

Government of India Act of 1858: Establishment of British Raj

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Abstract

This paper attempts to study Government of India Act 1858 which provided that India was to be governed directly and in the name of the crown. The Indian Rebellion of 1857 forced the British Government to pass the Act. The Act was followed a few months later by Queen Victoria's proclamation to the "Princes, Chiefs, and People of India", which, among other things, stated, "We hold ourselves bound to the natives of our Indian territories by the same obligation of duty which bind us to all our other subjects." (p. 2) The **Government of India Act 1858** was an Act of the Parliament of the United Kingdom (21 & 22 Vict. c. 106) passed on 2 August 1858. Its provisions called for the liquidation of the British East India Company (who had up to this point been ruling British India under the auspices of Parliament) and the transference of its functions to the British Crown.^[2] Lord Palmerston, then-Prime Minister of the United Kingdom, introduced a bill for the transfer of control of the Government of India from the East India Company to the Crown, referring to the grave defects in the existing system of the government of India. However, before this bill was to be passed, Palmerston was forced to resign on another issue. Later Edward Stanley, 15th Earl of Derby (who would later become the first Secretary of State for India), introduced another bill which was originally titled as "An Act for the Better Governance of India" and it was passed on 2 August 1858. This act provided that India was to be governed directly and in the name of the Crown.

On November 1, 1858, Lord Canning announced Queen Victoria's proclamation to "the Princes, Chiefs and Peoples of India," which unveiled a new British policy of perpetual support for "native princes" and nonintervention in matters of religious belief or worship within British India. The announcement reversed Lord Dalhousie's prewar policy of political unification through princely state annexation, and princes were left free to adopt any heirs they desired so long as they all swore undying allegiance to the British crown. In 1876, at the prompting of Prime Minister Benjamin Disraeli, Queen Victoria added the title Empress of India to her regality. British fears of another mutiny and consequent determination to bolster Indian states as "natural breakwaters" against any future tidal wave of revolt thus left more than 560 enclaves of autocratic princely rule to survive, interspersed throughout British India, for the entire nine decades of crown rule.

Key words: British India, 1857 revolt, British crown, Government of India Act 1858

Introduction

The Government of India Act (1858) was passed by the United Kingdom Parliament on August 2, 1858. The British Parliament to hand over the administrative control of British India from the East India Company to the Crown. The Government of India Act, 1858 is also known as The act of good governance. The control of the British government in India was transferred to the British crown. At this time, Victoria was the queen of Britain. The supreme body in Britain was the British parliament to which the British government was responsible. All activities of the British government were

however, carried out in the name of the monarch. A minister of the British government, called the secretary of state, was made responsible for the government of India. As the British government was responsible to parliament, the supreme body for India also was the British parliament. The British Governor-General of India was now also given the title of viceroy which means the representative of the monarch.

Despite continued British adherence to the doctrine of laissez-faire during that period, a 10 percent customs duty was levied in 1860 to help clear the war debt, though it was reduced to 7 percent in 1864 and to 5 percent in 1875. The above-mentioned cotton import duty, abolished in 1879 by Viceroy Lytton, was not reimposed on British imports of piece goods and yarn until 1894, when the value of silver fell so precipitously on the world market that the government of India was forced to take action, even against the economic interests of the home country (i.e., textiles in Lancashire), by adding enough rupees to its revenue to make ends meet. Bombay's textile industry had by then developed more than 80 power mills, and the huge Empress Mill owned by Indian industrialist Jamsetji (Jamshedji) N. Tata (1839–1904) was in full operation at Nagpur, competing directly with Lancashire mills for the vast Indian market. Britain's mill owners again demonstrated their power in Calcutta by forcing the government of India to impose an "equalizing" 5 percent excise tax on all cloth manufactured in India, thereby convincing many Indian mill owners and capitalists that their best interests would be served by contributing financial support to the Indian National Congress.

Britain's major contribution to India's economic development throughout the era of crown rule was the railroad network that spread so swiftly across the subcontinent after 1858, when there were barely 200 miles (320 km) of track in all of India. By 1869 more than 5,000 miles (8,000 km) of steel track had been completed by British railroad companies, and by 1900 there were some 25,000 miles (40,000 km) of rail laid. By the start of World War I (1914–18) the total reached 35,000 miles (56,000 km), almost the full growth of British India's rail net. Initially, the railroads proved a mixed blessing for most Indians, since by linking India's agricultural, village-based heartland to the British imperial port cities of Bombay, Madras, and Calcutta, they served both to accelerate the pace of raw-material extraction from India and to speed up the transition from subsistence food to commercial agricultural production. Middlemen hired by port-city agency houses rode the trains inland and induced village headmen to convert large tracts of grain-yielding land to commercial crops.

