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### GENERAL INTRODUCTION

Britain is usually thought of as a country of high reputation and prestige on account of its eighteenth and nineteenth century local and external background. Between 1760 and 1880, Britain accomplished two major economic processes namely the First Industrial Revolution and colonialism. Analytical research has shown that the two were firmly related; in that, the needs of Britain's First Industrial Revolution were bound to accentuate the exploitation and domination of her numerous colonies. India was no exception. In fact, among the historians specialized in the imperial era, many assert that colonial economic exploitation during the latter period in British India went on a systematic upward trajectory. "Here was the first, the classic capitalist power creating, and transforming, the largest colony in the world." said Irfan Habib.<sup>1</sup>

Many countries in Asia and Africa had to incur continuous stresses and strains as impact of the First British Industrial Revolution. My choice of India is justifiable by the presumption of many Indian and non-Indian writers that India suffered the most. This very fact may account for the copious availability of literature on my theme. One may argue, by means of the facts provided in the second and third chapters, that India was a pillar to British capitalistic preponderance. Actually, there is much evidence that India's deepening economic down-break from the late eighteenth century was inflicted by Britain absolutely seeking to meet her own interests.

The gist of my dissertation will be the role performed by the Indian colony to support Britain's industrialism as well as some results of this relationship on eighteenth and nineteenth century Indian economy and politics. The main key words of my research work are industry, capitalism, exploitation, expansion, domination, and trade. What makes that exploitative domination too critical is that it went too far to the point of marring India's economy and killing millions of Indian lives. Actually, a wide

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<sup>1</sup> Habib, I, "Colonialization of the Indian Economy 1757-1900", in Social Scientist, Vol. 3, No. 8, New Delhi, Social Scientist, 1975, p. 2.

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range of writers and historians claim that British rule over India entailed a general Indian malaise and discontentment. The Great Mutiny of 1857-59 is probably the most important outcome of that colonial exploitative tendency.

However, one sees that the history of British India has not been related or analyzed unanimously. Many writers do not concur with each other especially on matters connected with the nature of the British involvement in India since 1757. Some writers, especially British ones, belittle, others even deny, the accountability generally attributed to the British for a range of economic and political Indian vicissitudes. Actually, the extent of colonial abuse in question seems to have been subject to a certain partiality among a series of Indian or non-Indian writers.

For instance, unlike such European historians as P. J. Marshall or Charles Johnston, who tend to regard British colonial rule over India as civilizing and paternalistic, most Indian historians qualify that rule as rather enduringly destructive. Many Indian historians belittle or utterly deny the usefulness for India of the technical and environmental novelties brought to it under British rule. Like other countries said to have experienced colonial injustices, India is said to have seen her sons falling in misery and rising in indignation. My dissertation will go around that.

The first chapter will initially discuss the economic situation of India from before the seventeenth century and some international factors behind the English arrival to India. Besides that, the first chapter will discuss the evolution of Anglo-Indian relationship until the inception of the British civil administration of Eastern India. In other words, the first section of the first chapter will be an account on India's relationship with England before the process of the First British Industrial Revolution attained a reasonably advanced level. Then, as the abstract suggests, it is worthwhile to define the First British Industrial Revolution showing why and how it came about. This very part of study will make up the second section of the first chapter.

The gist of the research work will be provided in the second and third chapters. The former will deal with the financial colonial exploitation of India as well as some of its economic and political results. The third chapter, on the other hand, will revolve

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around the outcomes of British industrialism on India's industry, agriculture, trade, and infrastructure. In both chapter two and three, it will be relevant to discuss social and economic circumstances, inside or outside India, that aided the British policies of economic exploitation in India.

Some aspects to that exploitation were both effect and causes of the First British Industrial Revolution because the latter was not a single event but a process stretching over a span of no less than seventy years. It was a process in which the relationship between the colonized and the colonizer was not unilateral but rather reciprocal. For instance, there was a call from British industrialism for Indian wealth. The latter would be profusely sent to the metropolis and would contribute to the unfolding of the industrialist process. In fact, it is shown that the more India fulfilled the policy of serving the revolution, the more likely the latter was to be played out. Therefore, it was a process that enriched one side and impoverished the other. However, as shown in the second and third chapters, other aspects of the exploitation in question outlast the revolution for several decades.

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# CHAPTER ONE

## 1- The Attractiveness and Hardness of India before 1765.

### 1. 1. The Advent of the English.

It would not be an exaggeration to claim that the Indian sub-continent was a treasure-territory in pre-colonial times. It was this natural advantage along with other inviting international circumstances that induced the English to try to make business there. Notwithstanding, the English commitment was not without mishap.

The Indian Industrial Commission in service between 1916 and 1918 acknowledged the worldwide industrial eminence of India before the British rule thanks to her natural resources.<sup>1</sup> Her economy made her earn the fame of being ‘fabulous’.<sup>2</sup> Like many other foreign visitors or merchants, Jean Baptiste Tavernier saw that “....even in the smallest villages rice, flour, butter, milk, beans and other vegetables, sugar and sweetmeats can be procured in abundance ....”<sup>3</sup> Indeed, according to the Research Unit for Political Economy in Mumbai, India’s share in world production in 1700 was nearly on a par with that of all Europe both amounting to 23 per cent.<sup>4</sup> Dipak Basu made a very close statement which is “Moghul India did have a bigger industry than any other country ..... and was unique in being an industrial exporter in pre-colonial times.”<sup>5</sup>

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<sup>1</sup> Dutt. R. P, *L’Inde : Aujourd’hui et Demain*, Paris, Editions Sociales, 1957, p. 20.

<sup>2</sup> Ibid. p. 19.

<sup>3</sup> Tripod Incorporate, “The Colonial Legacy–Myths and Popular Beliefs”, [india\\_resource.tripod.com/colonial.html](http://india_resource.tripod.com/colonial.html), last edited September 17<sup>TH</sup> 2002, downloaded December 2010, pp. 6-7.

<sup>4</sup> Research Unit for Political Economy, “Aspects of India’s Economy”, [www.rupe-india.org/44/colonial.html](http://www.rupe-india.org/44/colonial.html), last edited April 2008, downloaded May 04<sup>th</sup> 2011, p. 1.

<sup>5</sup> Basu. D, “Benefits of the British Rule in India”, [www.ivarta.com/columns/OL\\_060610.htm](http://www.ivarta.com/columns/OL_060610.htm), p. 4.

Originally and like their European rivals, the English conceived of the Indian sub-continent just as a trading place; in other words, they went there not at all as soldiers or conquerors.<sup>1</sup> Anglo-Indian trade dated back to the inception of the English East India Company on the last day of 1600 when the latter had been given the monopoly of all Anglo-Asian trade by Queen Elizabeth I under the name of *the Governor and Company of Merchants of London trading with the East Indies*.<sup>2</sup> Headquartered in London by twenty-four directors annually selected by its shareholders, it sent an annual fleet of twenty to thirty units to the East Indies.<sup>3</sup> Although its commercial determination is said to have grown over time, the Company meanwhile kept abstaining itself from interfering in Indian politics from 1600 to 1750 and occupied only the ground on which its workshops were built.<sup>4</sup>

According to Charles Johnston, the English venture to the Indian sub-continent was motivated by two major historical facts. In 1588, England had defeated the Spanish Armada<sup>5</sup> and thus disproved Spain's invincibility at sea.<sup>6</sup> In the wake of that victory, the English came to challenge the monopoly on East Indian spice trade then held by Spain and Portugal.<sup>7</sup> The second major fact was the revealing voyages of Francis Drake<sup>8</sup> across the Indian and Pacific Oceans, voyages said to have aroused England's trade imagination.<sup>9</sup> England was aware of the high success of Portuguese-Indian trade in Indian spices—luxury products that were unavailable in Europe.<sup>10</sup> Other Asian luxury items became much sought-after by English merchants such as jewels,

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<sup>1</sup> Johnston. C, "The English in India", in The North American Review, Vol. 189, No. 642, pp. 695-707, Iowa, University of Northern Iowa, 1909, p. 2.

<sup>2</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Macropaedia Ready Reference and Index, 15<sup>th</sup> Edition, Vol. 3, Chicago, University of Chicago, 1974, p. 762.

<sup>3</sup> Research Unit for Political Economy, op. cit. , p. 2.

<sup>4</sup> Johnston. C, op. cit. , p. 3.

<sup>5</sup> The Spanish Armada was a fleet of 130 vessels sent by King Phillip II of Spain to England in order to dethrone Protestant Queen Elizabeth I and re-establish Catholicism. The English victory against it is said to be in part thanks to a storm that scattered the Spanish fleet. Larousse, op. cit. , p. 1132.

<sup>6</sup> Johnston. C, op. cit. , p. 2.

<sup>7</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Micropaedia Ready Reference and Index, 15<sup>th</sup> Edition, Vol. 3, Chicago, University of Chicago, 1974, p. 762.

<sup>8</sup> Francis Drake was an English admiral who from America returned rich and famous. Between 1577 and 1580, he circumnavigated the globe, which won him knighthood from Queen Elizabeth I. Ibid. , p. 655.

<sup>9</sup> Johnston. C, op. cit. , p. 2.

<sup>10</sup> Belmekki. B, Magister Thesis : The Indian Great Mutiny : Its Causes and Impact on British Rule (1857-1859), Oran, University of Es-Senia, 2004, p. 4.

porcelain, and silk after these had been pirated from aboard a Portuguese ship in 1592 coming from the East Indies.<sup>1</sup>

However, that was not at all the initial trade aim of the English in India. The early Company traders had hoped to commercialize English-made woollens.<sup>2</sup> But, since this could not work, they focused business on the exportation of spices from the Spice Islands<sup>3</sup> and that on the basis of proceeds from Indian cotton sold to spice cultivators.<sup>4</sup> Besides, Indian-made cotton textiles started being welcomed by the European consumer in the mid-seventeenth century for their beauty, convenience, and cheap price.<sup>5</sup> Indian finely woven cotton fabric was exported to England in mass quantities for cheap and washable clothes and furnishings.<sup>6</sup> Calcutta, Bombay, and Madras were becoming major settlements to the English East India Company since Indian textiles were mostly ready for export from there.<sup>7</sup> Rajni Palme Dutt confirmed this commercial importance in these following words :

*L'objectif majeur était, non la course aux débouchés pour les produits britanniques, mais l'accaparement des produits de l'Inde et des Indes orientales (en particulier les épices, les cotonnades, et les soieries) qui trouvaient un marché favorable en Angleterre et en Europe et pouvaient ainsi assurer de vastes profits à chaque expédition heureuse.<sup>8</sup>*

The Governor and Company of Merchants of London trading with the East Indies incurred many obstacles in both Asia and homeland. For instance, its incursion in Spice Trade naturally played against the interests of the Dutch East India Company which wanted to preserve its monopoly.<sup>9</sup> After the Dutch had discarded the Portuguese

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<sup>1</sup> Ibid. , p. 5.

<sup>2</sup> Dutt. P. R, op. cit. , p. 58.

<sup>3</sup> The Spice Islands, nowadays known as the Moluccas Islands, are situated in Eastern Indonesia. Their cloves and nutmegs are said to have been famous in Asia long before the arrival of the Portuguese there in 1512. Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Micropaedia Ready Reference and Index, 15<sup>th</sup> Edition, Vol. 6, Chicago, University of Chicago, 1974, p. 984.

<sup>4</sup> Belmekki. B, op. cit. , p. 6.

<sup>5</sup> Research Unit for Political Economy, op. cit. , pp. 2-3.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

<sup>8</sup> Dutt. R. P, op. cit. , p. 58.

<sup>9</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Micropaedia Ready Reference and Index, 15<sup>th</sup> Edition, Vol. 3, Chicago, University of Chicago, 1974, p. 762.

Portuguese from the Spice Islands at the end of the sixteenth century, they succeeded in making exclusive trade treaties with local rulers. Eventually, the Dutch annihilated the English base in the Banda Islands in 1623 at the killing of Amboyna.<sup>1</sup>

According to Christopher Hill, the success of the Company merchants was so great that it aroused envy even in England. In fact, the Company met with increasing opposition from within the metropolis with regard to its monopolistic rights.<sup>2</sup> Its success appealed to James I and Charles I who recurrently violated its royal charter by selling out licences to Scots and Englishmen to trade in the Far East. Fearing to lose its interests, the Company had to buy those rivals out.<sup>3</sup> The struggle against Far Eastern trade monopoly also led to the establishment of a similar company. But in 1708, the two were merged into the United Company.<sup>4</sup>

Before 1757, the English could not act freely or assertively in India for they were one commercial power there among others be them European or Asian. Rivalled mainly by the Portuguese and controlled at routes to Europe by the Egyptians, Persians, and Afghans, the early company traders had rather to seek compromises with rulers and chieftains around. In other words, being not yet supreme in India, the English had to ingratiatingly negotiate with Asian authorities.<sup>5</sup>

Another major impediment the English Company had to cope with before 1757 was that Indian goods could not be got unless with precious metals in exchange. At that time, England had no product being as valuable as any Indian one. The only then important English manufacture was woollen which met no demand from the Indian market. The solution was the exportation of precious metals from America and Africa where the English had the capacity to plunder.<sup>6</sup> According to Rama Dev Roy, the percentage share of bullion in the Company's exports to Bengal was recorded as 65

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<sup>1</sup> Ibid.

<sup>2</sup> Hill. C, op. cit. , p. 80.

<sup>3</sup> Ibid.

<sup>4</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Micropaedia Ready Reference and Index, 15<sup>th</sup> Edition, Vol. 3, Chicago, University of Chicago, 1974, p. 762.

<sup>5</sup> Tripod Incorporate, "From Trade to Colonization—Historic Dynamics of the East India Companies", [india\\_resource.tripod.com/eastindia.html](http://india_resource.tripod.com/eastindia.html), last edited 03<sup>rd</sup> June 2004, downloaded January 2011, pp. 1-2.

<sup>6</sup> Dutt. R. P, op. cit. , p. 58.



between 1601 and 1620 and 75,2 between 1711 and 1756.<sup>1</sup> And yet, the English Company kept being concerned about that huge cost for it also bore the mercantilist belief that precious metals were the only real riches for any country.<sup>2</sup>

Nevertheless, the English had already made success in western India precisely in Gujerat trading in local textiles after Captain James Lancaster's capture of a Portuguese ship containing Indian cloth in 1603.<sup>3</sup> Having been driven away from the Banda Islands, the English merchants turned to India as its new Asian base. But, until 1612, opposition to Anglo-Indian trade was to come from both the Portuguese who feared for their interests, too, and the Indian Emperor who collaborated with them in return for sea escort to and from Mecca for the Muslim Pilgrimage. What happened in 1612 is that the English gained the support of the Emperor after they had defeated the Portuguese.<sup>4</sup> Actually, having been impressed by the English victory at several sea battles in Surat's harbour, Emperor Salim Nouredine Jehansir chose the English Company as his new ally.<sup>5</sup>

The English East India Company realized gradual development. In its early times, it operated just as a mere pedlar around sea ports and sent back its ships loaded with suitable cargoes.<sup>6</sup> By means of the English ambassador Thomas Roe, sent to the Mughal Court by King James I, was concluded a commercial treaty with the Emperor who granted the Company exclusive rights to reside and build posts in Surat. In return, the Company was to provide the Emperor with rare goods from Europe.<sup>7</sup> This furtherance secured the English a definite foothold in India. Mounting collaboration on the part of the Indian ruling class paved the way for the Company to build trading posts on the Indian coastline. By the mid-seventeenth century, it had already 23 trading posts, each under the command of a master.<sup>8</sup> Further to this, the Company could improve its defence position against local robbers through armed

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<sup>1</sup> Roy. R. D, "Some Aspects of the Economic Drain from India during the British Rule", in Social Scientist, Vol. 15, No. 3, pp. 39-47, New Delhi, Social Scientist, 1987, p. 3.

<sup>2</sup> Dutt. R. P, op. cit. , p. 58.

<sup>3</sup> Belmekki. B, op. cit. , p. 8.

<sup>4</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Micropaedia Ready Reference and Index, 15<sup>th</sup> Edition, Vol. 3, Chicago, University of Chicago, 1974, p. 762.

<sup>5</sup> Belmekki. B, op. cit. , p. 8.

<sup>6</sup> Roy. R. D, op. cit. , p. 3.

<sup>7</sup> Tripod Incorporate, "From Trade to Colonization—Historic Dynamics of the East India Companies", [india\\_resource.tripod.com/eastindia.html](http://india_resource.tripod.com/eastindia.html), last edited 03<sup>rd</sup> June 2004, downloaded January 2011, pp. 2-3.

<sup>8</sup> Ibid. p. 2.

fortifications.<sup>1</sup> Thus, the English were to apply a new trade approach in which they shuttled between their local factories<sup>2</sup>, fortifications, and homeland.<sup>3</sup>

Even though India imposed on her commercial partners either silver or gold in transaction, the English Company grew prosperous.<sup>4</sup> Its activities grew steadily to the establishment of the two larger local trading centres viz. the Presidencies of Madras and Calcutta in 1639 and 1690 respectively.<sup>5</sup> Whereas Surat is situated in western India, Calcutta in the east in the region of Bengal whose economy was more advanced than the rest of India. François Bernier<sup>6</sup>, who lived between 1620 and 1688, said that “The knowledge I have acquired of Bengal in two visits inclines me to believe that it is richer than Egypt. It exports in abundance cottons and silks, rice, sugar and butter. It produces amply for its own consumption of wheat, vegetables, grains, .....”<sup>7</sup>

In brief, the prosperity of the Far East appealed so much to the major European nations that it brought them into fierce trade rivalry. But over time, the English could position themselves well in India and outmanoeuvre their white competitors.

### **1. 2. English Dynamism in India up to 1765.**

Before the mid-eighteenth century, Anglo-Indian trade gathered momentum not only thanks to excellent Indian economy but also to a stable state of harmony, which did not call for military intervention. Anglo-Indian relationship was not lacking in cordiality, and the English Company even included Indian employees especially soldiers.<sup>8</sup> Friendship between the two peoples developed not only within the context of business, but even beyond, to the point of inter-marriage. In Mc Dowell’s view, the

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<sup>1</sup> Roy. R. D, op. cit. , p. 3.

<sup>2</sup> The term factory meant at that time an establishment for the merchants to carry on business within a foreign country. Each factory linked several centres run by *gumashtas*. Kranton. R and Swamy. A. V, “Contracts, Hold-Up, and Exports : Textiles and Opium in Colonial India”, in The American Economic Review, Vol. 98, No. 3, Nashville, American Economic Association, 2008, pp. 5-6.

<sup>3</sup> Ibid.

<sup>4</sup> Tripod Incorporate, “From Trade to Colonization–Historic Dynamics of the East India Companies”, [india\\_resource.tripod.com/eastindia.html](http://india_resource.tripod.com/eastindia.html), last edited 03<sup>rd</sup> June 2004, downloaded January 2011, p. 2.

<sup>5</sup> Belmekki. B, op. cit. , p. 11.

<sup>6</sup> François Bernier was a French traveller and became the doctor of the Mughal Emperor Aurangzeb. Larousse, op. cit. , p. 1167.

<sup>7</sup> Tripod Incorporate, “The Colonial Legacy–Myths and Popular Beliefs”, [india\\_resource.tripod.com/colonial.html](http://india_resource.tripod.com/colonial.html), last edited September 17<sup>th</sup> 2002, downloaded December 2010, p. 7.

<sup>8</sup> Mc Dowall. D, An Illustrated History of Britain, Essex, Longman Group, 2008, p. 110.

Indians were generally not antagonistic to the invader but rather submissive accepting him just as an element within their intricate culture.<sup>1</sup>

According to Johnston, it was not until 1750 that tension between the two peoples began mounting due to acts of provocation on the part of both European rivals and the natives.<sup>2</sup> Actually, Johnston affirmed that English interference in Indian politics and resort to violence were merely in self-defence.<sup>3</sup> On the other hand, according to Mc Dowall, that rupture was rather due to increasing aggressiveness on the part of the English who, owing to their economic ambitions, went into dominating the whole Indian sub-continent.<sup>4</sup>

In arguing for the thesis of self-defence, Johnston claimed that the English Company's transition from trader to colonizer is to be traced back to a continental conflict between France and Britain. It was the dynastic conflict about the succession to Austria's imperial crown upon the death of the German Emperor Charles VI.<sup>5</sup> George II, as the Elector of Hanover<sup>6</sup>, opposed by Louis XV, had his both north American and Indian colonies attacked. Madras was captured by a French fleet forcing Colonel Robert Clive<sup>7</sup> to escape in 1750. Moreover, the English were being threatened by southern India's princes at the incitement of the French colony of Pondicherry. The result was the English waging war in the Bay of Bengal and the Ganges, which led to the snatching from the French of a coast strip in northern Madras. That laid the foundation of the British Empire in India.<sup>8</sup>

Furthermore, from the early eighteenth century, the English Company felt the need of political control over India so as to strengthen its purchase power making

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<sup>1</sup> Ibid.

<sup>2</sup> Johnston. C, op. cit. , pp. 3-6.

<sup>3</sup> Ibid. , p. 7.

<sup>4</sup> Mc Dowall. D, op. cit. , p. 110.

<sup>5</sup> Johnston. C, op. cit. , p. 7.

<sup>6</sup> Hanover is a former state in North-western Germany, an electorate from 1692 to 1806 of the Holy Roman Empire. Britain's monarchs governed at the same time Hanover between 1714 and 1837. Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Macropaedia Ready Reference and Index, 15<sup>th</sup> Edition, Vol. 4, Chicago, University of Chicago, 1974, p. 891.

<sup>7</sup> Robert Clive (1725-1774) is referred to as the British statesman who had shattered the French power in Bengal. He became governor of the region. Summers. D, Longman Dictionary of English Language and Culture, Essex, Longman Group, 1993, p. 230.

<sup>8</sup> Johnston. C, op. cit. , pp. 3, 7.

Indian items more affordable.<sup>1</sup> By considering Kranton and Swamy's article, one may argue that that need was partly at the origin of the constant threat from the other white traders in India, these being rivals to the English traders. Indeed, other similar European companies, including the Dutch, French, and Danish ones, were active in the Indian market. For example, in the early eighteenth century, whereas the Dutch exports of Indian textiles assured 75.000 jobs for the Dutch, the English ones assured 100.000 for the English.<sup>2</sup> Thus, European countries were becoming the main commercial partners of India.<sup>3</sup>

Another motivating threat was connected with the Mughal Empire, which may be formulated as follows. Aurangzeb, probably the most despotic Mughal emperor, led the Indian Empire to its largest size but to the detriment of its resources and political stability.<sup>4</sup> His aspiration after the Deccan kingdoms, the Marathas, and the southern Muslim kingdoms drove him to twenty-year costly fighting. Besides, as an extremist Muslim, he manifested great social discrimination against the Hindus.<sup>5</sup> For instance, the Hindus were being overcharged for excise, being obliged to pay the *Jizya*, a poll tax, re-imposed in 1679 after having been abolished by Emperor Akbar.<sup>6</sup> Thus, the Hindus were required to pay the double of what the Muslims did on the same goods.<sup>7</sup>

Aurangzeb's policies of annexation and discrimination entailed widespread unrest within his empire going into rebellions as in Rajput in 1680-81 supported even by his third son, Akbar. Many annexed states were claiming their independence from Delhi such as the Marathas which eventually proved victorious at war. Aurangzeb kept taxing and fighting to no avail. Consequently, the Indians were pauperized especially the Hindus who made up two thirds of the Indian population.<sup>8</sup>

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<sup>1</sup> Tripod Incorporate, "From Trade to Colonization—Historic Dynamics of the East India Companies", [india\\_resource.tripod.com/eastindia.html](http://india_resource.tripod.com/eastindia.html), last edited 03<sup>rd</sup> June 2004, downloaded January 2011, p. 4.

