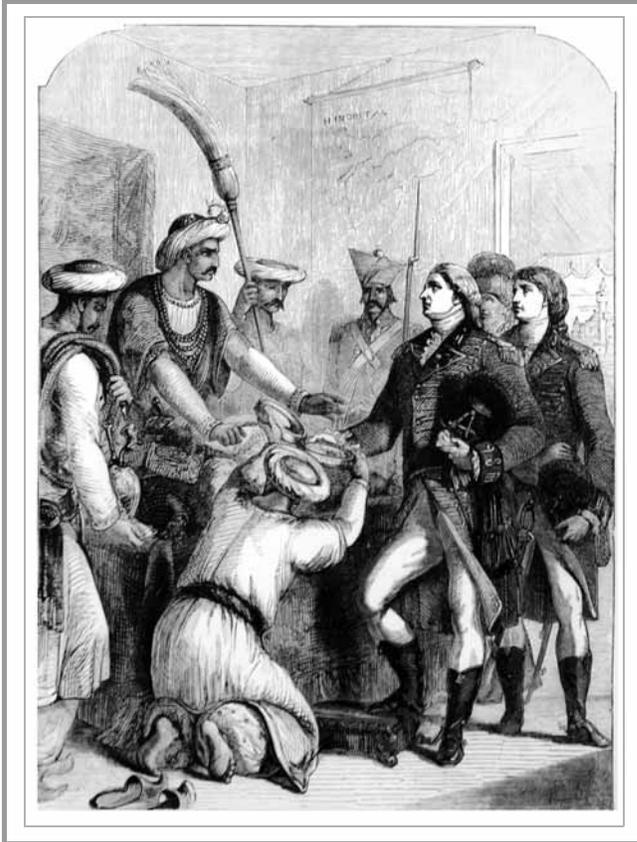
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Reversals of Fortune in the Tea Industry *Part XII: Robert Clive Secures Bengal for the EIC*



According to Dr. V. S. Gopalakrishnan, India's share of the global manufacturing output in 1750 was 25%, compared to Britain's 1.9%. The original interest of the British East India Company was maintaining safe trading ports along the coast of India. But securing their factories meant securing surrounding areas, and eventually all of Bengal was controlled by Great Britain. Illustrated at left is the granting of the Diwani to Robert Clive in 1765. This seal was the official entitlement to collect taxes on behalf of the Mugul Empire in Bengal, Bihar, and Orissa, marking the official beginning of the British Raj. In the end, the EIC would receive little net revenue from tax collections, but the impact on the Bengalese economy would be crippling.

William Ukers referred to the *British East India Company* (EIC) as the *Frankenstein of commerce*. It had its own constitution, its own coinage, a private army that could acquire territory and make war, and a judicial arm to prosecute civil and criminal transgressions. At times it was difficult to distinguish between EIC objectives and that of the Crown. At other times, the Frankenstein monster raged out of control, with factors in India at odds with the EIC in London, who were equally at odds with the Crown. The story of the EIC in India exemplifies this state.

Please turn to page 48.

Our 2009 First Flush Darjeeling Teas have begun to arrive!
Please refer to pages 8-12 for a complete list.

Upton Tea Imports will be closed for our annual vacation from July 4 through July 12. Orders received by July 2 will be shipped by July 3. We will also be closed Fridays from July 31 through the month of August so that our staff can enjoy a little extra time off!

Reversals of Fortune in the Tea Industry, Part XII

In the mid-1700s, the importance of Bengal to the success of the *British East India Company* (EIC), and to the future of Great Britain, was drastically underestimated. That this area would become a source for some of the world's finest British teas would have occurred to no one. In fact, many would have foreseen France in control of the entire sub-continent of India, debarring any possibility of British tea production in India.

When the young EIC clerk, Robert Clive, saw Joseph François Dupleix ride triumphantly into Fort St. George in 1746, after it was seized by French troops, it rankled his national pride. This event was the catalyst for his resignation as clerk and for his volunteering for the EIC military. Although he had no military training, Clive impressed some of the EIC officers and soon received an entry level commission as Ensign.

Circumstances could not have been better for young Ensign Clive. After the sacking of Fort St. George, Dupleix targeted a nearby English settlement at Fort St. David. The British actually outnumbered the French in this case, and for once they had an experienced commander, Major Stringer Lawrence, to lead the troops.