Objective:

This paper intends to explore and analyze Government of India Act of 1858 also known as 'Act for the Good government of India' It ended the Dual government scheme initiated due to Pitt's India act.

- India became a direct British colony through the passage of this act, paving way for British Raj.
- Most of the provisions were enacted to safeguard the jewel of British empire against any future threats or rebellions

Provisions of the Government of India Act of 1858

Although the rebellion had shaken the British enterprise in India, it had not derailed it. After the war, the British became more circumspect. Much thought was devoted to the causes of the rebellion and three main lessons were drawn. First, at a practical level, it was felt that there needed to be more communication and camaraderie between the British and Indians—not just between British army officers and their Indian staff but in civilian life as well.^[20] The Indian army was completely reorganised: units composed of the Muslims and Brahmins of the United Provinces of Agra and Oudh, who had formed

the core of the rebellion, were disbanded. New regiments, like the Sikhs and Baluchis, composed of Indians who, in British estimation, had demonstrated steadfastness, were formed. From then on, the Indian army was to remain unchanged in its organisation until 1947.^[21] The 1861 Census had revealed that the English population in India was 125,945. Of these only about 41,862 were civilians as compared with about 84,083 European officers and men of the Army.^[22] In 1880, the standing Indian Army consisted of 66,000 British soldiers, 130,000 Natives, and 350,000 soldiers in the princely armies.^[23]

Second, it was also felt that both the princes and the large land-holders, by not joining the rebellion, had proved to be, in Lord Canning's words, "breakwaters in a storm".^[20] They too were rewarded in the new British Raj by being officially recognised in the treaties each state now signed with the Crown.^{[24][failed verification]} At the same time, it was felt that the peasants, for whose benefit the large land-reforms of the United Provinces had been undertaken, had shown disloyalty, by, in many cases, fighting for their former landlords against the British. Consequently, no more land reforms were implemented for the next 90 years: Bengal and Bihar were to remain the realms of large land holdings (unlike the Punjab and Uttar Pradesh).^[25]

Third, the British felt disenchanted with Indian reaction to social change. Until the rebellion, they had enthusiastically pushed through social reform, like the ban on *sati* by Lord William Bentinck.^[26] It was now felt that traditions and customs in India were too strong and too rigid to be changed easily; consequently, no more British social interventions were made, especially in matters dealing with religion,^[24] even when the British felt very strongly about the issue (as in the instance of the remarriage of Hindu child widows).^[27] This was exemplified further in Queen Victoria's Proclamation released immediately after the rebellion. The proclamation stated that 'We disclaim alike our Right and Desire to impose Our Convictions on any of Our Subjects';^[28] demonstrating official British commitment to abstaining from social intervention in India.

- The Company's territories in India were to be vested in the Queen, the Company ceasing to exercise its power and control over these territories. India was to be governed in the Queen's name.
- The Queen's Principal Secretary of State received the powers and duties of the Company's Court of Directors. A council of fifteen members was appointed to assist the Secretary of State for India. The council became an advisory body in Indian affairs. For all the communications between Britain and India, the Secretary of State became the real channel.
- The Secretary of State for India was empowered to send some secret despatches to India directly without consulting the Council. He was also authorised to constitute special committees of his Council.
- The Crown was empowered to appoint a Governor-General and the Governors of the Presidencies.
- An Indian Civil Service was to be created under the control of the Secretary of State.
- Hereto all the property and other assets of the East India Company were transferred to the Crown. The Crown also assumed the responsibilities of the Company as they related to treaties, contracts, and so forth.^[3]

The Act ushered in a new period of Indian history, bringing about the end of Company rule in India. The era of the new British Raj would last until the Partition of India in August 1947, when the territory of the British Raj was granted dominion status as the Dominion of Pakistan and the Dominion of India.^[3]

On August 2, 1858, less than a month after Canning proclaimed the victory of British arms, Parliament passed the Government of India Act, transferring British power over India from the East India Company, whose ineptitude was primarily blamed for the mutiny, to the crown. The merchant company's residual powers were vested in the secretary of state for India, a minister of Great Britain's cabinet, who would preside over the India Office in London and be assisted and advised, especially in financial matters, by a Council of India, which consisted initially of 15 Britons, 7 of whom were elected from among the old company's court of directors and 8 of whom were appointed by the crown. Though some of Britain's most powerful political leaders became secretaries of state for India in the latter half of the 19th century, actual control over the government of India remained in the hands of British viceroys—who divided their time between Calcutta (Kolkata) and Simla (Shimla)—and their “steel frame” of approximately 1,500 Indian Civil Service (ICS) officials posted “on the spot” throughout British India.