<sup>2</sup> Kranton. R and Swamy. A. V, op. cit. , p. 5.

<sup>3</sup> Ibid.

<sup>4</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Macropaedia Knowledge in Depth, 15<sup>th</sup> Edition, Vol. 2, Chicago, University of Chicago, 1974, p. 372.

<sup>5</sup> Belmekki. B, op. cit. , p. 14.

<sup>6</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Macropaedia Knowledge in Depth, 15<sup>th</sup> Edition, Vol. 3, Chicago, University of Chicago, 1974, p. 373.

<sup>7</sup> Belmekki. B, op. cit. , p. 14.

<sup>8</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Macropaedia Knowledge in Depth, 15<sup>th</sup> Edition, Vol. 3, Chicago, University of Chicago, 1974, p. 373.

The link between this whole anarchical situation and the British Company was that the resulting gradual decline of the Mughal Empire would jeopardize Anglo-Indian trade. The English Company, which had been maintaining its profitable presence in the Indian sub-continent as the *protégée* of the Indian supreme ruler since the early seventeenth century, fell now at Aurangzeb's death in 1707 dependent on the local regional chiefs and kings. These would avail themselves to free and extend their states. In fact, a new internal geography was to appear with the emergence of new principalities including Mysore, Hyderabad, Sind, and Punjab hostile to the English.<sup>1</sup>

Johnston bore witness to the fact that the Maratha Confederacy in the south and the Sikhs in the north, being the most conspicuous dissenting states, were particularly rising in stark barbarity against the Muslim Indians. He reported that they had nothing in them that could insure peaceful or humane co-existence. While the Mahratta Confederacy, under the leadership of Sivaji, promoted robbery, the Sikhs, under the leadership of Banda, was a killing-machine.<sup>2</sup> So, the British feared they would be destabilized.

This new political crisis brought a series of changes against the British Company. For instance, in 1740, being xenophobic towards the Europeans, Alivardi Khan, Governor of the autonomous region of Bengal, was no longer willing to apply in full the concession of the *Farman*. The latter, having been attributed by Emperor Farrukhsiyar in 1717, included the privilege of company officials to declare through written recommendations, known as *Dastacks*, British goods free from control and taxation within Bengal. And in return, company officials were required to pay 3000 Rupees annually to the emperor. Although this agreement had been officially repealed by Alivardi Khan, British merchants could still spare taxes and make profits by bribing the local authorities.<sup>3</sup>

A much more serious attack on the part of the Indians revealed itself in 1756 when Alivardi's successor, Siraj Ud Dowla, required the Company to reduce its fortifications in Bengal. He took as a pretext the fact that company officials abused their *Farman* privileges by selling those written recommendations to merchants outside

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<sup>1</sup> Belmekki. B, op. cit. , p. 16.

<sup>2</sup> Johnston. C, op. cit. , pp. 5-6.

<sup>3</sup> Belmekki. B, op. cit. , pp. 17-18.

the British Company.<sup>1</sup> Siraj maintained that antagonistic claim also on the ground that the British Company was conspiring against both the Bengali and imperial governments. He accused it of giving refuge to dissident members of the Bengali *nawab*<sup>2</sup> family and Hindu figures hostile to the Islamic Mughal rule.<sup>3</sup>

In response to the British refusal, Governor Siraj spearheaded a major attack that engendered an unprecedented action on the part of the British Company.<sup>4</sup> He captured Calcutta, demolished British factories and warehouses, and confined in a tiny airless room a hundred and forty six British men and women, among whom 123 succumbed to asphyxiation. As a result, the British rose in arms against the Indian *nawab* authority. The British traders were unwilling to give up and would resort to more collaboration with the natives to save their interests.<sup>5</sup>

Under the leadership of Clive, the Company made sure to defeat Siraj without appealing to central Mughal government.<sup>6</sup> Coming from Madras with the ambition to re-establish the British trading stations in Bengal, Clive was backed in his mission by the treachery of the nawabs' generals.<sup>7</sup> In fact, the Company had reached in mid-1757 a compromise with an aspirant to the nawab's throne namely Mir Jafar<sup>8</sup>, a compromise according to which his troops would capitulate prematurely and even shoot the anti-British troops. In return, Mir Jafar would accede to the Bengali throne, and his soldiers would receive bribes.<sup>9</sup> It is noteworthy that Clive's army, consisting only of 2000 English men, was supported by 5000 native men and that 'the opposed army' was made up of 40.000.<sup>10</sup> This single fact indicates the existence of solid alliance between the English and the Indian population at the dawn of the First British Industrial Revolution.

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<sup>1</sup> Ibid. , pp. 18-19.

<sup>2</sup> A *nawab* is a Muslim governor of any Indian state under central authority in Delhi. Johnston. C, op. cit. , p. 7.

<sup>3</sup> Belmekki. B, op. cit. , pp. 18-19.

<sup>4</sup> Ibid. , pp. 19-20.

<sup>5</sup> Johnston. C, op. cit. , p. 7.

<sup>6</sup> Belmekki. B, op. cit. , pp. 19-20.

<sup>7</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Micropaedia Ready Reference and Index, 15<sup>th</sup> Edition, Vol. 8, Chicago, University of Chicago, 1974, p. 30.

<sup>8</sup> Mir Jafar was a senior Bengali military chief. Belmekki. B, op. cit. , p. 21.

<sup>9</sup> Ibid. , pp. 19-21.

<sup>10</sup> Marx. R, "Clive Robert (1725-1774)", in Encyclopaedia Universalis CD ROM, Expert Functions, 2010, p. 2.

Kranton and Swamy suggested that the English victory at the Battle of Plassey<sup>1</sup> was a watershed in the history of eighteenth century India because it entailed a series of advantages for the English Company affecting tremendously India's economy and politics.<sup>2</sup> Before that victory, the Company had already had many successes to its credit. Between 1608 and 1611, did it not guarantee high trade profitability by making Surat a trade transit point and the Bengali town of Machilipatnam its first factory?<sup>3</sup> On account of its victory at Swally in 1612 and the inception of the Anglo-Indian diplomatic relationship in 1615, did it not go on gaining territorial footholds in mainland India, which went into the establishment of other trading posts in Madras in 1639?<sup>4</sup> And in 1727, did it not lay the foundations of a colonial judicial system by establishing the Mayor Court for civil litigation in Bombay, Calcutta, and Madras?<sup>5</sup>

However, the victory at Plassey in 1757, though not much demanding, was superior to all these above achievements. It led to the definitive eradication of European rivalry from Bengal and to the permanent predominance of the British as the first military power in the region.<sup>6</sup> Furthermore, that victory raised the British, under Clive, to the position of king-maker : they had been able to coronate Mir Jafar in 1757 and could dethrone him three years later in favour of Mir Kassim, the latter being more supportive to their colonial cause.<sup>7</sup> Yet, before his dethronement, Mir Jafar had enlarged the Company's territorial dominance by ceding it the Twenty-Four Parganas<sup>8</sup> in 1757.<sup>9</sup>

Actually, on the altar of its capitalist interests, the British Company stopped being a mere concession-begging organism and rose as a colonizer capable to dictate

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<sup>1</sup> Plassey was then a small village in Western Bengal, where a monument was erected in the honour of the decisive British victory. Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Micropaedia Ready Reference and Index, 15<sup>th</sup> Edition, Vol. 8, Chicago, University of Chicago, 1974, p. 30.

<sup>2</sup> Kranton. R, and Swamy. A. V, op. cit. , p. 4.

<sup>3</sup> Encyclopaedia Wikipedia, "East India Company", en.wikipedia.org/wiki/East\_India\_Company, published 30<sup>th</sup> January 2012, downloaded 07<sup>th</sup> February 2012, pp. 2-3.

<sup>4</sup> Ibid. p. 3.

<sup>5</sup> Thorpe. E, The Pearson General Studies Manual, Dorling Kindersley, Pearson Education, 2009, p. 2102.

<sup>6</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Macropaedia Knowledge in Depth, 15<sup>th</sup> Edition, Vol. 4, Chicago, University of Chicago, 1974, p. 742.

<sup>7</sup> Belmekki. B, op. cit. , p. 21.

<sup>8</sup> The Twenty-Four Parganas are a district in Western Bengal, and a *pargana* is an ancient Indian administrative unit consisting of several villages. HDRCC Development & Planning Department Government of West Bengal, "District Human Development Report North 24 Parganas", [www.wbplan.gov.in/htm/HumanDev/.../24%20pgs%20north.PDF](http://www.wbplan.gov.in/htm/HumanDev/.../24%20pgs%20north.PDF), pp. 22-25.

<sup>9</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Micropaedia Ready Reference and Index, 15<sup>th</sup> Edition, Vol. 10, Chicago, University of Chicago, 1974, p. 211.

its own economic wishes on Eastern India.<sup>1</sup> According to Roy, the British victory at Plassey entailed a big change in Anglo-Indian trade relationship. It opened the door to a process of exploitation that was to enrich the Company's exchequer and servants through exaction and plunder.<sup>2</sup> Dutt brought a similar account saying that "... on put recourir de plus en plus à des méthodes de force pour peser sur les échanges et obtenir le maximum de produits pour le minimum de dépense."<sup>3</sup> This abuse is probably the main reason why Indian historians such as Amrita Lal Roy believed that "the pretense that native anarchy and misrule made the conquest of India by the English not merely a blessing, but a necessity, is false".<sup>4</sup>

Probably, the main advantage the Company got at its 1757 victory was its deletion of silver-or-gold trade system. It was no longer necessary for it to export bullion in order to buy Indian items apart from some marginal exports to Indian areas other than Bengal.<sup>5</sup> What was more is that, from then onwards, Anglo-Indian transactions would be effected by means of territorial taxation revenue.<sup>6</sup> Moreover, having wiped out French-Indian trade in Bengal and begun subduing India either by conquest or treaty with local princes, further businessmen in Britain felt stimulated to go and raise money in the colony.<sup>7</sup> The latter was for instance being supplied with high quality china cups and plates of which manufacture was being developed in Midland England by the capitalist Josiah Wedgwood.<sup>8</sup>

The British knew fully well the importance of their Indian colony. Its profitability before the First British Industrial Revolution had been so great that it had appealed even to the pockets of company officials.<sup>9</sup> Probably, the best examples one may give about that are those of Robert Clive. From nothing, he returned to England after the victory at Plassey in possession of around £ 250,000; to say nothing of the land he came to possess in Bengal and from which he would extort an annual

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<sup>1</sup> Desai. A. R, Social Background of Indian Nationalism, Bombay, Popular Book Depot, 1948, pp. 23-28.

<sup>2</sup> Roy. R. D, op. cit. , p. 4.

<sup>3</sup> Dutt. P. R, op. cit. , p. 58.

<sup>4</sup> Lal Roy. A, op. cit. , p. 7.

<sup>5</sup> Roy. R. D, op. cit. , p. 3.

<sup>6</sup> Tripod Incorporate, "From Trade to Colonization—Historic Dynamics of the East India Companies", [india\\_resource.tripod.com/eastindia.html](http://india_resource.tripod.com/eastindia.html), last edited 03rd June 2004, downloaded January 2011, p. 5.

<sup>7</sup> Mc Dowall. D, op. cit. , 109.

<sup>8</sup> Mc Kenderick. N, "Josiah Wedgwood : An Eighteenth-Century Entrepreneur in Salesmanship and Marketing", in The Economic History Review, New Series, Vol. 12, No. 3, pp. 408-433, New Jersey, Wiley-Blackwell, 1960, pp. 2-3.

<sup>9</sup> Dutt. R. P, op. cit. , p. 59.



taxation revenue of £ 27.000.<sup>1</sup> Johnston pointed out that this land was a gift from the Mughal Emperor having been impressed by his military ability. Thus, Clive became a landlord under Indian central government, and the British Company his tenant.<sup>2</sup> The Emperor's doing so may be viewed as a further indication of Anglo-Indian collaboration before Britain's industrialism.

One may argue that India was a source to Britain's industrial capitalism because company officials in India made both public fortunes, for the metropolis, and private fortunes for themselves.<sup>3</sup> Those officials involved themselves in corrupt state affairs with several native leaders who competed for the Bengali throne between 1757 and 1765. Trying to get favour from the British Company, these leaders would offer its high officials gifts estimated at £ 6.000.000.<sup>4</sup> This new British social affluent category, called the *Nabobs*<sup>5</sup>, was so envied in the metropolis by politicians and aristocrats as it it was strengthening into a government lobby winning parliamentary seats by investing in property.<sup>6</sup>

But, the effect of the Plassey victory on British imperial income was far more important than that. The Company would gradually expand its Indian territorial footholds and ultimately appropriate supreme authority to extort money at an unprecedented scale. Roy stated that the British Company had seized by 1760 three Bengali districts namely Burdwan, Midnapore, and Chittagong. In addition, in 1765 the Company obtained the *dewani* or civil administration of Bengal, Bihar, and Orissa.<sup>7</sup> This is confirmed by Johnston claiming that this acquisition was permitted by the figurehead Indian Emperor by charter transferring to the British Company the power of collecting the taxes of these three provinces.<sup>8</sup> Johnston implied that the advantage of that acquisition resided precisely in the large population number of these regions being in aggregate around 30.000.000.<sup>9</sup> Thus, the Company was offered a wide circle of ratepayers. Besides, while the Mughal Empire kept declining, it had its powers in

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<sup>1</sup> Ibid.

<sup>2</sup> Johnston. C, op. cit. , p. 8.

<sup>3</sup> Mc Dowall. D, op. cit. , p. 110.

<sup>4</sup> Belmekki. B, op. cit. , pp. 22-23.

<sup>5</sup> The term *Nabob* was frequently used in the eighteenth and nineteenth centuries to refer to any Englishman who became rich in India and returned with his fortune to Europe. Summers. D, op. cit. , p. 879.

<sup>6</sup> Belmekki. B, op. cit. , pp. 22-23.

<sup>7</sup> Roy. R. D, op. cit. , p. 4.

<sup>8</sup> Johnston. C, op. cit. , p. 8.

<sup>9</sup> Ibid.

Bengal transferred to the British Company. In fact, the latter was now to act as the representative of central government in Eastern India.<sup>1</sup>

To sum up, in face of a succession of obstacles from 1600 to 1765, the English evinced effective determination to safeguard their growing interests in India. Even before the development of the First British Industrial Revolution, Britain's economy benefited much from India particularly from the region of Bengal. The Company's transition from trader to colonizer smoothed the road for the larger-scale exploitation lying ahead.

## 2. The First British Industrial Revolution 1760-1830.

By the mid-nineteenth century, through industrialization without precedent, Britain indisputably ranked as the world's strongest economy. Whether or not its whole industrial progress between 1760 and 1830 really deserves the reference of *Industrial Revolution* has been subject to debate. It is Louis August Blanqui who, in 1837, made the coinage of *Industrial Revolution*.<sup>2</sup> By modern standards, this name may be objected to because the term *revolution* means sudden and violent change whereas the historical transformation in question was rather piecemeal and lengthy.<sup>3</sup> Furthermore, it is pointed out that some historians argued that England had experienced in the sixteenth century important industrial and economic progress.<sup>4</sup> However, regarding the degree of change enacted between 1760 and 1830, Blanqui's appellation seems right.<sup>5</sup>

One may presume that it is the huge significance of the transformation between 1760 and 1860 and its impact on Britain's economy that motivated so many researchers to delve into its causes. The modern historian J. Mokyr has been impressed by the wave of new devices and strategies that marked what he calls "the age of miracles".<sup>6</sup> G. Williamson claimed that the mounting rate of capital formation in Great Britain between 1761 and 1830 was mostly through mechanical production and not

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<sup>1</sup> Ibid.

<sup>2</sup> Britannica Concise Encyclopedia Incorporate, [www.answers.com/topic/industrial-revolution](http://www.answers.com/topic/industrial-revolution), "Industrial Revolution", last edited August 13<sup>TH</sup> 2008, downloaded March 05<sup>TH</sup> 2011, p. 1.

<sup>3</sup> Ashton. T. S, op. cit. , p. 2.

<sup>4</sup> Britannica Concise Encyclopedia Incorporate, op. cit. , p. 11.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid. , p. 24.

saving.<sup>1</sup> The contemporary British traveller Arthur Young had put that fact in these following words : “Take notice of the spirit with which manufactures are carried on .... Move your eye which side you will, you behold nothing but great riches and yet greater resources”.<sup>2</sup>

The First British Industrial Revolution is accountable for a gradual urban concentration together with a complete change in the nature of work for many people.<sup>3</sup> There emerged the necessity to reduce the role of the state and extend the individual’s rights to free enterprise.<sup>4</sup> In fact, the Industrial Revolution is accredited with the elaboration of capitalism, making the United Kingdom the ‘World’s Workshop’ by 1830.<sup>5</sup>

### **2. 1. The Causes of the First British Industrial Revolution.**

One broad definition to the First British Industrial Revolution is a transition from agriculture-based economy to essentially mechanical production-based one. This shift necessarily and constantly called into play various powers.<sup>6</sup>

#### **2. 1. 1. Material and Environment.**

The new age came into existence courtesy of the will to break with the backwardness of the past—with the spiritual intolerant character and the tendency to political discrimination that had been blighting the nation for the last two centuries.<sup>7</sup> In fact, by mid-eighteenth century, Britain endowed itself with a new ideological trend viz. the Enlightenment. The latter, a cosmopolitan movement, was fundamentally determined by philosophical rationalism, the exaltation of science, as well as the defence of freedom as a natural human right.<sup>8</sup> The English view as to the nature and

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<sup>1</sup> Williamson. J. G, “Why Was British Growth So Slow During the Industrial Revolution? ”, in The Journal of Economic History, Vol. 44, No. 3, pp. 687-712, Cambridge, Cambridge University Press, 1984, p. 10.

<sup>2</sup> Plumb. J. H, op. cit. , p. 143.

<sup>3</sup> Britannica Concise Encyclopedia Incorporate, op. cit. , p. 27.

<sup>4</sup> Ashton. T. S, op. cit. , p. 2.

<sup>5</sup> Mc Dowall. D, op. cit. , p. 131.

<sup>6</sup> Ibid. , p. 121.

<sup>7</sup> Ashton. T. S, op. cit. , p. 9.

<sup>8</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Macropaedia Knowledge in Depth, 15<sup>th</sup> Edition, Vol. 6, Chicago, University of Chicago, 1974, pp. 888- 894.

purpose of life was changing.<sup>1</sup> Indeed, the Enlightenment argued for a radical conception of society : tradition and state authority are not to guide economy.<sup>2</sup>

Accordingly, a tendency to initiative and private venture was taking precedence over public regulation. Ashton claimed that it was no accident that around such areas as Manchester and Birmingham, being relatively less subject to the restrictive industrial legislation dating from the Elizabethan Epoch<sup>3</sup>, the revolution was most apparent.<sup>4</sup> England's receptiveness of innovation for the sake of economic progress proved so manifest that even priests, such as Edmund Cartwright and Joseph Dawson, preferred to relinquish their positions for weaving or iron-smelting. Indeed, there was taking place a certain switch from humanities to physics and technologies.<sup>5</sup>

Nevertheless, on the socio-economic ground, religion was still taking some part teaching the virtue of passion and patience for labour. Britain, like the other Protestant nations of the time, had a promising population.<sup>6</sup> Actually, in his *L'Éthique Protestante et l'Esprit du Capitalisme*, M. Weber is said to have maintained that Protestantism, Calvinism, and Puritanism in particular associated themselves with the idea that work was not God's punishment on earth but rather an absolute duty for the sake of continuous enrichment.<sup>7</sup>

This characteristic value found further highlighting in the second half of the eighteenth century. Under the sway of Methodism, preaching self-discipline, sobriety, and diligence, enthusiasm for labour strengthened.<sup>8</sup> The new anthropology saw humanity as being naturally corrupt but corrigible, being susceptible to redemption.<sup>9</sup> For this end, Methodism advocated, regardless of stratum, the dignity of the individual.<sup>10</sup> John

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<sup>1</sup> Ashton. T. S, op. cit. , p. 2.

<sup>2</sup> Encyclopaedia Britannica Incorporate, *Encyclopaedia Britannica Macropaedia Knowledge in Depth*, 15<sup>th</sup> Edition, Vol. 6, Chicago, University of Chicago, 1974, pp. 888-894.

<sup>3</sup> The Elizabethan Epoch stretched between 1558 and 1603 when Elizabeth Tudor was Queen of England and Ireland. The era was marked by her despotic consolidation of the Anglican Faith as the State religion and by her persecution of the Puritans, these being against Anglicanism. Larousse, op. cit. , p. 1295.

<sup>4</sup> Ashton. T. S, op. cit. , p. 9.

<sup>5</sup> Ibid. , p. 13.

<sup>6</sup> Britannica Concise Encyclopaedia Incorporate, op. cit. , p. 23.

<sup>7</sup> Baubérot. J, "Puritanism", in Encyclopaedia Universalis 2010 CD ROM, Expert Functions, pp. 6-7.

<sup>8</sup> Ashton. T. S, op. cit. , p. 14.

<sup>9</sup> Van Noppen. J. P, "Wesley et ses Critiques", [homepages.ulb.ac.be/~jpvannop/WesleyCrit.doc](http://homepages.ulb.ac.be/~jpvannop/WesleyCrit.doc). p. 2.

<sup>10</sup> Ibid.

Wesley, the founder of the new movement, gave priority to the poor and unprivileged instilling them with a sense of wisdom.<sup>1</sup>

Factory workers attempted to congregate in Labour Unions so as to protect themselves against powerful employers who refused them fair wages and decent work conditions.<sup>2</sup> But, the Methodist homilies are hailed as being very moralizing touching the hearts of those discontented workers many of whom went on working hard resigning themselves of those injustices.<sup>3</sup> Industrialist bosses themselves, being impressed by the salutary effect of the creed on the workers' behaviour—their obedience and frugality—hastened to aid its propagation.<sup>4</sup> It is reported that most of the more or less 370 Methodist British chapels at the end of the eighteenth century were located in industrial areas.<sup>5</sup> Some hard-working employees even turned rich through saving.<sup>6</sup>

The middle class, on the other hand, consisted of ambitious entrepreneurs financially able to harness productive factors and ever-thirsty for the commercialization of their manufactures.<sup>7</sup> Its consolidation during the revolution was a major manifestation of the simultaneous growth of individualistic culture in Britain, which owed much to British spirituality, too.<sup>8</sup> Indeed, according to Mc Dowall, what accounts for the privacy in middle class outlook is mainly the pervasion of Nonconformist religions<sup>9</sup> in Britain particularly Puritanism. Puritanism never had any deal of emotion, unlike Methodism. However, like Methodism, Puritanism inculcated self-reliance.<sup>10</sup> The Puritans would send their young sons away to boarding schools cutting them off family affection, which would spur many of these boys to concentrate their adulthood

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<sup>1</sup> Ashton. T. S, op. cit. , p. 14.

<sup>2</sup> Mc Dowell. D, op. cit. , p. 123.

<sup>3</sup> Ibid. p. 125.

<sup>4</sup> Van Noppen. J. P, op. cit. , p. 4.

<sup>5</sup> Mc Dowell. D, op. cit. , p. 124.