As described by Robert Harvey, things went awry when Lawrence was captured, and another British officer killed. Under constant fire, two of the three forward platoons “broke ranks and fled as the French attacked, while Clive [leader of the third forward platoon] kept steady.”

At the height of battle, the “French army reached shelter only ten yards from Clive's position, and rained fire down upon his men, piercing his hat and coat, but failed to draw blood. Although his men were pinned down, Clive ran back to get ammunition. The French at length withdrew.” It was a small victory in what was otherwise another embarrassing loss by the British. Clive had “begun

to make his mark” at the age of 23. His scrappy tenacity was problematic for young Clive in England. In India, however, it served as inspiration to EIC English troops and Indian sepoys who had grown weary of lackluster leadership.

Prior to Clive's ascent, EIC forces in India were weak and undisciplined. Conflicts, whether with European rivals or hostile nawabs, were fought by British soldiers with mixed training, and Indian sepoys who had even less. Early in his career Clive wrote:

How very ignorant we were of the art of war in those days. Some of the engineers were masters of theory without the practice, and those seemed wanting in resolution. Others there were who understood neither, and yet were possessed of courage sufficient to have gone on with the undertaking if they had known how to go about it. There was scarce an officer who knew whether the engineers were acting right or wrong, till it was too late in the season and we had lost too many men to begin an approach again.

Clive recognized the need for better leadership and organization among EIC British troops *as well as* the large number of Indian sepoys who were under-provisioned and poorly trained. Where many of Clive's predecessors had undervalued the sepoy contribution, Clive saw a missed opportunity.

Harvey relates a story of Clive's training methods for his sepoy troops, first recorded by Peter Holt. Clive was attempting to have his troops march in formation...

[He] was having difficulty teaching his Indian sepoys their left and their right. So he tied pieces of cloth to their left legs and palm leaves to their right legs. The Tamil for cloth is seelay and for palm leaves wallay. Leg in Tamil is kal. Then Clive marched his soldiers up and down and they all shouted “Seelay kal, wallay kal, seelay kal, wallay kal.”

Clive's first major victory came in 1751 at the *Battle of Arcot*, when he was just 26 years old. Facing a much larger force, again led by Joseph François Dupleix, Clive and his small army fought for days against overwhelming odds. This was a different enemy than what Dupleix had met in the past. Of this battle, Harvey states:

There would be few greater expeditions in the history of British arms. The 600 who rode down the Valley of Death in the Crimea a hundred years later went down in posterity as an example of bravery – and bungling. Clive's 700 – reduced to 300 in the actual defense of Arcot – are much less popularly celebrated, but their feat was achieved against much greater odds. It was an example of staggering boldness, resolution and, above all, endurance. Perhaps it was only their success that was to diminish their achievement in the eyes of their fellow countrymen. The British – like the Japanese – respect the nobility of failure.

Arcot was followed by a series of British victories that could be credited to neither luck nor fate. There was strong opposition at every step, both from the French and hostile nawabs like Siraj-ud-Daula in Bengal. Recall from *Part XI* of our series that Clive was sent to Calcutta to reclaim Fort William after the siege by Siraj-ud-Daula in 1756. The *Battle of Plassey*, which was fought in 1757, was decisive in reestablishing Calcutta as a British stronghold in Bengal.

One can only speculate on the level of success that Britain would have achieved in India had it not been for Robert Clive. Dupleix had coveted India for France and for his own plunder, but Clive foiled his ambitions with a combination of cunning strategy and valor. In the end, Dupleix was recalled to France as a failure and quickly forgotten. Clive would return to England a hero.

The scope of the EIC military had changed with Clive's rise to power. Whether it was sanctioned in London or not, it became clear to Clive that control of territories surrounding EIC settlements was necessary to ensure the safety of those settlements. Ultimately, Calcutta would be secured by control of all Bengal. To quote Harvey, "A new law was to apply to Clive's gains in Bengal: the law of accelerating ambitions. To secure a gain it is always necessary to annex more land, and then secure that, and so on." Whether they wished for it or not, the EIC was becoming entrenched in India.

In 1760 Clive returned to England. He was only 35 years old, but his health had been failing for years. According to some, he was nearing mental breakdown, suffering from what today might be diagnosed as bipolar disorder. He was also homesick, and perhaps felt that there was little more for him to achieve in India.

Clive had amassed quite a fortune while in India. Even an EIC clerk in India could make enough to retire by trading on the side, but at Clive's level, the opportunities beyond private trading were huge. Spoils of war, peace offerings, and even bribes were considered fair gain. At his departure from India, Clive's net worth is estimated to have been between £300,000 and £500,000.

