The next large-scale expansion of British rule in India occurred during the Governor Generalship of Lord Wellesley who came to India in 1798 at a time when the British were locked in a life and death struggle with France all over the world.

Till then, the British had followed the policy of consolidating their gains and resources in India and making territorial gains only when this could be done safely without antagonising the major Indian powers. Lord Wellesley decided that the time was ripe for bringing as many Indian states as possible under British control. By 1797 the two strongest Indian powers, Mysore and the Marathas, had declined in power. Political conditions in India were propitious for a policy of expansion: aggression was easy as well as profitable. Moreover, the trading and industrial classes of Britain desired further expansion in India.

**Subsidiary Alliance:** To achieve his political aims Wellesley relied on three methods: the system of Subsidiary Alliances, outright wars, and assumption of the territories of previously subordinated rulers. While the practice of helping an Indian ruler with a paid British force was quite old, it was given a definite shape by Wellesley who used it to subordinate the Indian States to the paramount authority of the Company. Under his Subsidiary Alliance system, the ruler of the allying Indian State was compelled to accept the permanent stationing of a British force within his territory and to pay a subsidy for its maintenance. All this was done allegedly for his protection but was, in fact, a form through which the Indian ruler paid tribute to the Company, Sometimes the ruler ceded part of his territory instead of paying annual subsidy. The Subsidiary Treaty also usually provided that the Indian ruler would agree to the posting at his court of a British Resident, that he would not employ any European in his service without the approval of the British, and that he would not negotiate with any other Indian ruler without consulting the Governor-General. In return the British undertook to defend the...
ruler from his enemies. They also promised non-interference in the internal affairs of the allied state, but this was a promise they seldom kept.

**Subsidiary Alliance was disastrous for Indian States:** In reality, by signing a Subsidiary Alliance, an Indian state virtually signed away its independence. It lost the right of self-defence, of maintaining diplomatic relations, of employing foreign experts, and of settling its disputes with its neighbours. In fact, the Indian ruler lost all vestiges of sovereignty in external matters and became increasingly subservient to the British Resident who interfered in the day to day administration of the state. In addition, the system tended to bring about the internal decay of the protected state. The cost of the subsidiary force provided by the British was very high and, in fact, much beyond the paying capacity of the state. The payment of the arbitrarily fixed and artificially bloated subsidy invariably disrupted the economy of the state and impoverished its people. The system of Subsidiary Alliances also led to the disbandment of the armies of the protected states. Lakhs of soldiers and officers were deprived of their hereditary livelihood, spreading misery and degradation in the country. Moreover, the rulers of protected states tended to neglect the interests of their people and to oppress them as they no longer feared them. They had no incentive to be good rulers as they were fully protected by the British from domestic and foreign enemies.

**Subsidiary Alliance was extremely advantageous to the British:** The Subsidiary Alliance system was, on the other hand, extremely advantageous to the British. They could now maintain a large army at the cost of the Indian states. They were enabled to fight Wars far away from their own territories, since any war would occur in the territories either of the British ally or of the British enemy. They controlled the defence and foreign relations of the protected ally, and had a powerful force stationed at the very heart of his lands, and could, therefore, at a time of their choosing, overthrow him and annex his territories by declaring him to be inefficient. As far as the British were concerned, the system of Subsidiary Alliances was, in the words of a British writer, “a system of fattening allies as we fatten oxen, till they were worthy of being devoured.”
**Subsidiary Alliance with Nizam:** Lord Wellesley signed his first Subsidiary Treaty with the Nizam of Hyderabad in 1798. The Nizam was to dismiss his French-trained troops and to maintain a subsidiary force of six battalions; the British guaranteed his state against Maratha encroachments. By another treaty in 1800, the subsidiary force was increased and, in lieu of cash payment, the Nizam ceded part of his territories to the Company.

**Subsidiary Alliance with the Nawab of Awadh:** The Nawab of Avadh was forced to sign a Subsidiary Treaty in 1801. In return for a larger subsidiary force, the Nawab was made to surrender to the British nearly half of his kingdom consisting of Rohilkhand and the territory lying between the Ganga and the Jamuna. Moreover, the Nawab was no longer to be independent, even within the part of Avadh left with him. He must accept any advice or order from the British authorities regarding the internal administration of his state. His police was to be reorganised under the control and direction of British officers. His own army was virtually disbanded and the British had the right to station their troops in any part of his state.

**Third Anglo-Mysore war:** Wellesley dealt with Mysore, Carnatic, Tanjore, and Surat even more sternly. Tipu of Mysore would, of course, never agree to a Subsidiary Treaty. On the contrary, he had never reconciled himself to the loss of half of his territory in 1792. He worked incessantly to strengthen his forces for the inevitable struggle with the British. He entered into negotiations for an alliance with Revolutionary France. He sent missions to Afghanistan, Arabia and Turkey to for an anti-British alliance.