<sup>6</sup> Ibid. , p. 125.

<sup>7</sup> Ashton. T. S, op. cit. , p. 9.

<sup>8</sup> Mc Dowell. D, op. cit. , p. 120.

<sup>9</sup> The Nonconformist religions are such Protestant branches as Presbyterianism and Puritanism which spread in Britain in opposition to Anglicanism. They do not, for instance, recognize the Monarch as being the Head of the State Church. They have been bound to the notion of asceticism i.e. strict moral values. Baubérot. J, op. cit. , pp. 1-5.

<sup>10</sup> Mc Dowell. D, op. cit. , p. 120.

on the building of Britain's industry or commercial empire.<sup>1</sup> In other words, capitalism has always been predicated on the independence and initiative of the individual.

On the economic ground, the revolution received vital pecuniary help from overseas. Eastern India, mainly through its taxes, was no exception. Once its taxes entered England, several viable industrial projects could be funded.<sup>2</sup> In fact, it was the transfer of Indian taxes collected on unprecedented scales from almost all Indian classes that permitted the modernization of Britain over the eighteenth and nineteenth centuries.<sup>3</sup> Dutt argued that Anglo-Indian trade in the second half of the eighteenth century was so unfair for the Indians that it took the semblance of plunder.<sup>4</sup> Then, he added that :

*La formation brusque du capital en Angleterre dans la seconde moitié du XVIII<sup>e</sup> siècle provint avant tout du pillage de l'Inde. .... La spoliation de l'Inde a donc joué un rôle de toute première importance en contribuant à rendre possible la révolution industrielle en Angleterre.*<sup>5</sup>

According to Mc Dowall, one of the keys to Britain's First Industrial Revolution was her foreign trade considerably increasing during the eighteenth century particularly within the Triangle<sup>6</sup>, with the West Indies as her most profitable colony of the time.<sup>7</sup> In this respect, Britain directed her cloth, sword, and knife exports to West Africa Africa in return for slaves. These were shipped to the West Indies, America, for sugar cultivation.<sup>8</sup> It is estimated that English goods exports quadrupled over the eighteenth century whereas they had just doubled between 1500 and 1700.<sup>9</sup>

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<sup>1</sup> Ibid.

<sup>2</sup> Tripod Incorporate, [india\\_resource.tripod.com/colonial.html](http://india_resource.tripod.com/colonial.html), pp. 9-10.

<sup>3</sup> Ibid.

<sup>4</sup> Dutt. P. R, op. cit. , p. 58.

<sup>5</sup> Ibid. , p. 62.

<sup>6</sup> The Triangle or Triangular Trade refers to various patterns of eighteenth-century Atlantic Ocean trade in slaves, rum, sugar, fish, molasses, and many other goods. Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Macropaedia Ready Reference and Index, 15<sup>th</sup> Edition, Vol. 10, Chicago, University of Chicago, 1974, p. 114.

<sup>7</sup> Mc Dowell. D, op. cit. , p. 107.

<sup>8</sup> Ibid. , p. 109.

<sup>9</sup> O'Brien. P, "Provincializing the First Industrial Revolution", in Working Papers of the Global Economic History Network (GEHN), No. 17/06, London, London School of Economics, 2006, p. 8.

Britain's foreign trade in Indian and Asian items was being made astutely good, too. According to Basu, during the reigns of George I, George II, and George III, the British meant through a series of laws several Indian manufactures only to the European market excluding them from the British market itself.<sup>1</sup> The thing is that the English cloth-manufacturer was less welcoming than the English consumer towards Indian-made cotton textiles as he saw them as a threat to his job and livelihood.<sup>2</sup> British Parliament repeatedly banned the holding, wearing, and selling in Britain of wrought silk and printed or dyed calicoes from India, Persia, or China imposing high fines on any transgressor. Indeed, England was equally attached to its domestic trade and manufactures.<sup>3</sup>

O'Brien underlined the decisive dependence of the First British Industrial Revolution on the British Royal Navy. He affirmed the latter acted as the prerequisite for overseas conquest and commerce and as the first safeguard against external threats to the security of the Kingdom's wealth.<sup>4</sup> The necessity to develop such a naval power came into being among the English kings, nobles, and merchants upon the Hundred Years War<sup>5</sup> at the decline of England's army.<sup>6</sup> Walter Raleigh<sup>7</sup> had foreseen foreseen that England could become the most powerful nation of the world if it built up a great navy to win and maintain commercial supremacy.<sup>8</sup> But, owing to constant religious and political conflicts between the Crown and Parliament and then between the Royalists and Republicans, the project was delayed. It was until upon the Restoration of the Monarchy in 1660 that the foundation of a great naval power really began with the British elite's consensus for fiscal and borrowing commitment.<sup>9</sup>

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<sup>1</sup> Basu. D. , op. cit. , p. 3.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> O'Brien. P, op. cit. , pp. 10-14.

<sup>5</sup> The Hundred Years War is the name given to a series of conflicts opposing England and France between 1337 and 1453 in which the former was eventually defeated. Larousse, op. cit. , p. 1216.

<sup>6</sup> O'Brien. P, op. cit. , pp. 10-12.

<sup>7</sup> Walter Raleigh (1554-1618) was an English navigator who multiplied expeditions against Spain. Favourite of Queen Elizabeth I, he led since 1584 the establishment in Northern America of the Colony of North Carolina. Larousse, op. cit. , pp. 1624-1625.

<sup>8</sup> Hill. C, op. cit. , p. 81.

<sup>9</sup> O'Brien. P, op. cit. , pp. 10-12.

It is affirmed that, having become the world's strongest navy by the mid-eighteenth century, Britain's navy would indeed defend her trading empire and routes.<sup>1</sup>

Upon their victory at Plassey, the British were able to increase their trade profits in Indian and Asian products considerably, particularly after their acquisition of the *Dewani* of Bengal, Bihar, and Orissa in 1765.<sup>2</sup> Dutt mentioned that the English, with the help of Indian trade collaborators namely *Banyans* and black *Gomastahs*, arbitrarily decided about the amounts of goods that each manufacturer in eastern India had to provide them with. The English also arbitrarily decided about the prices each manufacturer had to receive.<sup>3</sup> Between 1765 and 1771, the British Company realized between pillage and trade a net gain of £ 4.037.152.<sup>4</sup> Roy bore witness to the fact that that upon the conquest of Bengal all the British Company's purchases in India were assured by the surplus of land revenue from Bengal alone.<sup>5</sup> Between 1766 and 1780, these purchases were effected mainly on drugs, piece goods, silk, and saltpetre. Between 1762 and 1771, that surplus amounted to £ 5.778.000 out of which £ 4.153.000 were sent to Europe in cargo goods.<sup>6</sup>

Natasha Glaisyer, as for her, testified to the significant importance of metropolitan collaboration with the British East India Company in making the latter's trade successful in spite of its being a monopolistic company.<sup>7</sup> For instance, the British Company's commercial strategies in the second half of the eighteenth century included the use of intermediaries : single suppliers and cartels<sup>8</sup> to purchase goods for exportation, and auctioneers to sell its imported tea.<sup>9</sup>

On the social ground, what mostly distinguished the eighteenth and early nineteenth centuries from prior times was the rapid increase in population.<sup>10</sup> Gregg

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<sup>1</sup> Mc Dowall. D, op. cit. , p. 107.

<sup>2</sup> Dutt. R. P, op. cit. , pp. 58-59.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Roy. R. D, op. cit. , pp. 4-6.

<sup>6</sup> Ibid.

<sup>7</sup> Glaisyer. N, "Trade and Exchange in the Eighteenth-Century British Empire", in The Historical Journal, Vol. 47, No. 02, pp. 451-476, Cambridge, Cambridge University Press, 2004, p. 475.

<sup>8</sup> Cartel is a group of separate companies independent from each other, carrying out the same activity, and agreeing to sell goods at fixed prices in order to avoid competition between them. Larousse, op. cit. , p. 165.

<sup>9</sup> Glaisyer. N, op. cit. , p. 475.

<sup>10</sup> Ashton. T. S, op. cit. , pp. 2-5.



suggested that this matter deserves high consideration because that population increase meant not only an increase in labour force for the factory system, but also an increase in the demand for commodities.<sup>1</sup> Figures of burials and christenings allowed the estimation of the number of people in just England and Wales at five and a half million, and six and a half million in 1700 and 1750 respectively. The censuses of 1801 and 1831 put it at nine million and fourteen million respectively.<sup>2</sup> As for Great Britain's population, it rose from eight million in 1760 to ten and half million in 1801 then to sixteen million in 1831.<sup>3</sup>

Ashton affirmed that this rise in population did not result from any change in birth-rate for the latter kept being steady.<sup>4</sup> The increase in England's hand-force during during the new age was favoured by a certain influx of unskilled but hard-working Irish. Yet, the rise in population, which went concomitantly with the rise of labour, did not result primarily from any arrival from abroad either because Britain was more of a cradle to new communities to migrate overseas than a receiving centre. It is estimated that around one million left home for the colonies including 50.000 criminals transported to Maryland or Botany Bay.<sup>5</sup>

What was behind the growth of the British population is rather a fall in death-rate. Between 1700 and 1740, sporadic famines as well as the excessive consumption of cheap gin accounted for heavy tolls.<sup>6</sup> However, from 1740, mortality was being being reduced by several factors. The cultivation of root crops permitted the hibernal feeding

of more cattle, which provided fresh meat throughout the year. The replacement of wheat for inferior cereals alongside an increased consumption of vegetables proved relatively more healthful. Advanced personal cleanness, brought by more soap and cheaper cotton underwear, diminished the risks of infection. Whereas brick came to supplant timber in wall-building, slate or stone came to supersede thatch in roof-making in the countryside, which reduced the occurrence of plague. Town-paving, draining, water-canalization, development in medicine and surgery, an increase in the

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<sup>1</sup> Gregg. P, op. cit. , p. 48.

<sup>2</sup> Ashton. T. S, op. cit. , p. 2.

<sup>3</sup> Gregg. P, op. cit. , p. 48.

<sup>4</sup> Ashton. T. S, op. cit. , p. 3.

<sup>5</sup> Ibid. , pp. 1-3.

<sup>6</sup> Ibid.

number of hospitals and dispensaries, and more care for waste collection and burial were all not without contributing effect.<sup>1</sup>

The Industrial Revolution resulted from a much earlier economic tendency namely mercantilism and monetarism.<sup>2</sup> According to Hill, its preludes had been taking place in the fifteenth and sixteenth centuries when the discovery of America and that of the sea route to the Far East were giving rise to a new international trading arena.<sup>3</sup> The use of the mariner's compass together with improved astronomy and navigational mathematics had their parts in the development of long-distance trade.<sup>4</sup>

England realized a vast influx of precious metals from the New World.<sup>5</sup> It was also enjoying a rapid expansion of her broadcloth exports in the sixteenth and seventeenth centuries though this expansion was frequently hindered by occasional factors. The shrinkage of foreign demand around 1550, coin debasement, and the Thirty Years War<sup>6</sup> caused some recession.<sup>7</sup> Yet, English economy was generally thriving. The New Draperies, a range of new lighter cloths manufactured since the end of the sixteenth century, opened up new markets in the Mediterranean area as well as Africa.<sup>8</sup> Hill affirmed that what helped most the English cloth industry and exports between 1530 and 1630 was the fact that English cloth was kept much less expensive than that of the rest of Europe, which kept high foreign demand for it.<sup>9</sup>

England's early capitalism was characterized by the foundation from around the mid-sixteenth century of joint-stock companies. Each company of this kind was made up of a group of merchants agreeing to share the cost of a single voyage and then of several voyages before going on a time-unlimited one.<sup>10</sup> The Joint-Stock System had the effect of widening the circle of trading investors to include even MPs. Hill admitted that the early English capitalist traders could gain their way so also through

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<sup>1</sup> Ibid. , pp. 3-4.

<sup>2</sup> Gregg. P, op. cit. , p. 46.

<sup>3</sup> Hill. C, op. cit. , p. 72.

<sup>4</sup> Ibid.

<sup>5</sup> Britannica Concise Encyclopedia Incorporate, op. cit. , p. 11.

<sup>6</sup> The Thirty-Years' War took place in many European countries between 1618 and 1648 owing to religious antagonism between the Catholics and Protestants. Larousse, op. cit. , p. 1729.

<sup>7</sup> Hill. C, op. cit. , pp. 72-73.

<sup>8</sup> Ibid. , p. 72.

<sup>9</sup> Ibid. , p. 83.

<sup>10</sup> Ibid. , p. 76.

piracy and foreign assistance. It is estimated that about £ 4,5 million of bullion robbed from Spain was coined in Elizabeth I's reign. In addition, some ten to fifteen per cent of the total English imports between 1585 and 1603 were prize goods from privateers. Furthermore, English imports included exotic goods confiscated from Spanish vessels, which created new demands in the English market.<sup>1</sup>

The link between that developing mercantilism, based on the bullion system, and the First British Industrial Revolution is that the former went into the stimulation of industry, price rise, and monetarism in the sixteenth and seventeenth centuries.<sup>2</sup> This went into the development of new financial institutions in England that would aid the process of the revolution by rendering money relatively more available.<sup>3</sup> But, according to Hill, it is noteworthy that that bullion system was not the sole cause behind England's new finance. The latter was greatly motivated by increasing landlord rents, coinage debasement, population growth and the concomitant increase in the demand of food causing important inflation. The costly war necessities of the 1540s and 1590s contributed to the new tendency of money-spending, too.<sup>4</sup>

The promotion of English monetarism in the second half of the seventeenth century manifested itself in the promotion of credit.<sup>5</sup> Owing to a costly war with France, England found itself heavily indebted. Availing themselves of this opportunity, a group of rich businessmen founded in 1694 their own bank from which alone the government agreed to borrow. English trade was made easier since the new bank was authorized to print notes in form of promissory payment.<sup>6</sup> The organism grew to be known to history as the Bank of England accredited with the generation of capital by the wealthy Merchant Adventurers.<sup>7</sup>

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<sup>1</sup> Ibid. , p. 77.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid. , pp. 82-83.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid. , pp. 183-184.

<sup>6</sup> Mc Dowell. D, op. cit. , p. 108.

<sup>7</sup> The Merchant Adventurers made up a company of English merchants trading with the Netherlands and later with north-western Germany from the fifteenth century to 1806. Chartered in 1407, the company indulged mainly in finished cloth exports guaranteeing three-fourths of the total English foreign trade by the mid-sixteenth century. *Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Micropaedia Ready Reference and Index*, 15<sup>th</sup> Edition, Vol. 6, Chicago, University of Chicago, 1974, p. 799.

But, the development of the English banking system was not solely the outcome of the enrichment of English private creditors. Other facts had their roles. The State's success in collecting vast funds through taxation, confiscation, and sale of lands in order to pay back its creditors played the major role.<sup>1</sup> Actually, Hill asserted that Parliament's commitment to settle at interest national debt meant the transfer of wealth from the poorer and landed to classes that were already moneyed i.e. the English money-lenders.<sup>2</sup> Collected fortunes and the will to invest would make the City of London familiar with the three main functions of deposit-taking, bill-discounting, and note-issuing already around 1670.<sup>3</sup>

The economist Dr Cunningham stood testimony to the vital help the English inventions received from the British banks, these stimulating the formation of primitive capital.<sup>4</sup> Lendable funds had been made cheaper by law reducing the rate of interest well before the Industrial Revolution began. Successive wars led to the accumulation of massive public debt mostly held by the well-off classes, which instigated Parliament to ban any making of loan at more than a legal fixed rate.<sup>5</sup> The legal rate is said to have been static at 10 per cent during roughly eighty years before 1624.<sup>6</sup> Then, it fell to 8 per cent, than to 6 and 5 in 1625, 1651, and 1714 respectively. After a three-year belligerent period in which it had climbed to 8, it fell back to 5 in 1717 and was further decreased in 1727 and 1757 to 4 and 3.<sup>7</sup> So, this revolutionary fall in the rate of interest on loan became itself a result of important steady formation of capital.<sup>8</sup> In fact, British government knew well that moneylenders would not be too assertive or categorical since money had already gained crucial fluidity.

Ashton bore witness to the fact that the lower the rate at which capital could be obtained, the greater would be individual investment. The writer added that the deep mines, solidly-built factories, and well-constructed canals were the products of relatively cheap capital.<sup>9</sup> The British banking system developed over time, and Britain

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<sup>1</sup> Hill. C, op. cit. , p. 183.

<sup>2</sup> Ibid. , pp. 184-185.

<sup>3</sup> Ibid. , p. 183.

<sup>4</sup> Dutt. R. P, op. cit. , p. 61.

<sup>5</sup> Ashton. T. S, op. cit. , p. 7.

<sup>6</sup> Ibid. , pp. 6-7.

<sup>7</sup> Ibid. , pp. 7-8.

<sup>8</sup> Hill. C, op. cit. , p. 186.

<sup>9</sup> Ashton. T. S, op. cit. , p. 9.

saw her banks rise in number. Plumb stated that these were less than 300 in 1780 and over 700 by 1815.<sup>1</sup> Plumb confirmed that “What is beyond argument is that cheap money and cheap credit enabled industrialists to take risks, and plan new enterprises, which they could never have contemplated had they depended on their own financial resources.”<sup>2</sup>

However, Cunningham affirmed that Britain’s banks could not secure by their own the formation of all primitive capital.<sup>3</sup> Considering Marx’s researches, Dutt reported that the formation of British capital during the whole process of the First British Industrial Revolution and well afterwards was primarily by virtue of factors outside home. The exploitation of India, the promotion of Atlantic slave trade, and the early colonial exploitation of the New World—Mexico and South America—were the major makers of English industrial capitalism.<sup>4</sup>

Besides, Ashton stressed the importance of the then power of England to raise capital by itself in a natural way; in other words, through saving.<sup>5</sup> But, that mounting tendency to save owed much to a common public institutional approach apart from banking and any external assistance, namely taxation. Public debt, which had been inaugurated in the late seventeenth century by King William III to wage war, was incessantly growing and around one-fourth of it was held by Holland. But after 1781, when war came to oppose the two countries, public debt came to be held mainly at the local level by nobles, squires, and lawyers.<sup>6</sup> Therefore, British government made it that one-eleventh then one-twelfth of the United Kingdom’s income in 1815 and 1827 were made up by tax-revenue intended to pay back the state’s creditors i.e. the wealthy government’s members. Thus, money was being possessed by those who were more inclined towards saving than towards spending.<sup>7</sup> In Ashton’s view, it was the growing fluidity of capitals, being saved then put in investment, that helped the British

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<sup>1</sup> Plumb. J. H, op. cit. , p. 146.

<sup>2</sup> Ibid. , p. 147.

<sup>3</sup> Dutt. R. P, op. cit. , p. 61.

<sup>4</sup> Ibid. , pp. 61-62.

<sup>5</sup> Ashton. T. S, op. cit. , pp. 6-7.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

government go on restricting the rate of interest on loan, which made British money increasingly cheaper.<sup>1</sup>

Britain's early modern industrialization owed its realization to another external factor. The three anarchical decades in France following its Revolution of 1789 subverted its economy after it had been on a par with Britain during most of the eighteenth century. The French regression offered the British manufacturers and traders a chance to go further ahead. In fact, continental economic competition was so tiny to keep Britain out of ranking supreme.<sup>2</sup>

### **2. 1. 2. The Technical Innovations.**

It has been quite usual and sometimes even spontaneous to think of the Industrial Revolution as being a historical phase illuminated by the invention of manufacturing gadgets. However, several historians' analyses of the revolution do not omit the decisive relatedness and role of contemporary technical innovations concerned with agriculture, transport, or energy.

In agriculture, there was taking place intensification of farm enclosure since around 1740 to the accompaniment of new various methods for greater output.<sup>3</sup> Trevelyan asserted that the necessity for enclosure reached back to Tudor days in which enclosed lands had had the good effect of increasing production in many areas.<sup>4</sup> Ashton affirmed that now in the eighteenth century Britain had much concern for the promotion of soil productivity so as to feed the growing urban population threatened by poor harvest and particularly the frequency of war.<sup>5</sup> In fact, the need of food was to increase due to the increase of population.

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<sup>1</sup> Ibid. , p. 7.

<sup>2</sup> Britannica Concise Encyclopaedia Incorporate, op. cit. , p. 22.

<sup>3</sup> Ashton. T. S, op. cit. , pp. 49-51.

<sup>4</sup> Trevelyan. G. M, op. cit. , p. 455.

<sup>5</sup> Ashton. T. S, op. cit. , p. 49.

Unlike the Tudor enclosures, the new ones were not limited to sheep farming; they rather encompassed a wide variety of animal and land products.<sup>1</sup> Plumb stood testimony to the importance of Hanoverian enclosures as follows :

*.... the hold of the past had been weakened. Technical change, instead of being a rare event, had become a constant factor in human life. Since the Neolithic revolution, when men learnt to domesticate animals and grow crops, there had been nothing of such consequence for the material destiny of man. .... the technical case for enclosure was exceptionally strong. It made each farmer independent of his neighbour, free to introduce improvements in crops and breeding without fear that his efforts would be wasted. Before, with land held in common and with herds mixing on the common pastures, improvement had been well-nigh impossible.<sup>2</sup>*

The improvements associated to enclosure were numerous. The Seed Drill, invented at the beginning of the eighteenth century by Jethro Tull, could sow corn seed in straight lines and at fixed intervals. Meanwhile, it became possible to cultivate root crops, these having been introduced from Holland.<sup>3</sup> As for animal yield, it was illuminated by the development of fodder which allowed not only the fattening of animals but also their keeping all over the year whereas previously most of them were killed before winter.<sup>4</sup> Trevelyan affirmed that eighteenth-century England was an England of ‘improving landlords’ willing to expend on land, studying, practising, and popularizing scientific agriculture incompatible with the age-old system of open-field farming.<sup>5</sup> Thus, Britain joined Holland to be the most skilful countries at farming in Europe.<sup>6</sup>

The contribution of Britain’s eighteenth century agricultural advancement towards its Industrial Revolution is that it bettered the worker’s consumption. He could now enjoy wheat, instead of rye or oats, along with more meat, vegetables, milk-products, and

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<sup>1</sup> Mc Dowall. D, op. cit. , p. 117.

<sup>2</sup> Plumb. J. H, op. cit. , pp. 82-83.

<sup>3</sup> Mc Dowall. D, op. cit. , p. 117.

<sup>4</sup> Ibid. , pp. 117-118.

<sup>5</sup> Trevelyan. G. M, op. cit. , p. 455.

<sup>6</sup> Mc Dowall. D, op. cit. , p. 117.

especially more potatoes. That strengthened his health and thus rendered him more able to withstand the harshness of labour.<sup>1</sup>

According to Mc Dowall, two main factors assured eighteenth-century British enclosures. Firstly, landlords and aristocrats could make those investments because they had enough funds accumulated mainly through trade with India as well as the West Indies.<sup>2</sup> Secondly, the multiplication of enclosures was carried out within the frame of a compromise between landlords and MPs. The former were to see the enactment of laws allowing them to come into possession of common lands to be enclosed and, in return, had to aid the re-election of their MPs with their employees' votes.<sup>3</sup>

Not fully positive, the strategy of farm enclosure was carried out on biased terms because Parliament, which was at those times strictly aristocratic and haunted by the interest in land, paid little attention to small farmers.<sup>4</sup> Many of these had long been holding common waste lands which then came to be seized by landlords. Thus, a lot of small farmers were made landless labourers.<sup>5</sup> Moreover, the improvements associated to enclosure, including those in breeding or ploughing and the replacement of the ox by the horse, were not only slow but also regional and not general.<sup>6</sup> Nevertheless, according to Ashton, more production meant better nutrition, which necessarily meant better health as well as longer life-expectancy for the factory worker.<sup>7</sup>

The First British Industrial Revolution was stimulated by the will to further the marketability of finished goods so as to satisfy the population's demand running enormous.<sup>8</sup> The British cotton weavers could not keep up with the demand for their products.<sup>9</sup> The flying shuttle, which had been introduced in 1733 by John Kay, called into play a single operator and thus doubled the amount of woven cloth but increased

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<sup>1</sup> Ashton. T. S, op. cit. , p. 52.