Social policy

The new policy of religious nonintervention was born equally out of fear of recurring mutiny, which many Britons believed had been triggered by orthodox Hindu and Muslim reaction against the secularizing inroads of utilitarian positivism and the proselytizing of Christian missionaries. British liberal socioreligious reform therefore came to a halt for more than three decades—essentially from the East India Company's Hindu Widow's Remarriage Act of 1856 to the crown's timid Age of Consent Act of 1891, which merely raised the age of statutory rape for “consenting” Indian brides from 10 years to 12.

The typical attitude of British officials who went to India during that period was, as the English writer Rudyard Kipling put it, to “take up the white man's burden.” By and large, throughout the interlude of their Indian service to the crown, Britons lived as super-bureaucrats, “Pukka Sahibs,” remaining as aloof as possible from “native contamination” in their private clubs and well-guarded military cantonments (called camps), which were constructed beyond the walls of the old, crowded “native” cities in that era. The new British military towns were initially erected as secure bases for the reorganized British regiments and were designed with straight roads wide enough for cavalry to gallop through whenever needed. The old company's three armies (located in Bengal, Bombay [Mumbai], and Madras [Chennai]), which in 1857 had only 43,000 British to 228,000 native troops, were reorganized by 1867 to a much “safer” mix of 65,000 British to 140,000 Indian soldiers. Selective new British recruitment policies screened out all “nonmartial” (meaning previously disloyal) Indian castes and ethnic groups from armed service and mixed the soldiers in every regiment, thus permitting no single caste or linguistic or religious group to again dominate a British Indian garrison. Indian soldiers were also restricted from handling certain sophisticated weaponry.

After 1869, with the completion of the Suez Canal and the steady expansion of steam transport reducing the sea passage between Britain and India from about three months to only three weeks, British women came to the East with ever greater alacrity, and the British officials they married found it more appealing to return home with their British wives during furloughs than to tour India as their predecessors had done. While the intellectual calibre of British recruits to the ICS in that era was, on the average, probably higher than that of servants recruited under the company's earlier patronage system, British contacts with Indian society diminished in every respect (fewer British men, for example, openly consorted with Indian women), and British sympathy for and understanding of Indian life and culture were, for the most part, replaced by suspicion, indifference, and fear.

Queen Victoria's 1858 promise of racial equality of opportunity in the selection of civil servants for the government of India had theoretically thrown the ICS open to qualified Indians, but examinations for the services were given only in Britain and only to male applicants between the ages of 17 and 22 (in 1878 the maximum age was further reduced to 19) who could stay in the saddle over a rigorous series of hurdles. It is hardly surprising, therefore, that by 1869 only one Indian candidate had managed to clear those obstacles to win a coveted admission to the ICS. British royal promises of equality were thus subverted in actual implementation by jealous, fearful bureaucrats posted "on the spot."

Government organization

From 1858 to 1909 the government of India was an increasingly centralized paternal despotism and the world's largest imperial bureaucracy. The Indian Councils Act of 1861 transformed the viceroy's Executive Council into a miniature cabinet run on the portfolio system, and each of the five ordinary members was placed in charge of a distinct department of Calcutta's government—home, revenue, military, finance, and law. The military commander in chief sat with that council as an extraordinary member. A sixth ordinary member was assigned to the viceroy's Executive Council after 1874, initially to preside over the Department of Public Works, which after 1904 came to be called Commerce and Industry. Though the government of India was by statutory definition the "Governor-General-in-Council" (governor-general remained the viceroy's alternate title), the viceroy was empowered to overrule his councillors if ever he deemed that necessary. He personally took charge of the Foreign Department, which was mostly concerned with relations with princely states and bordering foreign powers. Few viceroys found it necessary to assert their full despotic authority, since the majority of their councillors usually were in agreement. In 1879, however, Viceroy Lytton (governed 1876–80) felt obliged to overrule his entire council in order to accommodate demands for the elimination of his government's import duties on British cotton manufactures, despite India's desperate need for revenue in a year of widespread famine and agricultural disorders.

From 1854 additional members met with the viceroy's Executive Council for legislative purposes, and by the act of 1861 their permissible number was raised to between 6 and 12, no fewer than half of whom were to be nonofficial. While the viceroy appointed all such legislative councillors and was empowered to veto any bill passed on to him by that body, its debates were to be open to a limited public audience, and several of its nonofficial members were Indian nobility and loyal landowners. For the government of India the legislative council sessions thus served as a crude public-opinion barometer and the beginnings of an advisory "safety valve" that provided the viceroy with early crisis warnings at the minimum possible risk of parliamentary-type opposition. The act of 1892 further expanded the council's permissible additional membership to 16, of whom 10 could be nonofficial, and increased their powers, though only to the extent of allowing them to ask questions of government and to criticize formally the official budget during one day reserved for that purpose at the very end of each year's legislative session in Calcutta. The Supreme Council, however, still remained quite remote from any sort of parliament.