At a time when a year's wages amounted to roughly £40, Clive's wealth put him in an altogether different league from others who returned from India with a modest retirement. Harvey dubbed Clive "one of Britain's very first self-made men" and "the first *nouveau riche* from British India."

Clive lacked the lineage for acceptance among England's "old wealth", and even though he could afford homes next to the very rich, none among the landed gentry would admit him to their exclusive club. He was continually put in his place. "Loud, vulgar, ostentatious, awkward in society, a bore – all these epithets were to be applied to him."

It was clear that Clive was a fish out of water. In India he had power, respect, and wealth. In England he only had wealth, which could buy him neither status nor power. The story might end here, except for what was happening in India in his absence.

India held promise of huge profits for the EIC, and it should have been showing more substantial gains after Clive eliminated the threat to EIC trade. But this did not happen, and news returning to London was bad.

Communications between the London offices and the Indian settlements were slow. It took over a year for a round-trip communication to complete. What was even more sig-

nificant was that EIC officers in India often placed their own interests ahead of the Company's priorities.

Clive's vast accumulation of wealth had become the envy of other EIC officials in India. Those left in charge after Clive used every means at their disposal, including extortion, to tap into India's riches. Harvey puts it thusly:

For once, to say that all hell had broken loose after Clive's departure from Calcutta would not be wide off the mark. As with the fall of the city, a staggering succession of blunders by the British in Bengal soon threatened to undo everything Clive had achieved – and even imperilled continued British dominance there; the firm hand of the dictator-emperor had been sorely missed. The two main ingredients of the disaster were to be the cupidity of the settlers, who regarded Bengal as no more than a treasure house for plunder; and the arrival of a new, young and intellectually arrogant governor in the shape of Henry Vansittart.

Clive had masterfully crafted a balance of powers between Britain, the Hindu middle class, and the Muslim aristocracy. The success of this balance relied on the mutual distrust between the Hindus and the Muslims. The greed of the colonists soon tipped this balance as the Muslims and Hindus began to align against the British. This situation might have gone unnoticed for years had the value of EIC stock not suffered as well. Harvey states:

The chaos in Bengal had played into Clive's hands. As the East India Company's shares fell by some 14 per cent, Clive proposed that he should return to India with exceptional powers to save the situation. ... India had been a springboard, in terms of both money and reputation. After his return in 1760, he had never intended to go back to Bengal. Now, bitterly frustrated at home, he sought to revisit the scene of his first glory, once again as absolute ruler.

Clive left his wife in England, and stormed into Bengal with a clear mission and unbridled passion for its success. He had placed his life on the line many times to secure Bengal as a British stronghold. The greed and incompetence of his successors had reversed everything for which he had fought.

Once again, Clive was in his element. In less than two years Clive cleaned house and reestablished order within the EIC. He eliminated as much of the corruption as was possible in such a vast territory. His iron fist was effective, but it left him with many enemies.

In order to establish a more lasting control of Bengal, Clive formed alliances that were based either on mutual respect or expediency. To his credit, most of these alliances lasted well past his second return to England.

One of the achievements for which Clive was most proud during his return campaign was the receipt of the *Diwani*, the official seal of tax collector of Bengal, Bihar, and Orissa. Now, officially, the EIC possessed what was thought to be a nearly limitless source of revenue. England was now inexorably embedded in Indian affairs, and the British Raj was officially established.

Once again chaos returned to Bengal when Clive left. Taxes were increased to punitive levels, but expenses still exceeded revenues. The treasury of the EIC was being drained even as EIC traders returned to London with fortunes. What was happening among the farmers and laborers of India was not yet attracting the attention of the EIC.

There was a third stint for Clive in India before his death. In the end, his detractors outnumbered his friends in London, where EIC stockholders saw their stock decrease in value as the ostentatious wealth of Clive and his successors grew. Hailed a hero in 1760, Clive was accused of criminal misconduct a decade later. The demonization of Clive climaxed when news of mass starvation in India reached London, and was, without evidence, linked to Clive. In time he would be vindicated, but the proceedings wounded his spirit. Overwhelmed by depression, Clive committed suicide on November 22, 1774.

Our series on *Reversals of Fortune in the Tea Industry* will continue in the next issue of the *Upton Tea Quarterly*.