<sup>2</sup> Mc Dowall. D, op. cit. , p. 117.

<sup>3</sup> Ibid.

<sup>4</sup> Ashton. T. S, op. cit. , p. 49.

<sup>5</sup> Trevelyan. G. M, op. cit. , p. 457.

<sup>6</sup> Ashton. T. S, op. cit. , p. 52.

<sup>7</sup> Ibid. , pp. 49 - 52.

<sup>8</sup> Gregg. P, op. cit. , p. 40.

<sup>9</sup> Britannica Concise Encyclopedia Incorporate, op. cit. , p. 17-18.



the need of thread.<sup>1</sup> Hence, a range of devices were sequentially brought into being to accelerate thread-making.<sup>2</sup>

The jenny, a simple hand machine by James Hargreaves, appeared in 1767 to spin seven. But later, it could spin eighty threads at once.<sup>3</sup> Furthermore, the jenny was quite easy to use, cheap to construct, small to be housed, and not strength-consuming. Thus, by 1788 around 20.000 jennies were operative in England.<sup>4</sup> However, jenny-spun thread was soft and therefore suitable only for weft.<sup>5</sup> Warp had still to be spun by the usual hand-wheel until, in 1768, Richard Arkwright and John Kay produced the frame to be driven by water instead of hands.<sup>6</sup> The frame-spun thread was not only strong, fitting warp-making, but also less expensive than the linen that had usually been used in the same manufacture.<sup>7</sup> In Ashton's view, the cheapness of all-cotton calicoes was the basis of the British textiles revolution between 1760 and 1830.<sup>8</sup> Two other important devices appeared afterwards namely the mule in 1779 by Samuel Crompton, combining the jenny and the water-frame, and the steam-power loom in 1785 by Edmund Cartwright, to be driven either by water or steam. Similarly, the two devices had the effect of increasing production and decreasing its cost.<sup>9</sup>

The textiles were the first British industry to become mechanized and were to know, over a quarter of a century, their golden age.<sup>10</sup> The progresses achieved in the textiles all gained prompt compliments from contemporary intellectuals and made jealous the manual spinners and weavers being afraid of losing their jobs.<sup>11</sup> The importance of those progresses was in fact so great that Britain became in very increasing need of raw materials. For instance, between 1770 and 1800 imports of raw cotton to Britain increased by the factor of twelve.<sup>12</sup> According to Gregg, in 1760 about 8.000 tons of raw cotton were used; in 1.800 about 25.000 tons; and in 1830

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<sup>1</sup> Gregg. P, op. cit. , p. 44.

<sup>2</sup> Ashton. T. S, op. cit. , pp. 58-61.

<sup>3</sup> Ibid. , p. 58.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> Gregg. P, op. cit. , p. 44.

<sup>7</sup> Ashton. T. S, op. cit. , p. 59.

<sup>8</sup> Ibid.

<sup>9</sup> Gregg. P, op. cit. , p. 44.

<sup>10</sup> Plumb. J. H, op. cit. , p. 79.

<sup>11</sup> Britannica Concise Encyclopedia Incorporate, op. cit. , p. 18.

<sup>12</sup> Ibid.

about 100.000 tons.<sup>1</sup> Lancashire and Yorkshire were to outshine all the other textile centres of the world with the rise of the factory system instead of the traditional and relatively less productive system of the cottage.<sup>2</sup>

Gregg asserted that the development of steam technology was a major aspect to the First British Industrial Revolution as it came to supersede all the other usual powers for driving, spinning, and weaving namely hand, animals, wind, and water.<sup>3</sup> Steam technology goes back to the findings of the Italian physicist Evangelista Torricelli in the seventeenth century who had shown the possibility to use a vacuum as a pump.<sup>4</sup> His theory served later on as a bridgehead for the creation of a series of pumps. Indeed, the Englishman Thomas Savery produced in 1698 the first steam-engine supplied with a vacuum to lift water through suction. Fourteen years later, the Englishman Thomas Newcomen produced a better steam-engine. For long many years, the latter would pump out coal in northern England. Mokyry sees Thomas Newcomen's steam-engine as the world's very first economically useful device transforming heat into regular motion.<sup>5</sup>

Then in 1776 appeared the first of James Watt's steam-engines hailed as being fourfold more efficient than Newcomen's one.<sup>6</sup> Notwithstanding, Gregg asserted that the two could not fulfil neatly the task of pumping water from coal-mines because of their non-roundly driven wheels.<sup>7</sup> The necessary overhaul on the engine was brought still by Watt in 1782 with his provision of a rotary motion eventually enhancing the application of steam power to machinery.<sup>8</sup> It is estimated that by 1800 around five hundred steam-engines had been made and set in motion by Watt and his assistant Boulton mostly for Britain.<sup>9</sup> The successive improvements in steam-engine by Watt widened and cheapened the availability of steel and thus guaranteed the making of faster ships and ipso facto more overseas trade.<sup>10</sup>

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<sup>1</sup> Gregg. P, op. cit. , pp. 46-47.

<sup>2</sup> Mc Dowall. D, op. cit. , p. 107.

<sup>3</sup> Gregg. P, op. cit. , p. 45.

<sup>4</sup> Britannica Concise Encyclopedia Incorporate, op. cit. , p. 19.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> Ashton. T. S, op. cit. , p. 57.

<sup>8</sup> Gregg. P, op. cit. , p. 45.

<sup>9</sup> Ibid.

<sup>10</sup> Britannica Concise Encyclopedia Incorporate, op. cit. , p. 19.

Before the Industrial Revolution, iron-production relied on the experience and skill of individual artisans and was therefore often limited to weapons.<sup>1</sup> In 1784 however, it was illuminated by Henry Cort's methods of puddling and rolling which pre-empted the smelter's dependence on wood.<sup>2</sup> Britain now came to perfect the process of changing iron ore into good quality iron by means of coke i.e. coal.<sup>3</sup> Ashton testified that Cort's strategy was to heat up the iron ore i.e. pig iron with coke until it took the form of pastry, then to keep stirring it with iron rods until it got purified, and finally to pass it between iron rollers for fuller purification.<sup>4</sup> Gregg affirmed that Cort's discovery improved output and multiplied it by a factor of fifteen.<sup>5</sup> fifteen.<sup>5</sup>

Yet, both iron and coal industries remained heavily capitalistic i.e. they required a lot of funds.<sup>6</sup> Because of the expensiveness of iron machinery, iron-production became increasingly concentrated in huge firms, most notably in that of the tycoon John Wilkinson.<sup>7</sup> Nevertheless, once set in application, iron machinery, through Cort's strategy, allowed the use of cheaper ores, rendered iron cheap, and diversified metallic manufacture.<sup>8</sup> The British production of pig iron is recorded as 30,000 tons in 1760 and about one million tons in 1810.<sup>9</sup> Iron became so copious that it came to supersede stone and timber in building.<sup>10</sup>

Since profusely abundant in Britain and twice stronger than wood, coal came to replace the latter in the second half of the eighteenth century.<sup>11</sup> And, though not appreciated by contemporaries because of its smoke and smell, coal remained throughout the revolution the most reliable fuel.<sup>12</sup> It is claimed that the superiority of

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<sup>1</sup> Ibid. , p. 5.

<sup>2</sup> Ashton. T. S, op. cit. , p. 54.

<sup>3</sup> Mc Dowall. D, op. cit. , p. 121.

<sup>4</sup> Ashton. T. S, op. cit. , p. 54.

<sup>5</sup> Gregg. P, op. cit. , p. 46.

<sup>6</sup> Ibid. , p. 40.

<sup>7</sup> Britannica Concise Encyclopedia Incorporate, op. cit. , p. 21.

<sup>8</sup> Ibid. , p. 21.

<sup>9</sup> Ibid. , p. 14.

<sup>10</sup> Ashton. T. S, op. cit. , p. 54.

<sup>11</sup> O'Brien. P, op. cit. , pp. 7-8.

<sup>12</sup> Britannica Concise Encyclopedia Incorporate, op. cit. , p. 20.

coal to wood had been announced around 1714 by Abraham Derby, but the utter substitution of wood for coal would not take place until the 1770s.<sup>1</sup>

Like any other extractive industry, coal-mining went on an upward, but slow, trajectory. The introduction of ponies into the pits of Northern England in the mid-eighteenth century is accredited with an important reduction of coal's price because thinly-remunerated boys came to replace the usual barrowmen who had been the majority of underground labourers.<sup>2</sup> Coal's price was then gradually dwindling. In 1777, John Curr introduced into Sheffield's pits cast-iron rails and wheeled corves to ferry coal up to the ground without being unloaded at the bottom.<sup>3</sup> Then, between 1813 and 1815, Davy, Clanny, and Stephenson introduced several safety lamps which extended coal-extraction to seams previously avoided for security reasons.<sup>4</sup> Between 1770 and 1830, coal production quadrupled.<sup>5</sup>

British coal was of a good quality fitting well the steel and iron industries.<sup>6</sup> Its promotion in the end of the eighteenth century is attributed in part to Britain's endowment with numerous navigable rivers making water-transport cheap.<sup>7</sup> The location of coal mines near iron fields was another helpful geographical factor to the country's rapid industrial growth.<sup>8</sup> Metallurgy, glass-making, brewing, refining sugar and salt, chemistry, and baking food and bricks could all be carried out more efficiently.<sup>9</sup> It was mass production of coal that enabled Josiah Wedgwood to rise to international renown as the biggest British manufacturer of porcelains. Previously however, the latter had been luxury goods scarcely within the reach of the British people.<sup>10</sup>

According to G. M. Trevelyan, the greatest development in Britain between 1760 and 1820, even more important than Lancashire cotton trade, was the novelty brought to iron production—smelting by means of coal.<sup>11</sup> Only with the perfection of coal-

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<sup>1</sup> Ibid. , p. 27.

<sup>2</sup> Ashton. T. S, op. cit. , p. 53.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Gregg. P, op. cit. , p. 46.

<sup>6</sup> Britannica Concise Encyclopedia Incorporate, op. cit. , p. 22.

<sup>7</sup> O'Brien. P, op. cit. , pp. 7-8.

<sup>8</sup> Britannica Concise Encyclopedia Incorporate, op. cit. , p. 12.

<sup>9</sup> O'Brien. P, op. cit. , p. 8.

<sup>10</sup> Mc Kendrick. N, op. cit. , pp. 1-3.

<sup>11</sup> Trevelyan. G. M, op. cit. , p. 451.

mining and increasingly elaborated means of harnessing coal's energy did Britain economically overshadow the rest of the world throughout the nineteenth century.<sup>1</sup> The new technique of smelting gave rise to the Black Country in the West Midland Shires and increased Britain's iron production ten-fold.<sup>2</sup> Plumb affirmed that thanks to the ironworks of Carron in Scotland, Dowlais in Wales, and particularly Wilkinson in England, Britain could recover her position as the first iron-producer in Europe by the late eighteenth century.<sup>3</sup>

Historians even claimed that there was some technical relatedness; in that, the growth of one industry engendered the growth of another. For instance, if the coal industry was rendered more practicable by Watt's steam-engine, the latter was in its turn further improved by Wilkinson's special ironwork skills making it more accurate.<sup>4</sup> The metallic industry equally affected the textile industries because spinning and weaving machineries were since 1780s being made of iron and not wood, the latter being unable to resist steam's pressure.<sup>5</sup>

The British Industrial Revolution also owed much to new British infrastructure. Neither the needed raw materials and fuel could have been regularly conveyed to mills, nor could the finished goods have reached the markets without great scientific efforts to improve the country's transport.<sup>6</sup> Britain went on digging canals and the widening of rivers. Carried out by cheap Irish labour, the extension of Britain's canal network amounted to 2,600 miles in England and 500 miles in Scotland and Wales.<sup>7</sup>

The Bridgewater Canal was opened in 1761 to convey Worsley's coal to the cotton town of Manchester. In 1773, the Bridgewater Canal was extended up to the Mersey and Trent, under the name of the Grand Trunk Canal, to convey the Midlands's pottery and salt.<sup>8</sup> Whereas the Grand Junction linked London to the Midlands, the Thames-Severn Connection joined London to Worcester, Birmingham, and

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<sup>1</sup> Britannica Concise Encyclopedia Incorporate, op. cit. , p. 20.

<sup>2</sup> Trevelyan. G. M, op. cit. , p. 451.

<sup>3</sup> Plumb. J. H, op. cit. , p. 79.

<sup>4</sup> Mc Dowall. D, op. cit. , p. 121.

<sup>5</sup> Gregg. P, op. cit. , p. 45.

<sup>6</sup> Plumb. J. H, op. cit. , p. 147.

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

Wales.<sup>1</sup> Moreover, Britain had the ingeniousness to join the North and Irish Seas by means of the Leeds-Liverpool Canal and Aire and Calder Canal for example.<sup>2</sup> Though slow, the canal road relating London, the Black Country, Lancashire, Yorkshire, and other areas made metals, pottery, clay, and many other industrial items gain more marketability, water-transport being simply inexpensive.<sup>3</sup>

Britain's wheeled vehicles could not have moved safely without her roads being properly constructed.<sup>4</sup> Hence, new highroads were made—straighter, stronger, and wider than those in the first half of the eighteenth century.<sup>5</sup> Unlike canal transport, road transport became too expensive, but its all-important feature was its rapidity. It took four days and half to travel from London to Manchester in 1754 but only 28 hours by 1788.<sup>6</sup> Mc Dowall testified that "It was rapid road travel and cheap transport by canal that made possible the economic success of the industrial revolution."<sup>7</sup> At a later later stage, the process of the revolution found further facilitation in steam transport. Locomotives were set in motion particularly in northern England where raw materials and finished goods shuttled forwards and backwards between inland areas and harbours.<sup>8</sup>

On the whole, the history of eighteenth and nineteenth century Britain is that of a socio-economic metamorphosis brought into being by a set of interrelated achievements. The rapidly expanding and educated middle class, the new technics in agriculture, transport, and manufacture, the growth of labour, the easier circulation of capital, and the expansion of marketability were the preconditions of British industrialism.<sup>9</sup> Britain was to ascend as the world's industrial frontrunner.<sup>10</sup>

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<sup>1</sup> Gregg. P, op. cit. , pp. 40-41.

<sup>2</sup> Ashton. T. S, op. cit. , pp. 36-37.

<sup>3</sup> Gregg. P, op. cit. , pp. 41-42.

<sup>4</sup> Plumb. J. H, op. cit. , p. 147.

<sup>5</sup> Ashton. T. S, op. cit. , p. 1.

<sup>6</sup> Plumb. J. H, op. cit. , p. 147.

<sup>7</sup> Mc Dowall. D, op. cit. , p. 123.

<sup>8</sup> Ashton. T. S, op. cit. , p. 1.

<sup>9</sup> Plumb. J. H, op. cit. , p. 78.

<sup>10</sup> Gregg. P, op. cit. , p. 49.

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## CHAPTER TWO : Colonial Financial Exploitation and Its Result.

Though not unanimously, it is often agreed that England's most serious aspect of her colonization of India was the extortion of Indian wealth so as to nourish her own economy being since the mid-eighteenth century increasingly industrialized.<sup>1</sup>

With the rise of the capitalist spirit in England from 1760s, the business of going and fetching funds from India proved concomitantly imperative. India constituted, mainly through unprecedented levels of taxation imposed on all her classes, one of the principal money sources to British banks securing thus Britain's modernization.<sup>2</sup> British statesmen and scholars conceded that between 1757 and 1815 about £ 1.000 million were transferred from Indian boards to English banks mainly as tax revenues.<sup>3</sup> But, Habib reported more accurate figures from statistics by the American historian H. Furber according to which the total drain, including private remittances by Englishmen, amounted in average to £ 1,78 million annually between 1783 and 1793.<sup>4</sup> Habib explained that financial role as follows :

*We must remember that the total rate of capital formation in Britain was probably no more than 7 per cent of the national income about this time [1801]; and this means that, at this crucial stage of the Industrial Revolution, India was furnishing an amount that was almost 30 per cent of the total national saving transformed into capital ..... during 1821-31 to 1831-61, net domestic capital formation accounted for only 7,4 per cent of the national income. This means that the pressure for tribute could not be relaxed.<sup>5</sup>*

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<sup>1</sup> Tripod Incorporate, india\_resource.tripod.com/colonial.html, p. 9.

<sup>2</sup> Ibid. , p. 10.

<sup>3</sup> Naik. J. V, op. cit. , p. 3.

<sup>4</sup> Habib. I, op. cit. , p. 6.

<sup>5</sup> Ibid. , p. 8.



The American historian Brooks Adams observed the complementary pecuniary relationship between the First British Industrial Revolution and India, too. His quoted words are “before the influx of the Indian treasure and the expansion of credit which followed, no force sufficient for this purpose (the First British Industrial Revolution) existed; and had Watt lived 50 years earlier, he and his invention must have perished together.”<sup>1</sup> But, the purpose of that colonial taxation was much beyond remittances. The British wanted a reliable colonial strategy by means of which they would be able to afford Indian raw materials for the industrial needs of their mother country.<sup>2</sup>

The drain of Indian wealth to support British mechanical industries manifested itself in the export of miscellaneous Indian commodities, which sometimes resulted in a considerable excess of imports from the colony over exports thereto. Those imports increased from £ 1,5 million in 1750-51 to £ 5,8 million in 1797-98.<sup>3</sup> It was a type of trade in which “the purchase of these commodities in conditions where the buyer had a monopoly and their sale in markets throughout the world, further enlarged the profits before the ‘tribute’—a word freely in use for it at the time—was finally received in England”.<sup>4</sup>

Habib added that those goods were cheaply got and had to be resold at their full prices i.e. high prices. Indeed, colonial customs tended to record those prices “at prime costs, or even simply accepted declarations as to prices prevailing in the country of origin.”<sup>5</sup> In other words, the British tended to under-valuate Indian goods when buying them so as to inflate their profits. In this design, Habib assessed Britain’s total gain at the expense of India at over £ 4,70 million just for 1801.<sup>6</sup>

### **1. Land Revenue.**

Like the Mughals, the English came to India as total aliens. However, unlike the former, the latter did not adopt the country as their own. The Mughals had never tried

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<sup>1</sup> Ibid.

<sup>2</sup> Ibid. , p. 5

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid. , p. 7.

<sup>6</sup> Ibid.

to plunder it in favour of another country.<sup>1</sup> It is claimed that the former conquerors of India made changes on the social ground only, and India's economic structure had remained unaffected.<sup>2</sup> However, in applying laws and principles of her own, "L'Angleterre a fracassé toute la structure de la société indienne, sans aucun symptôme de reconstruction ait encore fait son apparition." said Karl Marx in 1853.<sup>3</sup>

Whereas in the last year of Bengal's native civil administration, namely 1764-1765, land taxes had amounted to £ 817.000, only in the first year of the region's civil administration by the Company, namely 1765-1766, they amounted to £ 1.470.000.<sup>4</sup> The Company's Resident Minister in Murshidabad affirmed in 1769 that "Ce beau pays, qui était florissant sous le plus despotique et le plus arbitraire des gouvernements, est au bord de la ruine depuis que les Anglais prennent tant de part à son administration"<sup>5</sup> Deeply affected by the new level of taxation, Bengal, which then counted the today regions of Bangladesh, Orissa, Bihar, and South Assam, was in 1770 smitten with a severe famine that wiped out one-third of its population.<sup>6</sup> One fact that one may provide to prove the atrocity of early company rule is the fact that land-excise was, according to Dutt, not only firmly maintained throughout that famine but also increased.<sup>7</sup>

According to Naik, India's enduring propensity for colonial servitude is to be primarily attributed to the general backwardness of the Indian masses. These were so attached to their ancient religious traditions and social evils related to their caste system.<sup>8</sup> India's caste system did not merely classify its whole population into non-mixable corporate units, namely castes, by descent, marriage, occupation, or heredity. It was also, as criticized by the French sociologist Céléstin Bouglé, strongly determined by the notions of impurity as well as mutual repulsion.<sup>9</sup> Thus, the German sociologist Max Weber claimed that India's caste system was one reason behind her retarded intellectual

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<sup>1</sup> Belmekki. B, op. cit. , p. 48.

<sup>2</sup> Desai. A. R, op. cit. , p. 25.

<sup>3</sup> Dutt. R. P, op. cit. , p. 50.

<sup>4</sup> Ibid. , p. 59.

<sup>5</sup> Ibid. pp. 59-60.

<sup>6</sup> Basu. D, op. cit. , p. 7.

<sup>7</sup> Dutt. R. P, op. cit. , p. 60.

<sup>8</sup> Naik. J. V, op. cit. , p. 2.

<sup>9</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Macropaedia Knowledge in Depth, 15<sup>th</sup> Edition, Vol. 3, Chicago, University of Chicago, 1974, p. 982-983.

progress as compared to the Western countries.<sup>1</sup> In fact, one may argue that unlike the other countries India was then devoid of national spirit and solidarity that could have then withstood its colonizer. In 1841, the nationalist writer Bhaskar Tarkhadkar asserted in a letter addressed to the English daily *the Bombay Gazette* that :

*It is the priest craft of the brahmina that have so far lowered the national character of the Hindoos as to be easily governed and even tyrannized over by a handful of foreigners which is greatly to be lamented, but it is the political craft of the latter that has now impoverished them, which is still more to be lamented.*<sup>2</sup>

Pre-British India's economy used to be organized traditionally; in other words, agriculturally. In fact, land was the main economic source there. Village economy was typically communist on the basis of common land ownership. Every new village community was to operate this way. The Mughal emperor was India's supreme leader and had a share from the annual national harvest but with no pretension over land ownership.<sup>3</sup> Indeed, there existed no privacy of land in the Indian Sub-Continent.<sup>4</sup>

Besides, the bulk of agricultural production was meant for the direct consumption of village members and never became merchandise. Only the surplus was allowed to become merchandise. Only a share of the harvest was owed to central government accountable in return for irrigation and public works. Common landownership engendered the common exercise of farming as well as the sharing of crops.<sup>5</sup> Actually, the pre-British Indian village assumed the feature of subsistence farming; in other words, self-sufficiency.

The British rule of India ended the traditional right of the village community to the village land.<sup>6</sup> In fact, unlike pre-British India, British India was radically imbued

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<sup>1</sup> Ibid.

<sup>2</sup> Naik. J. V, op. cit. , p. 3.

<sup>3</sup> Dutt. R. P, op. cit. , pp. 47-49.

<sup>4</sup> Umamaheswara Rao. C, "Land Revenue Administration - A Historical Look", [apard.gov.in/land\\_revenue\\_administration-a\\_hist...](http://apard.gov.in/land_revenue_administration-a_hist...) , p. 21.

<sup>5</sup> Ibid. , pp. 47-48.