Economic policy and development

Economically, it was an era of increased commercial agricultural production, rapidly expanding trade, early industrial development, and severe famine. The total cost of the mutiny of 1857–59, which was equivalent to a normal year's revenue, was charged to India and paid off from increased revenue resources in four years. The major source of government income throughout that period remained the land revenue, which, as a percentage of the agricultural yield of India's soil, continued

to be “an annual gamble in monsoon rains.” Usually, however, it provided about half of British India’s gross annual revenue, or roughly the money needed to support the army. The second most lucrative source of revenue at that time was the government’s continued monopoly over the flourishing opium trade to China; the third was the tax on salt, also jealously guarded by the crown as its official monopoly preserve. An individual income tax was introduced for five years to pay off the war deficit, but urban personal income was not added as a regular source of Indian revenue until 1886.

Large sums of silver were offered in payment for raw materials when the British demand was high, as was the case throughout the American Civil War (1861–65); however, but after the Civil War ended, restoring raw cotton from the southern United States to Lancashire mills, the Indian market collapsed. Millions of peasants weaned from grain production now found themselves riding the boom-and-bust tiger of a world-market economy. They were unable to convert their commercial agricultural surplus back into food during depression years, and from 1865 through 1900 India experienced a series of protracted famines, which in 1896 was complicated by the introduction of the bubonic plague (spread from Bombay, where infected rats were brought from China). As a result, though the population of the subcontinent increased dramatically from about 200 million in 1872 (the year of the first almost universal census) to more than 319 million in 1921, the population may have declined slightly between 1895 and 1905.

The spread of railroads also accelerated the destruction of India’s indigenous handicraft industries, for trains filled with cheap competitive manufactured goods shipped from England now rushed to inland towns for distribution to villages, underselling the rougher products of Indian craftsmen. Entire handicraft villages thus lost their traditional markets of neighbouring agricultural villagers, and craftsmen were forced to abandon their looms and spinning wheels and return to the soil for their livelihood. By the end of the 19th century a larger proportion of India’s population (perhaps more than three-fourths) depended directly on agriculture for support than at the century’s start, and the pressure of population on arable land increased throughout that period. Railroads also provided the military with swift and relatively assured access to all parts of the country in the event of emergency and were eventually used to transport grain for famine relief as well.

The rich coalfields of Bihar began to be mined during that period to help power the imported British locomotives, and coal production jumped from roughly 500,000 tons in 1868 to some 6,000,000 tons in 1900 and more than 20,000,000 tons by 1920. Coal was used for iron smelting in India as early as 1875, but the Tata Iron and Steel Company (now part of the Tata Group), which received no government aid, did not start production until 1911, when, in Bihar, it launched India’s modern steel industry. Tata grew rapidly after World War I, and by World War II it had become the largest single steel complex in the British Commonwealth. The jute textile industry, Bengal’s counterpart to Bombay’s cotton industry, developed in the wake of the Crimean War (1853–56), which, by cutting off Russia’s supply of raw hemp to the jute mills of Scotland, stimulated the export of raw jute from Calcutta to Dundee. In 1863 there were only two jute mills in Bengal, but by 1882 there were 20, employing more than 20,000 workers.

The most important plantation industries of the era were tea, indigo, and coffee. British tea plantations were started in northern India’s Assam Hills in the 1850s and in south India’s Nilgiri Hills some 20 years later. By 1871 there were more than 300 tea plantations, covering in excess of 30,000 cultivated acres (12,000 hectares) and producing some 3,000 tons of tea. By 1900 India’s tea crop was large enough to export 68,500 tons to Britain, displacing the tea of China in London. The flourishing indigo industry of Bengal and Bihar was threatened with extinction during the “Blue Mutiny” (violent riots by cultivators in 1859–60), but India continued to export indigo to European markets until the end of the 19th century, when

synthetic dyes made that natural product obsolete. Coffee plantations flourished in southern India from 1860 to 1879, after which disease blighted the crop and sent Indian coffee into a decade of decline.

Conclusion

Government of India Act, 1858 is also known as the act of good governance. Parliament to hand over administrative control of British India from the East India Company. The act made India a direct British Colony and abolished the dual government proposed by the Pitt's India Act of 1784.

‘The Act of 1858 was, however, largely confined to the improvement of the administrative machinery by which the Indian Government was to be supervised and controlled in England. It did not alter in any substantial way the system of government that prevailed in India.’ After 1858, the interests of India were further subordinated to those of Britain. Due to the conflicts of Britain with the other imperialist powers, India was made to serve the British economic interests. Indian resources were also utilized to serve the interests of the British Empire in other parts of the world and in costly wars against other countries.

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