**Fourth Anglo-Mysore War:** The British army attacked and defeated Tipu in a brief but fierce war in 1799, before French help could reach him. Tipu still refused to beg for peace on humiliating terms. He proudly declared that it was “better to die like a soldier, than to live a miserable dependent on the infidels, in the list of their pensioned, rajas and nabobs.” He met a heros end on 4 May 1799 while defending his capital Seringapatam. His army remained loyal to him to the very end.
Nearly half of Tipu’s dominions were divided between the British and their ally, the Nizam. The, reduced kingdom of Mysore was restored to the decendants of the original rajas from whom Haidar Ali had seized power. A special treaty of Subsidiary Alliance was imposed on the new Raja by which the Governor-General was authorised to take over the administration of the state in case of necessity. Mysore was, in fact, made a complete dependency of the Company. An important result of the Fourth Anglo-Mysore War was the complete elimination of the French threat to British Supremacy in India.

**Lord Wellesley & Carnatic, Tonjore, Surat state:** In 1801, Lord Wellesley forced a new treaty upon the puppet Nawab of Carnatic compelling him to cede his, kingdom to the Company in return for a handsome pension. The Madras Presidency as it existed till 1947 was now created, by attaching the Carnatic to territories seized from Mysore, including the Malabar. Similarly, the territories of the rulers of Tanjore and Sutat were taken over and their rulers pensioned off.

**Lord Wellesley & Marathas:** The Marathas were the only major Indian power left outside the sphere of British control. Wellesley now turned his attention towards them and began aggressive interference in their internal affairs. The Maratha Empire at this time consisted of a confederacy of five big chiefs. But all of them were engaged in bitter fratricidal strife, blind to the real danger from the rapidly advancing foreigner.

Wellesley had repeatedly offered a subsidiary alliance to the Peshwa and Sindhia. But the far-sighted Nana Phadnis had refused to fall into the trap. However, when on 25 October 1802, the day of the great festival of Diwali, Holkar defeated the combined armies of the Peshwa and Sindhia, the cowardly Peshwa Baji Rao II rushed into the arms of the English and on the fateful last day of 1802 signed the Subsidiary Treaty at Bassein.

The victory had been a little too easy and Wellesley was wrong in one respect: the proud Maratha chiefs would not surrender their great tradition of independence without a struggle. But even in this moment of their peril they would not unite against their common enemy. When Sindhia and Bhonsle fought the British, Holkar stood on the side-lines and Gaekwad gave help to the British.
When Holkar took up arms, Bhonsle and Sindhia nursed their wounds. Moreover, the Maratha chiefs underestimated the enormously increased strength of the enemy and went into battle without adequate preparation.

The Second Anglo-Maratha War: In the South, the British armies led by Arthur Wellesley defeated the combined armies of Sindhia and Bhonsle at Assaye in September 1803 and at Argaon in November. In the North, Lord Lake routed Sindhia’s army at Laswari on the first of November and occupied Aligarh, Delhi and Agra. Once again the blind Emperor of India became a pensioner of the Company. The Maratha allies had to sue for peace, both became subsidiary allies of the Company. They ceded part of their territories to the British, admitted British Residents to their Courts and promised not to employ any Europeans without British approval. The British gained complete control over the Orissa coast and the territories between the Ganga and the Jamuna. The Peshwa became a disgruntled puppet in their hands.

Wellesley now turned his attention towards Holkar, but Yeshwant Rao Holkar proved more than a match for the British. He fought British armies to a standstill, Holkar’s ally, the Raja of Bharatpur, inflicted heavy losses on Lake who unsuccessfully attempted to storm his fort. Moreover, overcoming his age-old antagonism to the Holkar family, Sindhia began to think of joining hands with Holkar. On the other hand, the shareholders of the East India Company discovered that the policy of expansion through war was proving costly and was reducing their profits. The Company’s debt had increased from £17 million in 1797 to £31 million in 1806. Moreover, Britain’s finances were getting exhausted at a time when Napoleon was once again becoming a major threat in Europe. British statesmen and the Directors of the Company felt that time had come to check further expansion, to put an end to ruinous expenditure, and to digest and consolidate Britain’s recent gains in India. Wellesley was therefore recalled from India and the Company made peace with Holkar in January 1806 by the Treaty of Rajghat giving back to the Holkar the greater part of his territories.

Wellesley’s expansionist policy had been checked near the end. All the same it had resulted in the East India Company becoming the paramount power in India.