<sup>6</sup> Desai. A. R, op. cit. , p. 31.

with private land ownership with sale and alienation.<sup>1</sup> It was a process of change launched in Bengal in 1793 by Governor-General Lord Charles Cornwallis by virtue of his Permanent Settlement Act which developed the *Zamindari* system. In parallel but to a lesser extent, the British Company developed the *Ryotwari* system.<sup>2</sup>

According to Habib, it was the critical Indian economic situation originated by the Company's land revenue pressure before 1793 that led to the Permanent Settlement.<sup>3</sup> Indeed, there prevailed controversy among Company officials over land tax levels, these being exaggeratedly raised with serious repercussions on Indian economy. Unlike James Grant and his partisans, Cornwallis was categorically opposed to any increase in the level of land revenue beyond a figure that needed to be fixed by now. He defended his offer as a viable compromise to the zamindars so as to save the Company's tax income.<sup>4</sup> Sent to Bengal in 1786 as Governor-General, Lord Cornwallis had been assigned the mission of putting an end to that arbitrary chaos that had been prevailing since 1765 "transforming the region to a jungle".<sup>5</sup> In fact, Habib reported that Bengal's land revenue rose from Rs 2,26 crores in 1765-66 to Rs 3,7 crores in 1778-79.<sup>6</sup>

Theoretically, Cornwallis' system aimed at planning and organization but in practice proved to be more extracting than the previous colonial way of taxing.<sup>7</sup> Statistical figures provided by historians are fairly eloquent. For instance, whereas in 1765-1766 Bengal was forced to pay £1.470.000, in 1793 £ 3.400.000.<sup>8</sup> This abuse was confirmed by Habib as follows : "The source of the conquerors' profits, however, lay not in commerce, but in land revenue. Maximization of land revenue was necessary for the maximization of profits. It was this that led to the unrelenting pressure upon the zamindars in Bengal."<sup>9</sup>

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<sup>1</sup> Dutt. R. P, op. cit. , pp. 50-51.

<sup>2</sup> Umamaheswara Rao. C, op. cit. , pp. 14-16.

<sup>3</sup> Habib. I, op. cit. , p. 5.

<sup>4</sup> Ibid.

<sup>5</sup> Dutt. R. P, op. cit. , p. 63.

<sup>6</sup> Habib. I, op. cit. , p. 5.

<sup>7</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Macropaedia Ready Reference and Index, 15<sup>th</sup> Edition, Vol. 3, Chicago, University of Chicago, 1974, p. 160.

<sup>8</sup> Dutt. R. P, op. cit. , p. 59.

<sup>9</sup> Habib. I, op. cit. , p. 5.

Under the *Zamindari* System, mostly widespread in the north of the country, hereditary revenue collectors, who had been appointed by the Mughal Emperor, were rendered private landlords.<sup>1</sup> According to Desai, the Permanent Settlement Act was promulgated because tax collection was found much less difficult when carried out from a few thousands of landlords i.e zamindars than from hundreds of thousands community peasants.<sup>2</sup> The system covered around 57% of the total cultivated area.<sup>3</sup>

Under the *Ryotwari* System mostly prevalent in the south, it was rather the company officials who collected the revenues from farmers who were recognized by the colonial government as the real owners of the lands they cultivated. This system embraced as for it around 38% of the total cultivated area.<sup>4</sup> Every new British governor of India made a rise in the already high land revenue levels established by his predecessor through re-evaluation. The economic philosopher John Stuart Mill, working for the British Company, affirmed in 1857 that

*Under the Ryotwari System, every registered holder of land ..... cannot be ejected by Government so long as he pays the fixed assessment, and has the option annually of increasing or diminishing his holding, or of entirely abandoning it. In unfavourable seasons, remissions of assessment are granted for entire or partial loss of produce. The Ryot under this system is virtually a Proprietor on a simple and perfect title, and has all the benefits of a perpetual lease without its responsibilities, in as much as he can at any time throw up his lands, but cannot be ejected so long as he pays his dues; he receives assistance in difficult seasons ... .*<sup>5</sup>

However, the assertions in the second following paragraph, made in most by Indian writers, may lead one to question the veracity of the above British-made account. In fact, Mill did not divulge in his longer discourse any colonial injustice said by Indians to have been made endemically associated with British India's land revenue

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<sup>1</sup> Umamaheswara Rao. C, op. cit. , p. 15.

<sup>2</sup> Desai. A. R, op. cit. , p. 32.

<sup>3</sup> Umamaheswara Rao. C, op. cit. , p. 15.

<sup>4</sup> Ibid. , p. 16.

<sup>5</sup> The Free Encyclopedia Wikipedia, "Ryotwari", *en.wikipedia.org/wiki/Ryotwari*, last modified 11<sup>th</sup> July 2011 downloaded 16<sup>th</sup> January 2012, p. 1.

regulation. Also, he accredited the colonial government with certain values that are starkly gainsaid by many Indian writers.

Desai claimed that the estimation of land duties in pre-British India used to be incumbent upon the village community and not upon the imperial Mughal authorities. Thus, they were made commensurate with the amount of harvest.<sup>1</sup> Besides, they were paid either in cash or goods. According to Lal Roy, native authorities claimed a share fluctuating between just a fourth and third of the total annual yield depending on the obtained quantity. Also, land payments were either postponed, reduced, or entirely exonerated in case of bad harvest.<sup>2</sup> Moreover, if unable to settle the reasonably fixed requirements, the Ryot could resort to a symbolic payment in land that was never used by native authorities and that could be recuperated later on once he paid. Furthermore, rent arrears were not subject to any rate of interest or penalty. On the whole, peasantry was spared any overcharging or ruination.<sup>3</sup>

On the other hand, Naik claimed that land revenue assessment in British India was based rather on land assessment i.e. on soil fertility potential and not on what land actually produced be the harvest good or bad.<sup>4</sup> Lal Roy provided a similar account on that abuse in these following words : “Its [the English Government] assessment is based on the tenant’s produce in a good year, of which it appropriates, on an average, forty per cent., puts its value in cash, fixes regulation times of collecting, and leaves the machine do the rest.”<sup>5</sup> It is also reported that *Ryotwari* revenue assessment in Bombay recurrently exceeded % 50 of the output.<sup>6</sup> Habib suggested that colonial government, unlike native one, was categorically intransigent in both the *Zamindari* and *Ryotwari* systems converting the traditional land revenue from a share of the crop to a true and extortionate tax on land.<sup>7</sup>

Actually, since under British rule land became subject to purchase and sale, it became subject to taxation too. The British went on increasing land taxes over time,

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<sup>1</sup> Desai. A. R, op. cit. , p. 38.

<sup>2</sup> Lal Roy. A, op. cit. , p. 7.

<sup>3</sup> Ibid.

<sup>4</sup> Naik. J. V, op. cit. , p. 3.

<sup>5</sup> Lal Roy. A, op. cit. , p. 6.

<sup>6</sup> The Free Encyclopaedia Wikipedia, op. cit. , p. 1.

<sup>7</sup> Habib. I, op. cit. , p. 10.

which compelled the Indian farmers to trade in their harvests in order to raise funds and pay.<sup>1</sup> The British Company found the payment of land duties in cash more profitable than in goods because it wanted to increase its cultivation or purchase of Indian goods mainly raw materials. But, one related problem for the natives was that the proceeds of this commercialization were often inferior to the required duties.<sup>2</sup> So, the Indian peasantry had often to borrow money from the rich in order to sustain agricultural production but to the cost of high rates of interests in return.<sup>3</sup>

Furthermore, moneylenders often acted as mortgagees, which went into a big change in land holding as many Indian farmers squarely lost their lands for their creditors because of non-payment.<sup>4</sup> For example, the Bengali district of Aligarh had 50 per cent of its land come to new proprietors between 1839 and 1858, a shift in which the moneylending and trading classes extended their landownership through purchase. Whereas in Aligarh their percentage share rose from 3,4 in 1839 to 12,3 in 1868, in Muzaffarnagar from 11 in 1840 to 19,5 in 1860.<sup>5</sup>

Habib affirmed that the colonial state made use of advanced science in making its land surveys, which made it impossible for any piece of land to elude assessment.<sup>6</sup> Precise survey and many resumptions of lands so far held as revenue-free would naturally increase the revenue.<sup>7</sup> For instance, it is estimated that the land revenues of the Ceded and Conquered Provinces<sup>8</sup> increased by about 88 per cent between 1807 and 1847.<sup>9</sup>

The colonial state is also criticized for having obliged the tenant to settle his duties before his harvest was grown.<sup>10</sup> The entailment of that was that even when the amount

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<sup>1</sup> Research Unit for Political Economy, [www.rupe-india.org/44/colonial.html](http://www.rupe-india.org/44/colonial.html), "Aspects of India's Economy", published April 2008, downloaded May 04<sup>th</sup> 2011, p. 2.

<sup>2</sup> Naik. J. V, op. cit. , p. 5.

<sup>3</sup> Mann. J. N, "On the Cotton Trade of India [with discussion]", [www.jstor.org](http://www.jstor.org), pp. 18-19.

<sup>4</sup> Habib. I, op. cit. , p. 15.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid. , p. 10.

<sup>7</sup> Ibid. , p. 11.

<sup>8</sup> The Ceded and Conquered Provinces formed a region in northern India, that came under British rule in 1805. [wiki.fibis.org/index.php?...Ceded\\_and\\_Conquere...](http://wiki.fibis.org/index.php?...Ceded_and_Conquere...) , p. 1.

<sup>9</sup> Habib. I, op. cit. , p. 11.

<sup>10</sup> Lal Roy. A, op. cit. , p. 6.

of harvest was found below the required rate of duties, the farmer could have no money back. This went to stop the Indian village from being economically self-sufficient. In fact, nineteenth century rural India was being impoverished.<sup>1</sup> In some regions, even the zamindar was deeply affected as his estate incurred an eventual devaluation. The decline of zamindari sale price was inevitable since farming was being rendered for the natives almost unproductive. In Aligarh for instance, zamindari became worth only 3,5 times the amount of land revenue.<sup>2</sup>

Other writers corroborated this disturbing commercialization of agriculture. They affirmed that in pre-British India village community used to cultivate what they needed at the local level and could live on their own products. However, with the introduction of fixed money payment as land duties, they had to trade in their products in the market often at low prices in order to raise cash. Thus, the peasants had to cultivate more and more for the market to the detriment of their own consumption.<sup>3</sup> Colonial government was so zealous to tax the peasantry that it even dared to control irrigation improvement taxing the cultivator on his own wells sunk at his own charge.<sup>4</sup>

Satya commented on the situation of British India's rural economy in the 1870s as follows :

*The Colonial State and local moneylenders became parasitic classes that were not interested in either economic development or improving the material condition of the peasantry. Commercial crops not only encroached on food grains but pushed peasants into a debt cycle from which it was impossible to get out because the primary producer lost control over the crops.*<sup>5</sup>

According to Habib, the economic impact of land taxation was seen not only at the rural level but also at the urban one for the simple reason that urban economy

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<sup>1</sup> Research Unit for Political Economy, op. cit. , pp. 2-3.

<sup>2</sup> Habib. I, op. cit. , p. 15.

<sup>3</sup> Belmekki. B, op. cit. , p. 51.

<sup>4</sup> Lal Roy. A, op. cit. , p. 6.

<sup>5</sup> Satya. L. D, op. cit. , p. 7.



depended tremendously on village economy. In fact, in pre-British India, the surplus from land tax revenue used to be distributed among the authorities vested with the role of spending it on urban industries and trade, which usually resulted in the development of capital.<sup>1</sup>

In this respect, pre-colonial Bengal used to export its luxury manufactures, much of muslin and a third of its silk, mostly to inland urban areas particularly Gujarat. The latter owed its affluence to this very trade.<sup>2</sup> But, high colonial land taxes came to put Bengal's trade under severe control reducing the population's purchase power. And, as already said, company traders became powerful enough to buy Indian manufactures in quantities and at prices they themselves determine.<sup>3</sup> Most of Bengali silk and muslin exports were now to be directed to the English metropolis. In the early 1780s, out of the Rs. 3,30 crores worth of raw silk and cotton and silk manufactures from Bengal, no less than Rs. 1,68 crores went to Europe, only Rs. 1,10 crores remained for the local need, and Rs. 0,60 crores went to other areas of India and the Middle East.<sup>4</sup> Consequently, the whole of Bengal's textile trade pattern as well as Gujarat's economy were doomed to dislocation even before the implementation of the Permanent Settlement.<sup>5</sup>

According to Desai, apart from the economic factor, what stimulated the British to adopt the Zamindari system was that they felt the need of social alignment for their security. The new class of Indian landlords, owing their position to the British, were indebted for partisanship and loyalty to the Company in return.<sup>6</sup> Lord William Bentinck, Governor-General of India from 1828 to 1835, once said :

*If security was wanting against extensive popular tumult or revolution, I should say that the Permanent Settlement ..... has this great advantage ..... of having created a vast body of rich landed proprietors deeply interested in the continuance of the British Dominion and having complete command over*

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<sup>1</sup> Habib, I, op. cit. , p. 3.

<sup>2</sup> Ibid. , p. 7.

<sup>3</sup> Dutt, R. P, op. cit. , pp. 58-59.

<sup>4</sup> Habib, I, op. cit. , pp. 7-8.

<sup>5</sup> Ibid. , p. 7.

<sup>6</sup> Desai, A, op. cit. , p. 36.

*the mass of the People.*<sup>1</sup>

The Zamindari system under British rule was ill-criticized for other factors still doing nothing but besetting India's economy. Habib's article provided a thesis behind the fall of the zamindar's income and status just on the morrow of the inception of the Permanent Settlement namely price-fall. The thing is that British India's monetarism was based on the rule of silver, which had serious effect on economy. Prices were expected to rise and raise the zamindar's income.<sup>2</sup> Instead, in 1795, prices fell devastatingly in Bengal, especially those of coarse rice, and remained low over the next 15 years, the annual average being only Rs 0,85 a maund, Rs 1,02, then Rs 1,09 during 1795-99, 1800-04, and 1805-09 respectively.<sup>3</sup> Consequently, the zamindars's income fell by 35 per cent in comparison to 1793. That kept many of them out of paying the required land duties since the peasantry itself could no longer pay rents, these being fixed at non-concessional rates by the colonial state. Eventually, the disabled zamindars had no alternative but to lose their estates selling them out or having them auctioned off to other bidders, which further expanded the Company's revenues.<sup>4</sup>

Habib claimed that the colonial state was usually unwilling to offer any concessional moderation to land duties even in areas where food prices were getting gradually lower playing against the zamindar's profits.<sup>5</sup> In the Madras Presidency for example, the average annual price of common rice was recorded as Rs 1,47 per maund in 1819, Rs 1,33 in 1828-32, Rs 1,13 in 1841-1853.<sup>6</sup> Many peasants found themselves in no position to earn sufficiently from the commercialization of their food products. So, one deduces that Cornwallis' settlement did not really make the zamindar the proprietor of the land he was supposedly to hold on permanent terms. The zamindar was not only strictly overcharged for taxes under the threat of being replaced by another in case of non-payment. He was also no longer able to make decent personal profits since the bulk of land profits was earmarked to the Company.<sup>7</sup>

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<sup>1</sup> Ibid.

<sup>2</sup> Habib. I, op. cit. , p. 6.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid. , p. 12.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid. , pp. 5-6.

At its implementation in 1793, Cornwallis' settlement put the share of the zamindar at only one-eleventh of his zamindari's revenue. Habib tallied again with the Incorporate of Encyclopaedia Britannica's claim that the settlement led, contrarily to its theory, to a larger scale of tax extortion. He stated that in 1786 a portion of Rs 1,25 crores out of Bengal's total land revenue, amounting to Rs 3,25 crores, had gone to zamindars and other Indian subsidiaries.<sup>1</sup> Mathematically speaking, this portion was much over one-eleventh of Bengal's 1786 total land revenue.

In a few words, land-revenue policy in British India led to a big negative change in the structure of Indian economy. The latter was gradually drawn from its ancient community system, characterized by rural unity and autonomy, to capitalism characterized by land privatization, crop commercialization, and extortionate excise. Actually, the British gave the Indian countryman the right to possess land of his own, but that turned out to be for him more of a curse than a blessing.

### **2. Salt Taxation.**

One swingeing food tax imposed on the Indian population during Britain's industrialization was that on salt. It was not a new tax in India; it had been existing there for centuries and centuries. But, like the British extraction of land revenue, the British taxation of Indian salt was carried out drastically and unfairly.<sup>2</sup>

Through A. M. Serrajuddin's article, one infers that the British interest in Indian salt was not originally an impact of the Industrial Revolution. It had pertained before the process of the revolution was reasonably advanced. The British began taxing Indian salt soon after their victory at Plassey.<sup>3</sup> What is more, Lal Roy asserted that the Company's initial aim of seizing Bengal's salt-works and trade, in 1765, was to guarantee martial funds.<sup>4</sup> In this respect, under military control, the vicinity of Calcutta

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<sup>1</sup> Ibid.

<sup>2</sup> Wikimedia Foundation Incorporate, "History of the British Salt Tax in India", [en.wikipedia.org/.../History\\_of\\_the\\_British\\_salt\\_tax\\_in\\_India](http://en.wikipedia.org/.../History_of_the_British_salt_tax_in_India), last edited 02<sup>nd</sup> June 2011, downloaded 04<sup>th</sup> July 2011, p. 1-5.

<sup>3</sup> Serrajuddin. A. M, op. cit. , p. 2.

<sup>4</sup> Lal Roy. A, op. cit. , pp. 5-6.

was already submitted to high taxes on salt transit and strictly prevented from smuggling.<sup>1</sup>

However, there are reasons that make one believe that colonial salt exploitation came to play a complementary role with metropolitan capitalism. Every new governor-general of the colony brought changes in the way of taxing Indian salt, changes that favoured the formation of private fortunes. One may take it for granted that the success of company salt taxation in aiding the First British Industrial Revolution goes back to 1765 when the British levied it just after it had gained the *Dewani* of Bengal, Behar, and Orissa.<sup>2</sup> Serrajuddin suggested that salt monopoly, held by company senior officials, was lucrative to these but not to the Company itself. In other words, the taxation of Indian salt served much more the pockets of company high officials than the administrative and military needs of the Company.<sup>3</sup> No matter how the Company tried to bring Indian salt tax to the benefit of the colonial needs, the individual abuse of its servants proved to be unstoppable. In fact, the fiscal potential of Indian salt remained substantially appealing to the *Nabobs*.

The Company's high officials could maintain the monopoly as the *Exclusive Society* on the condition of paying estimated duties to the Company. But, they went on making important embezzlements and could double the wholesale price of salt to Rs 2,47 a maund in 1765. In 1768, the monopoly was forcibly lifted, and free production resumed due to pressure from the metropolis, which resulted in wholesale salt price falling to Rs 1,48 a maund including a Rs 0,3 tax to the British Company.<sup>4</sup> There was continuous cheating on the part of the members of the Exclusive Society, which further shortened the Company's share from general salt income. Therefore, in 1772 Governor General Warren Hastings overthrew the Exclusive Society by transferring the salt monopoly from the hands of the senior officials to those of the whole Company. Theoretically, the new system insisted on a decent share for the Company but did not establish any restriction to the exploitation of Indian salt.<sup>5</sup>

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<sup>1</sup> en.wikipedia.org/.../History\_of\_the\_British\_salt\_tax\_in\_India , p. 2.

<sup>2</sup> Moxham. R, "Salt Starvation in British India : Consequences of High Salt Taxation in Bengal Presidency, 1765 to 1878", in *Economic and Political Weekly*, Vol. 36, No. 25, pp. 2270-2274, Mumbai, Economic and Political Weekly, 2001, p. 2.

<sup>3</sup> Serrajuddin. A. M, op. cit. , pp. 2-3.

<sup>4</sup> Moxham. R, op. cit. , p. 2.

<sup>5</sup> Serrajuddin. A. M, op. cit. , p. 3.

The British Company leased out Bengal's salt works to farmers in return for a fixed revenue rate. And, although those leases were made to those who offered most, the organism of the Company incurred again a serious fall in salt revenue for want of control.<sup>1</sup> Yet, Serrajuddin claimed that the 1772 settlement, like the subsequent resolutions, did not prevent the servants of the Company from realizing further personal fortunes. "salt was sold by government at a fixed price plus a duty of Rs. 30 per hundred maunds. But it too failed, due largely to the corruption of the Chiefs and Councils of the salt districts, who reserved the more lucrative salt farms for their own benefit."<sup>2</sup>

Because of high salt taxation, salt-farming became unprofitable for the natives. In the Twenty-Four Parganas for example, they were so discouraged from carrying it out that in 1780 Governor-General Warren Hastings appointed an agent on behalf of government to grant them advances.<sup>3</sup> The unexpected success of the new scheme gave Hastings the idea of extending it over all Bengal.<sup>4</sup> He tightened the Company's monopolistic control over its salt-works by dividing them into Agencies, each headed by an Agent who was to buy output from salt farmers called the *Malangis*.<sup>5</sup> According to Serajuddin, the Agency System was so successful that it kept being operative until 1863.<sup>6</sup> The purchase cost was fixed at Rs 2 a maund out of which Rs 1,1 to Rs 1,5 went to colonial government as a tax.<sup>7</sup> Bengal's salt-producing tracts were divided into six Agencies viz. Hijli, Tamluk, the Twenty-Four Parganas, Roymangal, Bhulwa, and Chittagong.<sup>8</sup> Eventually, the Company's salt profits increased over time. They amounted to Rs 2.960.130 in 1781-82 then to Rs 6.257.750 in 1784-85.<sup>9</sup> What favoured the realization of these huge proceeds was also the ban on the import of foreign salt so as to spare local trade competition.<sup>10</sup>

The Agency System was accompanied by strategies that increased salt profitability. For instance, British merchant capitalists tended to buy all the yield and

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<sup>1</sup> en.wikipedia.org/.../History\_of\_the\_British\_salt\_tax\_in\_India, p. 3.

<sup>2</sup> Serrajuddin. A. M, op. cit. , p. 4.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> en.wikipedia.org/.../History\_of\_the\_British\_salt\_tax\_in\_India, p. 3.

<sup>6</sup> Serrajuddin. A. M, op. cit. , p. 4.

<sup>7</sup> en.wikipedia.org/.../History\_of\_the\_British\_salt\_tax\_in\_India, p. 3.

<sup>8</sup> Serrajuddin. A. M, op. cit. , p. 4.

<sup>9</sup> en.wikipedia.org/.../History\_of\_the\_British\_salt\_tax\_in\_India, p. 3.

<sup>10</sup> Serrajuddin. A. M, op. cit. , p. 4.

resell it expensively.<sup>1</sup> This acted as a sub-monopoly that was only to escalate salt deprivation inflicted on the poor Indian as salt tax increased up to Rs 3,25 a maund and would remain at this level for the ninety years to come.<sup>2</sup>

In the early nineteenth century, in order to further enhance the profitability of salt tax in Bengal, the Company submitted the region to higher customs control and duties.<sup>3</sup> The Customs Line, by the British official G. H. Smith, was a boundary that involved high payments for salt transit.<sup>4</sup> But, there resulted great salt smuggling at a certain time, which made the Company take more precautionary measures.<sup>5</sup> A thorn fence was built in the 1840s along the region's western boundaries, a fence that would be expanded to 2,500 miles along all India's eastern frontier.<sup>6</sup> Thus, the Company's salt profits grew to become the second head of its total revenue just after land revenue, and that at the proportion of 10 per cent.<sup>7</sup>

Lal Roy's article is the revelation of numerous facts that may serve as arguments to the selfishness of England. For instance, whereas the latter had definitively abolished its Corn Laws<sup>8</sup>, it went on selling to the Indian peasant Indian salt at a price varying between \$ 15 and \$ 20 whereas its actual cost value was only \$ 1.<sup>9</sup> It was the British Government's fear of metropolitan starvation, particularly since 1845 with the Irish devastation caused by potato-crop failure, that spurred it to abolish the Corn Laws. These contributed in keeping grains scarce and highly priced in the United Kingdom before they were repealed. They had been applied to encourage local food production within Britain but ended to be abrogated so as to make the hungry

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<sup>1</sup> Ibid. p. 5.

<sup>2</sup> Moxham. R, op. cit. , p. 2.

<sup>3</sup> en.wikipedia.org/.../History\_of\_the\_British\_salt\_tax\_in\_India, p. 4.

<sup>4</sup> Ibid.

<sup>5</sup> Lal Roy. A, op. cit. , p. 6.

<sup>6</sup> en.wikipedia.org/.../History\_of\_the\_British\_salt\_tax\_in\_India, p. 4.

<sup>7</sup> Serrajuddin. A. M, op. cit. , p. 6.

<sup>8</sup> The Corn Laws were laws that governed England's foreign grain trade between the 12<sup>th</sup> century and 1846. They became politically important since the late 18<sup>th</sup> century when Britain's population was increasing and affected by commercial blockades due to the Napoleonic Wars and by frequent bad harvests. Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Macropaedia Ready Reference and Index, 15<sup>th</sup> Edition, Vol. 3, Chicago, University of Chicago, 1974, p. 158.

<sup>9</sup> Lal Roy. A, op. cit. , p. 6.

British population survive.<sup>1</sup> The Indian population, on the other hand, was caused to miss its own salt with no remorse.<sup>2</sup>

Serajuddin fetched in his article several argument facts to contradict the colonial authorities as for the legitimacy of salt tax. According to him, the Board of Customs, Salt, and Opium had tried to conceal in 1832 the harmful effect of this tax on the native population by pretending first that it was the only reliable tax imposed by the colonial state. Serajuddin testified the existence of other colonial lucrative taxes such as rice and land taxes. The Board had also claimed that the ordinary Indian labourer's monthly salary and annual contribution towards salt tax were respectively Rs. 3 and one eighty-second out of his annual income. Serajuddin replied that that monthly salary was not only hardly enough to eke out a living but also not given to every Indian. In addition, the Bengali area of Balasore for example offered meanwhile less than Rs. 2 as a monthly salary.<sup>3</sup>

Furthermore, the Board had estimated salt tax as not burdensome. Serajuddin suggested the opposite on the ground that the Board had provided the above statistical argumentation regarding only the labourer—the all-year labourer.<sup>4</sup> In fact, the Board did not make allowances for those without salary. What was about the labourer's wife and issues? What was about those who were losing their crafts since 1813 owing to the First British Industrial Revolution?

Traditionally, the Indians made 'earth salt'—a salted liquid got by washing earth. In order to protect its monopoly, the Company sanctioned this practice.<sup>5</sup> Besides, the Company instructed that all ground-salt be collected and destroyed.<sup>6</sup> Salt, being next to water as a necessity of Indian diet, was becoming an increasingly costly luxury to the poor.<sup>7</sup> As a consequence of its deprivation, thousands of people and cattle were smitten by a disease similar to leprosy. The impact of salt deprivation was seen not

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<sup>1</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Macropaedia Ready Reference and Index, 15<sup>th</sup> Edition, Vol. 3, Chicago, University of Chicago, 1974, p. 158.

<sup>2</sup> Moxham. R, op. cit. , p. 1.

<sup>3</sup> Serrajuddin. A. M, op. cit. , p. 11-12.

<sup>4</sup> Ibid.

<sup>5</sup> Lal Roy. A, op. cit. , p. 6.

<sup>6</sup> Ibid.

<sup>7</sup> Ibid. pp. 5-6.

only in agriculture and health but also in different salt-dependent industries and arts including glass-making, glazing, bleaching, ore extraction, brining, and fish curing.<sup>1</sup>

Serajuddin's article is a discussion of the upheaval inflicted on the whole business of Indian salt. Before the British came to monopolize Bengal's salt-works, salt labourers had been benefiting from merchant competition not only to securely receive reasonable salaries but also to choose the salt-masters who would remunerate them best. For instance, the Twenty-Four Parganas had usually offered their salt labourers in average Rs. 50 for every hundred maunds of salt they boiled.<sup>2</sup>

But under Hastings's pressing leases, the contractors reduced that rate to Rs. 39 for fear of a fall in their own profits.<sup>3</sup> As if this was not enough to wrong the salt-labourers, colonial government further reduced the rate to Rs. 28. Serajuddin admitted that some rises were made in their remunerations afterwards mentioning for example that the Twenty-Four Parganas reoffered in 1789 the rate of Rs. 50.<sup>4</sup> However, one may argue that any such salary rise could not be a decent relief for general Indian economy for the single reason that the British were in the meantime reaping incomparable and increasing profits through salt tax. In fact, Indian salt-workers were in the 1780s under the level of subsistence, which resulted in them indulging in smuggling under the peril of being arrested and penalized.<sup>5</sup>

Serajuddin exclaimed that, between 1780 and 1830s, wholesale salt price varied drastically from Rs. 140 to 500 per a hundred maunds.<sup>6</sup> He also suggested that even the native retailer earned very little, if nothing. Salt's wholesale price at Calcutta in August 1826 was Rs. 468 per hundred maunds while its retail price at Patna, 500 miles away from Calcutta, was only Rs. 570. The writer saw the difference between the two prices as hardly sufficient to cover the freight. Indeed, salt business was rendered unprofitable for the natives.<sup>7</sup>

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<sup>1</sup> Ibid.

<sup>2</sup> Serajuddin. A. M, op. cit. , p. 16.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid. , p. 18.

<sup>6</sup> Ibid. , p. 4.

<sup>7</sup> Ibid. p. 13.



What was probably more offensive to the liberty of salt manufacturers was that company officials tended to threaten and oppress them between the late eighteenth century and the early nineteenth century. Company officials used to force them to hold contracts, which was accountable for the desertion of 350 homesteads in the small island of Manpura between 1811 and 1818. In 1826, the Magistrate of Bakerganj addressed a grievance to the colonial authorities about the Salt Department forcing the *Malangis* to accept advances under the Agency System. But, the grievance went unheeded.<sup>1</sup>

To round up, the colonial exploitation of Indian salt from 1772 through monopoly, coercion, and punishment was punctuated by embezzlement on the part of company high officials. That exploitation proved to be successful in the formation of private capital and harmful to the economy and health of the Indian population.

### **3. Lord Dalhousie's Doctrine and its Aftermath.**

The importance of Indian tax revenue resided, in part, in the fact that it effectively permitted the purchase or cultivation of Indian raw materials highly demanded by the industrialized metropolis. Thus, one may assume that this policy, adopted as late as the eighteenth century, was a major spur to the British Company's conception and application of the Doctrine of Lapse, though not until 1847. It was the matter of being too accustomed to use rigid authority to snatch from the populace for the sake of the metropolitan industrial needs that made the Company promote this doctrine. According to Belmekki, it is A. Read and D. Fisher who claimed that the Doctrine of Lapse had been meant to get more income by taxing the Indian population.<sup>2</sup>

The colonial state's exports to the metropolis of raw cotton for example were much greater in the post-Industrial Revolution period than during the revolution. According to Habib, they jumped from 99,7 million lbs in 1815-17 to 1050 million lbs in 1859-60.<sup>3</sup> By way of illustrating Britain's need of raw food for her growing urban labour population, committed to the factory system, the drain of Indian cereals rose from £ 858.000 in 1849 to £ 3.800.000 in 1858.<sup>4</sup> As for Basu, he stated that

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<sup>1</sup> Ibid. , pp. 18-19.

<sup>2</sup> Belmekki. B, op. cit. , p. 63.

<sup>3</sup> Habib. I, op. cit. , p. 8.

<sup>4</sup> Dutt. R. P, op. cit. , p. 66.

“under the rule of the East India Company, official transfers to the UK rose gradually until they reached about £3.5 million in 1856, the year before the mutiny.”<sup>1</sup>

Not content with its intensive plunder, the British Company ventured in the mid-nineteenth century to alter the political principles of the semi-independent princely states of India for further draining of wealth.<sup>2</sup> The Indian law stipulated that any local sovereign without natural heirs had the right to adopt a male child to whom he could bequeath his possessions and political rights.<sup>3</sup> This tradition had its roots in Hinduism which says that childless Hindu men may be spared post-death punishment by prayers and sacrifices fulfilled by their sons.<sup>4</sup> According to R. Marx, Lord Dalhousie’s Doctrine of Lapse aimed at the conquest of any Indian territory of which sovereign died heirless. Besides, it did not recognize adoption as a legitimate means of succession declaring not rightful any heritage for an adopted prince.<sup>5</sup> Accordingly, all of Satara, Jaitpur, Sambalpur, Baghat, Chota Udaipur, Jhansi, and Nagpur were effectively annexed in 1848, 1849, 1849, 1850, 1852, 1853, 1854 respectively.<sup>6</sup> Marx put relatively some more emphasis on the importance of Nagpur’s annexation because this state alone comprised then four million inhabitants, which meant a large scope of ratepayers.<sup>7</sup>

Marx added that Governor General Dalhousie took as a pretext princely misrule to extend the Company’s colonial foothold. That was the case in 1856 for the Kingdom of Oudh in the North East of India, of which sovereign, Wajid Ali, was charged with corruption and debauchery. But, the actual objective was not to liquidate Oudh’s corruption and debauchery, if they really existed. The actual objective was to take possession of that rich state’s revenues.<sup>8</sup> Belmekki reported that the Company not only stripped the local rulers of Oudh of their authority but also confiscated local

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<sup>1</sup> Basu. D, op. cit. , p. 5.

<sup>2</sup> Belmekki. B, op. cit. , pp. 62-63.

<sup>3</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Macropaedia Ready Reference and Index, 15<sup>th</sup> Edition, Vol. 6, Chicago, University of Chicago, 1974, p. 46.

<sup>4</sup> Belmekki. B, op. cit. , pp. 63-64.

<sup>5</sup> Marx. R, “Dalhousie James Andrew Brown Ramsay, Lord, 1<sup>er</sup> Marquis et 10<sup>e</sup> Comte (1812-1860)”, in Encyclopaedia Universalis CD ROM, Expert Functions, 2010, p. 2.

<sup>6</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Macropaedia Ready Reference and Index, 15<sup>th</sup> Edition, Vol. 6, Chicago, University of Chicago, 1974, p. 46.

<sup>7</sup> Marx. R, “Dalhousie James Andrew Brown Ramsay, Lord, 1<sup>er</sup> Marquis et 10<sup>e</sup> Comte (1812-1860)”, in Encyclopaedia Universalis CD ROM, Expert Functions, 2010, p. 2.

<sup>8</sup> Belmekki. B, op. cit. , p. 64.

estates. About 21000 *taluqdars*, i.e. traditional landed aristocrats, incurred this upheaval, ran out of income, and were eventually impoverished.<sup>1</sup>

Mc Dowall viewed Dalhousie's systematic annexation as being the chief reason behind the mutiny because among the mutineers were Hindu princes who had lost their powers and lands by virtue of the Doctrine of Lapse.<sup>2</sup> The Mutiny was particularly due to the annexation and pillage of Oudh. About 75.000 Sepoys out of the total 135.000 Bengal sepoy had their families living in that kingdom and were thus directly affected.<sup>3</sup> Indeed, 14.000 Sepoys from Bengal Army sent, in vain, petition grievances against Oudh's annexation and the resultant misery.<sup>4</sup> Habib affirmed that the the Great Indian Mutiny in the provinces of Oudh and Agra "must be regarded, in one of its principal aspects, as a peasant revolt led by the *zamindars*, against the main agrarian exploiter, the British regime".<sup>5</sup>

The exaggeration of the British Company's conduct was denounced even by many of its officials who had themselves warned Lord Dalhousie of the possible entailments of his doctrine. Following Oudh's annexation, one senior British officer told Lord Dalhousie :

*Your army is derived from the peasantry of the country who have rights and if those rights are infringed upon, you will no longer have to depend on the fidelity of the army .... that army will sympathize with them; for they are part of the population, and in any infringement you may make upon the rights of the individuals, you infringe upon the rights of men who are either themselves in the army or upon their sons, their fathers or their relations.*<sup>6</sup>

Though the princes and landlords in question were guaranteed life-pensions along with their titles, some of them personally and actively took part in the rebellion such

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<sup>1</sup> Ibid.

<sup>2</sup> Mc Dowell. D, op. cit. , p. 145.

<sup>3</sup> Belmekki. B, op. cit., p. 64.

<sup>4</sup> Ibid.

<sup>5</sup> Habib. I, op. cit. , p. 15.

<sup>6</sup> Belmekki. B, op. cit. , p. 65.

as Queen Lakshmi Bai<sup>1</sup> of Jhansi.<sup>2</sup> Besides, on the basis of Dalhousie's formula, adopted Hindu sons were debarred from the inheritance of those privileges. That happened to Nana Sahib adopted in 1827 by Baji Rao II of Maratha. The latter had made the claim that his 80,000 pound-a-year life pension devolve upon Nana, which met with refusal even from London. Nana was a prominent leader in the Mutiny but lacked military knowledge, which led to his defeat in 1857.<sup>3</sup>

The Indian population made too many expostulations and attacks against colonial abuse before. However, amongst these, none was as significant as the Great Indian Mutiny 1857-1859 also known as the First Indian War of Independence. Although the rebellion was played out with pitiless terrifying killings and mutilations on both British military and civilian colonies, the colonizer was resolved not to capitulate owing to all the natural riches India possessed. It is worth adding here that India spared colonial government the strains of subsidization unlike other British colonies. In fact, India's land taxes also served to cover the imperial administrative expenses.<sup>4</sup>

The Great Rebellion of 1857-1859 failed to drive away the British from the Sub-continent for it was not played out at the national level. Some regions even remained sided with the enemy such as the kingdoms of Hyderabad and Rajputana.<sup>5</sup> Rajputana.<sup>5</sup>

But, the main helping factor for the British was their stark military superiority. Yet, the latter had to be strictly strengthened with the aim of tighter colonial domination. In fact, according to Belmekki the rebellion made the British aware of the weaknesses of their rule over India.<sup>6</sup> Before the British fully crushed the Mutiny with horrendous revenge, they had realized the urgent utility to remodel their way of governing India. Since they wanted to keep on exploiting it, they had to bring the natives back under

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<sup>1</sup> Queen Lakshmi Bai led her own troops cooperating with the rebellious General Tantia Topi and was killed fighting the British forces at Marar in 1858. Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Micropaedia Ready Reference and Index, 15<sup>th</sup> Edition, Vol. 5, Chicago, University of Chicago, 1974, p. 1000.

<sup>2</sup> Belmekki. B, op. cit. , pp. 66-67.

<sup>3</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Macropaedia Ready Reference and Index, 15<sup>th</sup> Edition, Vol. 7, Chicago, University of Chicago, 1974, p. 178.

<sup>4</sup> Belmekki. B, op. cit. , p. 71.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid. , pp. 69-72.

their hands with stronger military and judicial holds. Special importance was to be attached to British security.<sup>1</sup>

The British government recommended a systematic reduction of native soldiers in the three Presidencies of Bengal, Madras, Bombay and a rise in the number of white soldiers. Accordingly, in the post-Mutiny days, the European soldiers in Bengal outnumbered their coloured fellows by 51,000.<sup>2</sup> Furthermore, colonial government saw it wary to recruit sepoy troops from areas either unbiased or aligned with the British during the mutiny. In that, priority was given for those speaking different languages.<sup>3</sup>

Britain also took the resolution of diversifying the native regiments in terms of caste as well as nationality so as to make them less likely to conspire against the colonial regime. It was equally anxious for the discipline of the native troops. So, it advocated an increase in the power of the British officers to punish the natives by definitively re-establishing corporal penalty, this having been abolished some years before.<sup>4</sup>

In the metropolis, the outbreak of the Great Mutiny was largely imputed to the British Company's mismanagement. Consequently, the British Parliament enacted the *Government of India Act* which designated the Crown as the new chief over India clearing away the two-hundred-fifty-seven year old Company. Colonial government endowed the colony of India with a new political system under the Executive Body of Britain's Constitution. Actually, the Company's Board of Directors was replaced by Secretary of State to watch the colonial affairs from London, and the Governor-General of India in Calcutta. The latter with a set of prerogatives was given the title of Viceroy of India acting as the Monarch's representative.<sup>5</sup>

According to Belmekki, Queen Victoria had promised in her Proclamation of November 1<sup>st</sup> 1858 that the British rule over India would no longer affect the native political affairs.<sup>6</sup> However, one may question the sincerity of her promise. Habib

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<sup>1</sup> Ibid. , pp. 70-72.

<sup>2</sup> Ibid. , pp. 73-74.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid. , p. 79.

<sup>6</sup> Ibid. , p. 80.

claimed that her promise was not meant to any political or economic stability for the Indian population. On the contrary, it unofficially acted in favour of British industrialism as shown in the next chapter.<sup>1</sup>

Britain believed that the mutiny was mainly at the origin of Lord Dalhousie's Doctrine of Lapse since many dispossessed princes took part in it. Even those who were not dispossessed were somehow affected as they felt menaced.<sup>2</sup> Seeing how much politically strong the landed aristocrats, called the *Taluqdars*, were within their states, the colonial state gave them back their confiscated lands. It did it on perpetual terms alongside the nomination of those aristocrats as magistrates making them now indirectly enmeshed in British rule. This new native category was indeed a concrete expression to India's collaboration with its enemy.<sup>3</sup>

In order to make the Indians feel less marginalized, the British Government recognized the Indians' right to a share in the politics of their country. In mentioning that, Queen Victoria addressed them as if they were really her subjects by saying that ".... it is our further will that, so far as may be, our subjects, of whatever race or creed, be freely or impartially admitted to office in Our service, the duties of which they may be qualified by their education, ability and integrity, duly to discharge."<sup>4</sup>

Queen Victoria's Proclamation also stipulated that the Indian princes could adopt any heirs and manage their states at their pleasure on the condition that they remained loyal to the British Crown. But, the thing is that the British wanted to secure the political support of the Indian Princes.<sup>5</sup> Like in pre-Mutiny times, the administration of India in the post-Mutiny era called into play native recruits mainly because of the hugeness of the colony and partly because of the British officials' regret of their stigmatization of the Indian educated elite. From now onwards, these were theoretically able to serve in the Civil Service. However, colonial government would often be unwilling to designate or promote a native as a senior to a white

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<sup>1</sup> Habib, I, op. cit. , p. 23.

<sup>2</sup> Belmekki, B, op. cit. , pp. 80-81.

<sup>3</sup> Ibid. , p. 87.

<sup>4</sup> Ibid.

<sup>5</sup> Desai, A. R, op. cit. , p. 288.

official.<sup>1</sup> In fact, the British were at heart reluctant to assimilate the natives in colonial administration.

Besides, the Indian Councils Act divided the old advisory council of the Governor-General into two separate sections namely the Executive and Legislative and allowed the recruitment of only two Indian citizens in the latter section. The more telling point is that the Legislative was conceived of merely as a consultative body, and its affiliated natives were not meant to discuss the main issues, including the financial ones, without permission from government.<sup>2</sup>

One may conclude that the Indian mutiny of 1857-59 may be itself provided as an authentic proof of how much economically and politically abusive the British colonizer was in pre-1857 India. Britain's attitude towards India upon the Great Mutiny had some historic importance; in that, it somehow abated Indian anger. In so doing, the metropolis aimed at deterring the occurrence of another uprising so as to keep the way smoothed for further economic exploitation. The aforementioned resolutions cunningly aimed at the maintenance of British rule and not at Indian emancipation. Actually, they were nothing but a sop for the oppressed people. The determination to keep the Indian colony stands testimony to the huge importance of the Indian empire in the eyes of London.

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<sup>1</sup> Belmekki. B, op. cit. , p. 87.

<sup>2</sup> Ibid. , p. 90.

## CHAPTER III : Britain's New Capitalism and India.

British capitalist industrialism in the late eighteenth and nineteenth centuries was deeply associated with the need for overseas raw materials and outlets.<sup>1</sup> One can see that the words of Thomas Bazley<sup>2</sup> in 1840 were explicit enough claiming that

*Il y'a en Inde un immense territoire dont la population pourrait absorber les produits britanniques en quantités extraordinaires. Toute la question, en ce qui concerne notre commerce avec l'Inde, est de savoir si les Indiens peuvent, avec les produits de leur sol, nous payer ce que nous sommes prêts à leur envoyer sous forme de produits manufacturés.*<sup>3</sup>

### 1. The De-Industrialization of India.

England's attachment to India throughout the nineteenth century was not only for wealth-plunder, but also for trade. In the pre-Industrial Revolution period, India's foreign trade with Britain mostly assumed the feature of a one-way flow of goods; in that, India's goods exports outweighed her imports considerably.<sup>4</sup> This unbalanced tendency is ascribed to a wide gap in prices as well as production costs between India and Europe. Indian goods used to be much more copious, luxurious, and lucrative than the European ones.<sup>5</sup> However, by the end of the eighteenth century, the situation had noticeably changed.

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<sup>1</sup> Krishnaswami. S, "Colonial Foundations of Western Capitalism" in Economic and Political Weekly, Vol. 27, No. 30, pp. PE81-PE89, Mumbai, Economic and Political Weekly, 1992, pp. 7-8.

<sup>2</sup> Thomas Bazley (1797-1881) was President of Manchester's Commercial Chamber. "The Leslie Lewis Allen Collection", [www.baldwin.co.uk/.../A207%20FINAL.pdf](http://www.baldwin.co.uk/.../A207%20FINAL.pdf), p. 1.

<sup>3</sup> Dutt. R. P, op. cit. , p. 65.

<sup>4</sup> Chaudhuri. K. N, op. cit. , p. 5.

<sup>5</sup> Ibid.



According to Chaudhuri, Britain's revolutionary techniques sharply decreased production costs and increased productivity. Consequently, her industries turned capable for the first time in their history to topple the traditional trade obstacle maintained by the price gaps between India and her. In other words, British-made goods became much less expensive and much more available. This was bound to change radically Anglo-Indian trade relationship.<sup>1</sup> The English had now the priority to sell their home-finished goods over buying any from India.<sup>2</sup> Probably, no contemporary European historian could see it better than Marx did. He affirmed that "La tache spécifique de la société bourgeoise est l'établissement du marché mondial, tout au moins dans ses grandes lignes, et d'une production organisée sur cette base."<sup>3</sup>

This new colonial policy gathered momentum amid vivid controversy from the growing Middle Class in the metropolis against the traditional mercantilist privileges of the British East India Company.<sup>4</sup> On the literary plan, the policy found partisanship in the Scottish philosopher Adam Smith who rose to defend national economic progress. In that, he recommended what he called "the simple system of natural liberty" i.e. the freely competitive self-adjusting market.<sup>5</sup> In his *An Inquiry into the Nature and Causes of the Wealth of Nations* published in 1776, he showed the indissoluble concomitant link between the economic position of the individual and that of the nation. Actually, the individual's pursuit of his personal interests ineluctably stimulates general richness.<sup>6</sup> Smith vocalized this complementary relationship as follows :

*Every individual is continually exerting himself to find out the most advantageous employment for whatever capital he can command. It is his own advantage, indeed, and not that of the society, which he has in view. But the study of his own advantage naturally, or rather necessarily leads him to prefer that*

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<sup>1</sup> Ibid.

<sup>2</sup> Basu. D, op. cit. , p. 3.

<sup>3</sup> Dutt. R. P, op. cit. , p. 48.

<sup>4</sup> Ibid. , p. 62.

<sup>5</sup> Hutchison. T, "Adam Smith and The Wealth of Nations", in *Journal of Law and Economics*, Vol. 19, No. 03, 1776 : The Revolution in Social Thought, pp. 507-528, Chicago, University of Chicago Press, 1976, p. 12.

<sup>6</sup> Larousse, op. cit. , p. 1690.

*employment which is most advantage to the society.*<sup>1</sup>

Hutchison argued that Smith's advocating of free market had corresponded to an era of revolutionary economic thought. But, unlike his predecessors such as Hume and Mandeville, Smith made himself the actual precursor of economic liberalism. It was Smith who generalized the theory of free market system as being effective both domestically and internationally.<sup>2</sup> Moreover, Smith's theory was not put forward as a hypothetical abstraction but rather as an empirical observation for he made his analysis in the view of particular historical market processes.<sup>3</sup> Accordingly, the philosopher asserted that "if a nation could not prosper without the enjoyment of perfect liberty and perfect justice there is not in the world a nation which could ever have prospered".<sup>4</sup> In fact, in Smith's view, national prosperity and free commercialization are inseparable.

One may argue that Smith's theory fitted primarily the context of Britain as he declared that "the two greatest and most important events in the history of mankind are the discovery of America and that of the East Indies by the Cape of Good Hope".<sup>5</sup> By the publication of *the Wealth of Nations* in 1776, Britain had already become the mistress of Eastern India and benefited hugely from American bullion in order to trade in Indian products.

Smith laid his theory on the psychological factor that the individual is constantly endeavouring to better his condition, on which depends one major economic force namely the division of labour. The thinker saw the division of labour as being concomitant with the extent of the market.<sup>6</sup> In fact, contribution to labour is highly upheld in *the Wealth of Nations* as being the source of societal capacity to increase productivity and profit.<sup>7</sup> Hence, Smith underlined his objection to the pursuit and persistence of trade monopolies and constraints. His book begins with the example of a pin factory producing 48,000 pins a day when held by ten employees specializing in

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<sup>1</sup> Gregg, P, op. cit. , p. 277.

<sup>2</sup> Hutchison, T, op. cit. , p. 12.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid. , p. 21.

<sup>5</sup> Ibid. , p. 18.

<sup>6</sup> Ibid. , pp. 12-13.

<sup>7</sup> Encyclopaedia Britannica Incorporate, *Encyclopaedia Britannica Macropaedia Knowledge in Depth*, 15<sup>th</sup> Edition, Vol. 16, Chicago, Chicago's University, 1974, p. 906.

various tasks, and producing just a few or perhaps just one when held only by one employee.<sup>1</sup>

The wanted change was not effected until 1813 when the British Parliament at last voted the suspension of the monopolistic rights of the British East India Company.<sup>2</sup> Thus, from now onwards, the British as a whole gained more accessibility to trade with India in British-made products.<sup>3</sup> Indeed, from 1814 the rate of Indian imports of the latter went much greater than that of Indian-made products exports.<sup>4</sup> It is estimated that the British exports to India of cotton textiles alone rose from less than half million yards in 1814 to 51 million yards in 1835.<sup>5</sup> Ashton, too, stood testimony to the constructive impact of Smith's theory by saying :

*The Enquiry into the Nature and Causes of the Wealth of Nations, which appeared in 1776, was to serve as a court of appeal on matters of economics and politics for generations to come. Its judgements were the material from which men not given to the study of treatises framed their maxims of conduct for business and government alike. It was under its influence that the idea of a more or less fixed volume of trade and employment, directed and regulated by the State, gave way—gradually and with many setbacks—to thoughts of unlimited progress in a free and expanding economy.<sup>6</sup>*

Statistics provided by Habib show that British free trade with India was vigorously carried out even in the aftermath of Queen Victoria's Proclamation. The proportion of British cotton textile exports to India to the total British cotton textile output rose from 16 per cent in 1784-86 to 58 in 1815-17 then to 63 in 1859-61.<sup>7</sup> This fact, which puts itself down in the de-industrialization of India, may serve as a proof that the royal proclamation following the Great Indian Mutiny was finally fruitless for the natives as no economic stability for India ensued. Britain kept on

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<sup>1</sup> Ibid.

<sup>2</sup> Kranton. R and Swamy. A. V, op. cit. , p. 5.

<sup>3</sup> Habib. I, op. cit. , p. 16.

<sup>4</sup> Chaudhuri. K. N, op. cit. , p. 5.

<sup>5</sup> Dutt. R. P, op. cit. , pp. 63-64.

<sup>6</sup> Ashton. T. S, op. cit. , p. 17.

<sup>7</sup> Habib. I, op. cit. , pp. 8-9.

interfering in Indian economy and politics after the mutiny. Indeed, the above figures may lead one to argue that Queen Victoria's Proclamation was meant only to quieten the angry Indian population through insincere promises.

Britain's mechanization and mechanized foreign trade worked in relation with Indian foreign trade; in that, India was made a continual reserve of raw industrial materials for Britain.<sup>1</sup> This tendency was probably most played out on cotton. The British Company's exports of raw cotton rose in weight from 9 million pounds in 1813 to 32 million in 1833, then to 88 million in 1844. Less significant than its cotton exports were its wool exports, but these were still important for they rose in weight from 3.700 pounds in 1833 to 2,7 million pounds in 1844.<sup>2</sup> The economic historian Ramesh Chandra Dutt was quoted as follows :

*Their fixed policy, pursued during the last decades of the eighteenth century and the first decades of the nineteenth, was to make India subservient to the industries of Great Britain, and to make the Indian people grow raw produce only, in order to supply material for the looms and manufactories of Great Britain.<sup>3</sup>*

In Chaudhuri's view, the British Company's success in draining Indian raw materials was not only due to the impetus to expand British foreign industrialized trade, and to the availability of surplus funds. That success was also thanks to the availability of surplus Indian labour. The writer argued that this situation is to find its explanation in the traditional economic pattern of India itself namely the subsistence economy of the village. Each village fed itself by itself. The inadequacy of Indian transport together with the restriction of the local agricultural market and the absence of agricultural specialization were not acting as a stimulus for the Indians to maximize their agricultural production. So, the British Company found at its disposal a lot of free manpower amongst the native population to carry out its drain of natural materials.<sup>4</sup>

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<sup>1</sup> Chaudhuri. K. N, op. cit. , pp. 5, 17.

<sup>2</sup> Dutt. R. P, op. cit. , pp. 65-66.

<sup>3</sup> Basu. D, op. cit. , p. 3.

<sup>4</sup> Chaudhuri. K. N, op. cit. , p. 17.

In order to crush her commercial competitor at both the local and external levels, the British Company took several strict measures. It forcibly transferred Indian manufacture and foreign trade from independent native businessmen to subordinate collaborators.<sup>1</sup> Probably no Indian industry was more affected than fabric-making, and the Company went to make it its monopoly. The British were aware of the fact that the Indian textiles were of much better quality than of theirs, courtesy of India's perfected traditional techniques. Actually, the pre-mechanical fabric devices of all Europe were unable to equal the superiority of those of India.<sup>2</sup> In 1860, the British writer J. N. Mann put that situation down in these following words :

*it is somewhat a matter of admiration that the natives of India should have arrived at such exceeding proficiency in the delicacy of the fabrics manufactured by them. Muslins (so called from Mosul, in Mesopotamia, ) were among the earliest articles of foreign trade in the East; those manufactured by the natives, particularly at Dacca, where the trade reached great excellence, are still unsurpassed in fineness by either our hand or machine-wove fabrics. .... they were woven from thread of such extraordinary delicacy that a single pound of cotton was spun for it into a length of 250 miles. .... it is not astonishing that the natives of India should have excelled in the manufacture.*<sup>3</sup>

For instance, in Bengal the British Company got at its disposal strong *sepoy* troops who would destroy rival factories and maim rival weavers out of their thumbs to disable them to perform their craft.<sup>4</sup> Also, British Parliament subjected Anglo-Indian trade to high customs duties making Indian-made goods too expensive in Britain.<sup>5</sup> In fact, capitalistic industry wanted India mainly as a patron to Britain, not Britain hers. Indian finished cotton goods exports to London decreased from 6.000.000 Rupees in 1792 to 3.000.000 Rupees in 1823.<sup>6</sup> This assertion goes with Desai 's one saying :

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<sup>1</sup> Tripod Incorporate, "From Trade to Colonization – Historic Dynamics of the East India Companies", [india\\_resource.tripod.com/eastindia.html](http://india_resource.tripod.com/eastindia.html), pp. 5-6.

<sup>2</sup> Ibid.

<sup>3</sup> Mann. J. N, op. cit. , pp. 3-4.

<sup>4</sup> Tripod Incorporate, "From Trade to Colonization – Historic Dynamics of the East India Companies", [india\\_resource.tripod.com/eastindia.html](http://india_resource.tripod.com/eastindia.html), p. 6.

<sup>5</sup> Desai. A. R, op. cit. , p. 78-79.

<sup>6</sup> Belmekki. B, op. cit. , p. 53.

*Had no such prohibitory duties and decrees existed, the mills of Paisley and Manchester would have been stopped at their outset, and could scarcely have been again set in motion, even by the power of steam. Had India been independent, she would have retaliated ..... This act of self-defence was not permitted to her; she was at the mercy of the stranger. British goods were forced upon her without paying any duty, and the foreign manufacturer employed the arm of political injustice to keep down and ultimately strangle a competitor with whom he could not have contended on equal terms.<sup>1</sup>*

According to Glaisyer, the success of Anglo-Indian trade from the last decades of the eighteenth century was on the strength of her acquisition of colonial marketability knowledge. The writer highlighted the British efforts to gather and apply trading skills and to secure the faithfulness of Indian collaboration in transmitting information and intermediating between the artisan, the consumer, and the Company.<sup>2</sup> “Given the small number of Englishmen, and their unfamiliarity with the local language and society, the Company turned to local intermediaries..... The Company used intermediaries in all its activities....” said Kranton and Swamy.<sup>3</sup>

The officials of the British Company kept abreast of local demand multiplying experiments in order to see how far such or such British-made product could be commercialized in the colony.<sup>4</sup> According to his research on Anglo-Indian trade as between 1780 and 1870, C. A. Bayly claimed that native servants, merchants, and even petitions from angry Indian artisans were of crucial help for the British. They enabled them to observe India’s production as well as market conditions and demands.<sup>5</sup>

The Company was backed also by its permanent cultural intermediaries and bilingual interpreters known as *banians* and *dubashs* respectively.<sup>6</sup> The lengthy

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<sup>1</sup> Desai. A. R, op. cit. , p. 76.

<sup>2</sup> Glaisyer. N, op. cit. , pp. 465-467.

<sup>3</sup> Kranton. R, and A. V. Swamy, op. cit. , p. 12.

<sup>4</sup> Glaisyer. N, op. cit. , pp. 465-466.

<sup>5</sup> Ibid. , p. 465.

<sup>6</sup> Ibid. , p. 466.

economic domination of the British Company over India was to some extent due to the British mastery of the art of listening to India's internal social and political communication. This involved the Company capturing and cutting communication networks between Indian authorities and creating those of its own by the late eighteenth century. Thus, the Company could not only know about the interactions of the native manufacturers, traders, and civilians but also about their attitudes towards the colonial economic policies.<sup>1</sup> Indeed, the British in India acted as real spies ever-trying to better their acquaintance of the colony for more efficient exploitation.

Metropolitan capitalists acted as a parliamentary lobby seeking to stunt the Indian fabrications.<sup>2</sup> Indeed, the de-industrialization of British India was caused not only by free trade but also by the customs barrier of the metropolis against the entry of Indian-made goods.<sup>3</sup> For example, while around 1810s colonial imports of British-made cotton and silk products faced duties of only 2 to 4 %, Indian exports to the metropolis of same type Indian-made goods faced duties of 70 to 80 %. As a result, the colony increased those imports by a factor of 50 and saw its exports fallen to one-fourth.<sup>4</sup> Besides, British machine-made textiles imported to India were put at prices much cheaper than those of Indian-made textiles so as to deter the latter from being sold locally.<sup>5</sup> Furthermore, by the Navigation Acts<sup>6</sup>, any direct commerce between India and any other country was banned.<sup>7</sup> Those commercial conditions were but too restrictive towards India, and that was admitted even by British contemporaries. For instance, the English doctor in India H. H. Wilson stated in 1813 that “The manufacturer [Britain] employed the arm of political injustice to keep down and ultimately strangle the competitor with whom he could not have competed on equal terms.”<sup>8</sup>

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<sup>1</sup> Ibid. , p. 467.

<sup>2</sup> Belmekki. B, op. cit. , p. 54.

<sup>3</sup> Dutt. R. P, op. cit. , p. 64.

<sup>4</sup> Tripod Incorporate, “The Colonial Legacy–Myths and Popular Beliefs”, [india\\_resource.tripod.com/colonial.html](http://india_resource.tripod.com/colonial.html), pp. 10-11.

<sup>5</sup> Desai. A. R, op. cit. , p 76-77.

<sup>6</sup> The Navigation Acts were a series of laws between 1651 and 1849 designed as a form of trade protectionism against England's greatest commercial rivals including the Dutch. They stipulated that all English foreign trade be carried by English ships. The aim of that was to encourage the development of English ship-making so that adequate vessels would be available in wartime. *Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Micropaedia Ready Reference and Index*, 15<sup>th</sup> Edition, Vol. 7, Chicago, Chicago's University, 1974, p. 230.

<sup>7</sup> Dutt. R. P, op. cit. , p. 64.

<sup>8</sup> Naik. J. V, op. cit. , p. 3.

During the Napoleonic Wars, Britain had relatively more financial military strains while fabric was greatly needed in Europe. So, before the end of war in 1815, Indian cotton-goods exports were still kept at an important rate. Being the colony's main exports, they reached £ 2 million in 1813.<sup>1</sup> But after the war, the situation was drastically

drastically reversed. According to Basu, between 1824 and 1837, Britain's exports of muslins to India rose from around 1.000.000 yards to 64.000.000 yards. Also, by the mid-nineteenth century, half of Indian imports were English-made cotton products supplied at cheap prices.<sup>2</sup> Actually, at the wake of the First British Industrial Revolution, the commercialization of British-made textiles took some precedence over the other British overseas types of trade. Dutt reported from Karl Marx's words that by 1850 one quarter of British-made cotton textiles was absorbed by the Indian market.<sup>3</sup> In 1860, Mann provided a close version stipulating that :

*In the year 1815, for the first time, after the opening of the country to private trade, a few pounds of our British manufactured cotton yarn defiled the Eastern natives' skin, and since then such has been the force of circumstances, that their exports of cotton goods hence have dwindled away until they are now almost annihilated, while we are year by year supplying them with largely increasing quantities of both yarns and goods manufactured from the raw material they themselves produce ....<sup>4</sup>*

Just like British-made cotton fabric cramped Indian cotton fabric-making, British-made cotton thread cramped Indian cotton thread-making. It is estimated that between 1818 and 1836 Britain's cotton thread exports to India increased by a factor of 5.200.<sup>5</sup> Habib mentioned that "the fact that Indian weavers were being forced to shift to imported twist, in order to survive, is only an argument for the larger destruction of the Indian spinning industry, and hardly one for the prosperity of the Indian weaver".<sup>6</sup>

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<sup>1</sup> Basu. D, op. cit. , p. 4.

<sup>2</sup> Ibid.

<sup>3</sup> Dutt. R. P, op. cit. , p. 52.

<sup>4</sup> Mann. J. N, op. cit. , p. 6.

<sup>5</sup> Dutt. R. P, op. cit. , p. 64.

<sup>6</sup> Habib. I, op. cit. , p. 17.



India's industries of silk, wool, iron, pottery, glass, and paper were similarly affected according to Dutt.<sup>1</sup> Habib mentioned it as follows :

*Alongside the cotton goods, English exports to India of iron (bar and bolt as well as cast and wrought), together with hardware and cutlery, guns, glass, and 'machinery', had increased enormously by 1828. They continued to grow during the following years and naturally caused a slump in the corresponding crafts in India.*<sup>2</sup>

Determined to monopolize the Indian textiles, the colonial state forbade free cloth-making so as to make the population buy England's textiles.<sup>3</sup> Besides, these were sold in the colony at cheap prices; thus, the Indian textile industry could not remain unaffected.<sup>4</sup> Dacca, Agra, Surat, Patna, and other industrial cities internationally reputable for their weaving, had their economies turned down, and one direct and enduring outcome of that was widespread unemployment.<sup>5</sup> Furthermore, Lal Roy affirmed that this situation entailed severe price rise whereby the costs of necessities doubled while wages kept being stationary.<sup>6</sup> Consequently, millions of town-dwellers found themselves ruined.<sup>7</sup> Being on the dole, they became poor cultivators or tillers.<sup>8</sup> Indeed, as Dutt said said

*L'Inde fut ainsi transformée de force et cessa d'être un pays où s'alliaient l'agriculture et l'activité manufacturière pour devenir une colonie agricole du capitalisme industriel britannique. C'est de cette période de la domination britannique, et sous l'effet direct de cette domination, que date le surmenage accablant que connaît l'agriculture en Inde.*<sup>9</sup>

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<sup>1</sup> Dutt. R. P, op. cit. , p. 64.

<sup>2</sup> Habib. I, op. cit. , p. 17.

<sup>3</sup> Basu. D, op. cit. , p. 7.

<sup>4</sup> Mc Dowall. D, op. cit. , p. 138.

<sup>5</sup> Research Unit for Political Economy, op. cit. , p. 2.

<sup>6</sup> Lal Roy. A, op. cit. ,p. 5.

<sup>7</sup> Basu. D, op. cit. , p. 7.

<sup>8</sup> Naik. J. V, op. cit. , p. 3.

<sup>9</sup> Dutt. R. P, op. cit. , p. 65.

Even British citizens as well as company agents conceded the fact. For example, W. W. Hunter<sup>1</sup>, who lived between 1840 and 1900, said that

*In Bengal there was in the last century more cultivated land than there were husbandmen to till it. The landlords at that time were competing for tenants ..... A hundred years of British rule has reversed the ratio..... It is now the husbandmen who have to compete with each other for land.*<sup>2</sup>

The British hindrance of Indian cloth industry and trade occurred in form of punitive or discouraging resolutions. Desai put that Indian finished goods exports to England became strictly curbed by the metropolitan government in protection to the English mounting mechanical manufactures. Actually, these remained far inferior in quality to the Indian manufactures and could not have survived had they been freely rivalled by the Indian ones.<sup>3</sup> These facts were corroborated by the social Indian writer S. Krishnaswami who stated that

*The Indian cotton industry was systematically destroyed. Indian cotton production was taxed heavily as were Indian cotton exports to all parts of the world, not just to England. English cotton products were exported to India without any taxes or duties levied on them. Furthermore, military force was often employed to destroy Indian cloth production by destroying spinning wheels, and even cutting of the thumbs of Indian weavers in order to prevent them from producing cloth.*<sup>4</sup>

The British Industrial Revolution caused the dislocation of many other Indian industries including that of salt. Upon conquering the region of Orissa in 1804, the British took management of its salt works hitherto under the control of local

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<sup>1</sup> W. W. Hunter was a Scottish imperial historian. He became in 1871 Director-General of Statistics to Indian government. He also served as a member of the British Indian Civil Service. Skrine. F. H, Life of Sir William Wilson Hunter, London, Longman Green and Co. , 1901, pp. 4-45.

<sup>2</sup> Research Unit for Political Economy, op. cit. , p. 3.

<sup>3</sup> Desai. A. R, op. cit. , p. 73.

<sup>4</sup> Wikimedia Foundation Incorporate, "History of the British Salt Tax in India", [en.wikipedia.org/.../History\\_of\\_the\\_British\\_salt\\_tax\\_in\\_India](https://en.wikipedia.org/.../History_of_the_British_salt_tax_in_India), p. 3.

zamindars. They stimulated an increase in its production by offering salt collectors, called *malangis*, budgetary capitals.<sup>1</sup> Orissa's *malangis* became therefore indebted to the British for collaboration and were abusively exploited. Indian salt was of excellent quality, and its exportation in the long run was greatly beneficial for the British. Deeply affected by the resulting fall in their income, Orissa's zamindars tried but could not scotch the Anglo-Malangis association. Meanwhile, colonial government maintained its Indian salt taxation throughout the century, and that could favour the sale of English-made salt imported from Liverpool.<sup>2</sup>

Britain's First Industrial Revolution brought evils even on her own economic structure. The promotion of machinery entailed the concentration of industry in urban areas. This gradually annihilated such rural manual industries as spinning, clock-making, basket-weaving, carriage and wagon building, tanning, cobbling, and even the great national industry of cloth-weaving.<sup>3</sup> Like the Indian artisan, the British villager found himself impoverished as a result of the Industrial Revolution, too.<sup>4</sup> Machinery, having been introduced in British towns and cities, made many workers such as the Luddites<sup>5</sup> unemployed.<sup>6</sup> The revolution widened the existent British cleavage between the poor and the rich. In spite of all that, industrialized Britain saw, at least, the generation of mechanical capitalism, on the hands of the Middle Class, as well as its modernization. India, on the other hand, had its manual industries shattered with no alternative for industrial or economic development whatsoever.<sup>7</sup>

To round up, British mechanical trade with India during British rule went into the exaltation of British industry at the cost of a down-break of the Indian one. Under long-term commercial subjection, the colonizer dragged the colonized from the trappings of affluence to the vicissitudes of slump and deprivation.

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<sup>1</sup> Ibid.

<sup>2</sup> Ibid.

<sup>3</sup> Trevelyan. G. M, op. cit. , p. 454.

<sup>4</sup> Ibid.

<sup>5</sup> The Luddites were a band of English workers who organized themselves between 1811 and 1816 to break up England's machines because they concluded these were the cause of their redundancy. Larousse, op. cit. , p. 600.

<sup>6</sup> Mc Dowall. D, op. cit. , p. 123.

<sup>7</sup> Dutt. R. P, op. cit. , p. 64.

## 2. Colonial Agricultural Exploitation.

In the relationship between British mechanical textiles and Anglo-Indian trade emerged a relationship between the former and Indian agriculture involving commercial partnership with other Asian countries. The proceeds from the commercialization of British-made cotton goods in India used to be spent on the purchase of Indian-made cotton goods to be in their turn resold abroad at high profits. But, because of India's gradual cotton de-industrialization, the British Company's exports of Indian-made cotton goods kept declining.<sup>1</sup> Indeed, India's cloth-making down-break seriously encroached on the Company's transfer of wealth to Britain causing obstructions to the formation of tribute.<sup>2</sup> According to Dutt, the Company's exports of Indian cotton goods were recorded in piece as 1.250.000 in 1814, 306.000 in 1835, and 63.000 in 1844.<sup>3</sup> And according to Habib, they amounted to £ 2,42 million annually between 1794 and 1804 then to only £ 0,69 million in 1849.<sup>4</sup>

Therefore, from the 1830's, by way of making up for Indian cotton products, the Company went increasing substantially its cultivation of several different raw materials, particularly opium and cotton, mostly for the international market.<sup>5</sup> Kranton and Swamy Swamy made it clear that this new colonial policy was an impact of the First British Industrial Revolution as the accelerated cultivation in question was caused and assured by the profits from increasing trade in British mechanical textiles in India.<sup>6</sup> Basu confirmed the situation in these following words :

*.... cotton manufactures had been India's main export. They reached their peak in 1798, and in 1813 they still amounted to £ 2 million, but thereafter they fell rapidly. Thirty-years later, half of Indian imports were cotton textiles from Manchester. This collapse in India's main export caused a problem for the*

<sup>1</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Micropaedia Ready Reference and Index, 15<sup>th</sup> Edition, Vol. 3, Chicago, Chicago's University, 1974, p. 762.

<sup>2</sup> Habib. I, op. cit. , p. 18.

<sup>3</sup> Dutt. R. P, op. cit. , pp. 63-64.

<sup>4</sup> Habib. I, op. cit. , p. 16.

<sup>5</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Micropaedia Ready Reference and Index, 15<sup>th</sup> Edition, Vol. 3, Chicago, Chicago's University, 1974, p. 762.

<sup>6</sup> Kranton. R, and Swamy. A. V, op. cit. , pp. 2-3.

*Company, which had to find ways to convert its rupee revenue into resources transferable to the UK. The Company therefore promoted exports of raw materials on a larger scale, including indigo, and opium, which were traded against Chinese tea.*<sup>1</sup>

In 1813, the British Company had lost its trade monopoly. But, the First British Industrial Revolution was to bring about the economic view of the necessity to free trade still further. This necessity was called for by Jeremy Bentham who gave his name to his doctrine i.e. Benthamism also called, after its main principle, Utilitarianism.<sup>2</sup> This philosophy recommended that all Man's behaviour should be aimed at the greatest happiness for the greatest number.<sup>3</sup> Adhering to the laissez-faire policy, the Benthamites advocated the greatest individual liberty alongside equal social liberty for they believed that each individual is generally the best judge of his own welfare.<sup>4</sup> Bentham's reasoning was implemented in the 1830s on imperial trade.<sup>5</sup>

One major step in the free imperial trade movement was the 1833 parliamentary decision to entitle the English citizens to acquire and settle on lands in India as planters in order to develop further the cultivation of raw materials.<sup>6</sup> According to Dutt, this business was quite auspicious for, in the same year, Parliament had abolished slavery in the West Indies, in America, which afforded enough focus on the new project in the Indian Empire. Indeed, among those new planters many were British pro-slavers from the West Indies seeking to enslave India's population mainly for the production of tea, coffee, and rubber.<sup>7</sup> By 1860, out of the 76,841,600 acres making up the Bombay Presidency, 2,890,279 acres or one-twenty-sixth of the total area was devoted to cotton growth.<sup>8</sup> The new scheme of cultivation accounted for a range of raw materials some of which to fuel the English textiles. As a case in point, Indian indigo served English cloth-dyeing.<sup>9</sup>

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<sup>1</sup> Basu. D, op. cit. , pp. 4-5.

<sup>2</sup> Gregg. P, op. cit. , pp. 278-279.

<sup>3</sup> Ibid. , p. 278.

<sup>4</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Macropaedia Knowledge in Depth, 15<sup>th</sup> Edition, Vol. 19, Chicago, Chicago's University, 1974, p. 2.

<sup>5</sup> Gregg. P, op. cit. , p. 278.

<sup>6</sup> Dutt. R, op. cit. , p. 65.

<sup>7</sup> Ibid.

<sup>8</sup> Mann. J. N, op. cit. , pp. 14-15.

<sup>9</sup> Krishnaswami. S, op. cit. , p. 8.

The Benthamites claimed that since the pursuit of happiness and the avoidance of pain should exist at the whole social level, it is to affect every governmental measure. Thus, while they recommended the minimization of state interference in private interests, they acknowledged the necessity of law as being absolutely supreme.<sup>1</sup>

Accordingly, the British Company applied several strict measures that went to enhance the economic importance of Indian opium; in other words, opium productivity and trade. For instance, as stated by Sarah Deming, the Company hampered domestic Indian opium commercialization so as to counterbalance the then opium trade deficit with China. British imperial trade interests could thus be better served.<sup>2</sup>

The British Company imposed high taxes on the domestic sale of opium, which came to supplement British revenues from opium world trade. And, although the opium fiscal revenues were by far much less important than the opium trade revenues, the burden of *Opium Tax* could, in tandem with the Company's strict control of the supply, increase opium price. Thus, local opium trade was discouraged.<sup>3</sup> Then, the British victory at the 1842 Opium War<sup>4</sup> succeeded in removing “all legal barriers

of the opium trade to China and substantially increased production.”<sup>5</sup>

Deming stated that the region of Bengal afforded between the 1830s and 1860 the biggest part of the total colonial opium revenue. She traced that prominence back to a series of reforms played out during the two decades since 1797 aiming at the maximization of opium profits.<sup>6</sup> The latter year corresponds to the establishment of British monopoly on Bengali opium of which production and operation was to be rested on selected contractors. These were required to advance funds to farmers, buy

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<sup>1</sup> Gregg, P, op. cit. , p. 279.

<sup>2</sup> Deming, S, “The Economic Importance of Indian Opium and Trade with China on Britain's Economy, 1843-1890”, [www.whitman.edu/economics/.../WP\\_25.pdf](http://www.whitman.edu/economics/.../WP_25.pdf), p. 4.

<sup>3</sup> Ibid. , pp. 5-6.

<sup>4</sup> The Opium War was fought between Britain and China between 1839 and 1842. Having forbidden the importation of Indian opium, the Chinese Emperor saw Shanghai occupied by the British who finally imposed their trade terms in the Treaty of Nankin on 29<sup>th</sup> August 1842. Larousse, op. cit. , p. 1568.

<sup>5</sup> Deming, S, op. cit. , p. 3.

<sup>6</sup> Ibid. , p. 4.

the output, and then sell it to the British Company. In its turn, the latter carried out auctions in Calcutta.<sup>1</sup>

Another applied strategy was accredited with the reduction of opium cultivation cost. It was the transfer of the cultivation of poppy—another valuable raw material—from the districts of Rangpur and Bhagalpur to Behar and Benares. The reason behind that transfer was not only the fact that the land of these two latter districts was relatively of a better quality. The Company wanted to make her supervision of both her poppy and opium labourers easier under her monopoly. Thus, by 1816, Bengal was rendered the most important opium-producing area of the world.<sup>2</sup>

The British drew substantial profits from Indian opium trade, profits making up a notable share of both total colonial revenue from India and total Indian exports. Actually, in 1843, opium ranked as the second largest source of revenue for British India. It is also stated that between 1842 and 1859, it constituted % 31,5 of all Indian exports.<sup>3</sup> Habib estimated that in 1855 Britain consumed £ 8,5 million of Chinese tea and silk by exporting only £ 1 million worth of opium to China.<sup>4</sup>

Deming suggested that the heightening of opium tribute was rendered possible through some laws that minimized local consumption. For example, the British Company used to grant, in conformity with the Regulation 13 of 1816, opium licence trade on a limited scale. Limit was equally put on opium possession, and it was illicit to have more than the fixed amount.<sup>5</sup>

However, since opium is a non-healthy drug, one may argue that the deprivation of India of its own opium was much less serious than the simultaneous deprivation of its own healthy raw food including sugar, coffee, and grains. Indeed, many contemporary Indian critics objected to such ideas as those pertaining to Utilitarianism. They argued that the prevention against suffering should be of priority over any alternative act that

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<sup>1</sup> Ibid.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid. , p. 8.

<sup>4</sup> Habib. I, op. cit. , p. 19.

<sup>5</sup> Deming. S, op. cit. , p. 8.

would only increase the happiness of someone already happy.<sup>1</sup> As a case in point, in the early 1840s, a handful of newly educated Indians from Maharashtra, in western India, organized themselves in a secret group to inveigh against the effect of British Rule. Led by Bhaskar Tarkhadkar, Bhau Mahajan, and Ramkrishna Vishwanath, they were the first Indians to establish a thorough critical analysis of the British colonial economic drain of India. They claimed that under Mughal rule India had never known or been victimized by any wealth-siphoning to abroad.<sup>2</sup>

British India tended to export other agricultural raw materials to the metropolis and other foreign countries in increasing proportions including food grains. That entailed permanent food scarcities and sporadic famines detrimental to millions of deaths among the autochthons.<sup>3</sup> In fact, according to Satya, in the aftermath of the First British Industrial Revolution, even colonial government confirmed that seventy to eighty per cent of Indians were underfed.<sup>4</sup> The thing is that many native farmers had their lands confiscated in favour of former British slave-owners brought from north America. The aim of that was intense and miscellaneous cultivation of crops for export exclusively.<sup>5</sup> According to Dutt, that policy made it that “l’exportation des matières premières s’éleva d’un bond, surtout après 1833”.<sup>6</sup>

Satya claimed that the Revenue and Agriculture Department remained the most solid executive organism of the British Empire in India contributing more than 85% of the whole imperial income.<sup>7</sup> In some areas, cultivation loans were cunningly promoted by the British merchants provided that the farmers would stick to sugarcane cultivation for the latter was greatly lucrative. But, since it was too demanding, sugar-farmers often forfeited their lands for non-payment of debt.<sup>8</sup>

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<sup>1</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Macropaedia Knowledge in Depth, 15<sup>th</sup> Edition, Vol. 19, Chicago, Chicago’s University, 1974, p. 02.

<sup>2</sup> Naik. J. V, op. cit. , p. 2.

<sup>3</sup> Tripod Incorporate, india\_resource.tripod.com/colonial.html, “The Colonial Legacy–Myths and Popular Beliefs”, p. 6.

<sup>4</sup> Satya. L. D, op. cit. , p. 6.

<sup>5</sup> Tripod Incorporate, india\_resource.tripod.com/colonial.html, “The Colonial Legacy–Myths and Popular Beliefs”, p. 6.

<sup>6</sup> Dutt. R. P, op. cit. , p. 65.

<sup>7</sup> Satya. L. D, op. cit., p. 6.

<sup>8</sup> Ibid.



To sum up, the British knew well how to link in profitable terms their revolutionary industry with Indian traditional economy. While succeeding in marring India's industry, they did not fail to promote and diversify its land production. While the Indian population was continually poor under imperial rule, their national natural riches were continually proliferated and piled on the hands of the colonizer.

### 3. Colonial Infrastructure.

Although the British indulged in huge-scale extraction of Indian industrial raw materials as well as land taxes, they did little in supplying the colony with economically-refreshing infrastructure.<sup>1</sup> The colonial cause was determined by the interest to minimize the dependence of the colonized on the colonizer. In fact, the colonial state's objective was maximizing income and minimizing expenditure, which fell neatly into line with the Utilitarian doctrine.<sup>2</sup>

While the Utilitarians observed the pursuit of happiness and the avoidance of pain as being the rightful moral acts, they saw that right action may to a certain extent be wrong in trying to fulfil such or such particular objective.<sup>3</sup> Indeed, Utilitarianism claimed that the right act to be done in a given situation may have side effect.<sup>4</sup> Thus, this theory argued it is judicious to compare the effect of possible alternative action courses and then choose the best one. Meaning, it relied on assessing the possible consequences of actions.<sup>5</sup>

One may provide some British-kept figures or statistics to evidence the parasitic character of British rule over India. For instance, only % 0,8 of land taxes collected between 1850 and 1851 was spent on public agricultural works, which, according to Dutt, precluded any agricultural progress for the Indian population.<sup>6</sup> Mann's article, dating back to 1860, shows that between 1850 and 1851 a total of 238.075.822 Ibs of

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<sup>1</sup> Dutt. R. P, op. cit. , p. 52.

<sup>2</sup> Satya. L. D, op. cit. , p. 2.

<sup>3</sup> Gregg. P, op. cit. , p. 279.

<sup>4</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Macropaedia Knowledge in Depth, 15<sup>th</sup> Edition, Vol. 19, Chicago, Chicago's University, 1974, p. 01.

<sup>5</sup> Ibid.

<sup>6</sup> Dutt. R. P, op. cit. , p. 52.

raw cotton were exported from Bombay, Madras, and Bengal.<sup>1</sup> Furthermore, the British tended to deny their responsibility for such environmental mishaps as crop failure and its results as epidemics and starvation. That was the case of the high famine mortality in the Deccan region in central India in 1870s whereby the colonial state attributed the recurrence of starvation to climate deficiency entailing crop scantiness. On the other hand, Satya viewed that the Deccan's serious undernourishment in 1860s and 1870s was at the origin of the pro-colonialist attitude of evasion.<sup>2</sup>

The historians Vasant Kaiwar, David Hardiman, Elizabeth Whitcombe, and Ira Klein, argued that apart from food grain drain, Indian famines were due to the British neglect of the traditional Indian water works. These were small but useful irrigation infrastructure such as tanks, masonry dams, lakes, and canals which had spared India salination, malaria, sitling, leaching, and disease in pre-colonial times.<sup>3</sup> In 1854, the British scientific Arthur Thomas Cotton pointed that "Public works have been almost entirely neglected throughout India.... The motto hitherto has been : Do nothing, have nothing done, let nobody do anything ....."<sup>4</sup>

MP John Bright's remark in the House of Commons on 24<sup>th</sup> June 1858 may be used to reinforce the argument that the British had acted so out of sheer selfishness because he said : "The single City of Manchester, in the supply of its inhabitants with the single article of water, has spent a larger sum of money than the East India Company has spent in the fourteenth years from 1834 to 1848 in public works of every kind throughout the whole of its vast dominions."<sup>5</sup> Similarly, the civil servant and statistician Montgomery Martin said in 1858 that the British Company "omitted not only to initiate improvements, but even to keep in repair the old works upon which the revenue depended ....."<sup>6</sup>

In the Deccan region, a strong anti-irrigation lobby among the British officials denied the region the need of such agricultural devices as well as the risk of drought. The lobby claimed that central India naturally abounded in black cotton soil which

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<sup>1</sup> Mann. J. N, op. cit. , p. 8.

<sup>2</sup> Satya. L. D, op. cit. , pp. 12-13.

<sup>3</sup> Ibid.

<sup>4</sup> Tripod Incorporate, india\_resource.tripod.com/colonial.html, "The Colonial Legacy – Myths and Popular Beliefs", p. 6.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

did not require much water to grow crops on.<sup>1</sup> But, Satya showed that those officials, who had attributed the devastating famines only to bad climate, contradicted themselves. The writer said “If the region is naturally rich with black cotton soil and does not need much water to grow crops, then how can failure of rain cause famines?”<sup>2</sup>

Nevertheless, one may argue that the above statements by Montgomery Martin and Arthur Cotton were not with regard to the whole of India. Dutt implied that infrastructure was carefully provided by the colonial state in an effort to increase imperial revenues by stimulating the cultivation of raw materials and expensive crops.<sup>3</sup> In fact, huge agricultural enterprises were being carried out in some parts of India since 1833 on private account making use of slavery mainly in the plantation of tea and rubber.<sup>4</sup> One relevant example is Arthur Cotton’s contribution in the Madras Presidency, which won him in return knighthood from British government in 1861. Cotton served as an hydraulic engineer from 1828, and the works he constructed on the Cauvery, Coleroon, and Godavari rivers irrigated large tracts of lands.<sup>5</sup> Thus, Madras, precisely the area of Tanjore, rose as the agriculturally most equipped region in British India in terms of watering facility.<sup>6</sup> That advancement had been anticipated by the British politician Mann in 1860 in these following words :

*..... the nature of the country is admirably adapted to the formation of canals. The Government has extended a helping hand to at least one such enterprise, and will doubtless in like manner do so towards others where required. We understand that there is now the prospect of every effort being made to open up the Godavery, the great highway into the cotton field of Berar; and we have the opinion of Colonel Cotton that the navigation of the Godavery alone would do much to restore a large district in India to a state of agricultural prosperity.<sup>7</sup>*

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<sup>1</sup> Satya. L. D, op. cit., p. 13.

<sup>2</sup> Ibid.

<sup>3</sup> Dutt. R. P, op. cit. , p. 65.

<sup>4</sup> Ibid.

<sup>5</sup> Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Micropaedia Ready Reference and Index, 15<sup>th</sup> Edition, Vol. 3, Chicago, Chicago’s University, 1974, pp. 183-184.

<sup>6</sup> Ibid.

<sup>7</sup> Mann. J. N, op. cit. , p. 23.

The aforementioned contemporary Indian group of intellectuals from Maharashtra admitted that there was some modernizing contribution on the part of the British in India in the first half of the nineteenth century.<sup>1</sup> Probably, the best example one may give is the education of the Indian population in the western style. But, the intellectuals's view of that contribution is greatly different from the British-held view. They thought of that contribution, referred to as 'regenerative role' by James Mill<sup>2</sup>, as insignificant when compared to what the British were absorbing from the Indian colony.<sup>3</sup> Satya, too, was much critical towards colonial investments in these following words :

*India exported raw material and consumed finished goods. State investments mostly went into maintaining the institutions of control like the vast army, police, bureaucracy, and the espionage network of the Empire. Very little was made available for the development of human capital resource or even the economic infrastructure that would benefit the general populace.*<sup>4</sup>

A. K. Sharma testified that one eminent example for the British commitment to the so-called 'modernization' or 'regeneration of India' is the promotion of steam transport, which energetically called for planning, money, and work, too.<sup>5</sup> Formerly, in the the Anglo-Indian relationship, wealth had long been directed towards the needs of the metropolis. However, from the mid-nineteenth century, wealth flow had to be partially put on the other way round in order to endow the colony with a railroad network.<sup>6</sup> Finally, by 1880, British India's railroad network was by far superior and more extensive than anyone made in a non-European country including the United States of America.<sup>7</sup> Notwithstanding, Habib affirmed that

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<sup>1</sup> Naik. J. V, op. cit. , pp. 2-3.

<sup>2</sup> James Mill (1773-1836) was a British philosopher and economist defending the doctrine of Jeremy Bentham i.e. Utilitarianism. Larousse, op. cit. , p. 1523.

<sup>3</sup> Naik. J. V, op. cit. , pp. 2-3.

<sup>4</sup> Satya. L. D, op. cit. , p. 7.

<sup>5</sup> Sharma. A. K, "The Indian Railway and its Rapid Development in British India", [www.essaysinhistory.com/articles/2011/5](http://www.essaysinhistory.com/articles/2011/5), pp. 1-5.

<sup>6</sup> Habib. I, op. cit. , pp. 20-21.

<sup>7</sup> Sharma. A. K, op. cit. , p. 1.

*The capital exported was pre-eminently for railway construction; and the railways enabled Britain to carry her conquest of the Indian market to its maximum extent ..... the reversal was, of course, only superficial: the principal and returns on this capital belonged to Britain, and not India, and would only swell, in time, the size of the Indian [colonial] tribute.<sup>1</sup>*

The latter view was corroborated by K. Sugihara claiming that it was mainly the exportation of Indian raw cotton to the British textile factories and the flow of Lancaster's cotton fabric into the colony that stimulated early Indian railroad making.<sup>2</sup> Besides, other Indian primary items such as opium could be ferried from hinterland to harbours in order to be shipped elsewhere in Asia or to Europe.<sup>3</sup> The viability of the plan had been predicted in 1860 by Mann, too, in these following words :

*...while in those parts contributing to the exports from Bombay having means of easy transit, the production for export has increased, other parts with long coast navigation and at a distance in the interior have even declined, — thus hope may exist from this fact alone, that with the opening up of the means of conveyance, a steady and considerable increase will take place.<sup>4</sup>*

The building of India's rail network was inaugurated in 1844 when Governor-General Lord Hardinge gave the task to some private entrepreneurs. New railway companies were to appear being supported by private investors. The rail companies were to make and use the lines under a ninety-nine year lease during which the government had to buy them. Both the Great Indian Peninsular Railway (GIPR) and the East Indian Railway (EIR) were created in 1854 to build and operate one line each in Bombay and Calcutta respectively.<sup>5</sup> One may presume that railroad-making in British India was the most demanding and expensive project amongst colonial-made infrastructure.

<sup>1</sup> Habib, I, op. cit. , pp. 20-21.

<sup>2</sup> Sugihara, K, "Notes on the Trade Statistics of British India", [www.ier.hitu.ac.jp/COE/Japanese/Newsletter/No.../SUGI.html](http://www.ier.hitu.ac.jp/COE/Japanese/Newsletter/No.../SUGI.html), p. 5.

<sup>3</sup> Ibid.

<sup>4</sup> Mann, J. N, op. cit. , p. 18.

<sup>5</sup> Wikimedia Foundation Incorporate, "The British Raj" [en.wikimedia.org/wiki/British\\_Raj](http://en.wikimedia.org/wiki/British_Raj), p. 14.

Sharma estimated that before 1880 Indian railroad-making involved thirteen times as much capacity as all of the hydraulic works in the colony.<sup>1</sup>

Rookee was the first Indian area having been endowed with railway opened on December 22<sup>nd</sup> 1851 with the aim of hauling canal-construction material. Similarly, Lord Dalhousie, the then Governor-General of India, formulated a plan in 1854 to build a network of railroads linking the principal regions of India. Other railway companies were founded thanks to growing investment encouraged by guarantee contracts delivered by colonial government.<sup>2</sup> In fact, the success of the colonial state in realizing the nineteenth century finely-and-solidly-built railroads was chiefly courtesy of the state's concurrence with private investors to carry out the projects on the basis of capital guarantee. The promoters could not have raised enough funds to initiate railway construction had the risks of financial loss not been eliminated by means of state guarantee. Thus, the colonial state took it upon itself to pay annual fixed rate of interest to the railway investors in case of any deficiency in annual steam-transport revenue.<sup>3</sup> However, while Indian land taxes served to procure necessary raw materials for the metropolis, Indian liabilities served to cover the cost of railroad-building. Indeed, the colonial state borrowed funds in London for the rail policy, which inflated the Indian national debt to £ 15,09 million just in 1858-59.<sup>4</sup>

Here again, like in Arthur Cotton's waterworks, one can deduce the devotion of the British when it came to matters related to their imperial economic interests. Sharma made that clear enough in these following words :

*the massive installation of thousands of kilometers of rails, railway construction also required the preparation of rail-beds, the laying of plates, the building of tunnels, the undertaking of heavy-cutting, and the building of bridges wherever necessary. In the early decades of railroad development, British India imported from Britain necessary manufactured products such as rails, sleepers, prefabricated bridges, and locomotive engines..... Desiring*

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<sup>1</sup> Sharma. A. K, op. cit. , p. 14.

<sup>2</sup> Wikimedia Foundation Incorporate, "The British Raj" en.wikimedia.org/wiki/British\_Raj, p. 14.

<sup>3</sup> Sherma. A. K, op. cit. , p. 9.

<sup>4</sup> Habib. I, op. cit. , p. 20.

*to make colonial India into an agricultural supplier, as well as a market for manufactured goods, railway developers constructed railroads with the intention to make the interior of the subcontinent accessible and to integrate the country into a global economy.<sup>1</sup>*

Reporting from T. O. Lloyd, Belmekki mentioned that the British made Indian railways grow from less than 200 miles in 1857 up to 5000 miles in 1860s.<sup>2</sup> As for Sharma, he put the growth of Indian railways as from 325 kilometres in 1855 to over 8.000 kilometres in 1870.<sup>3</sup> So, one may assume that the rate of colonial economic exploitation was concomitantly increasing. A lot of modern writers, including Chaudhury, made much of the claim that India's endowment of railways in the second half of the nineteenth century worsened the decline of its handicrafts by extending the local market for imported British-made goods.<sup>4</sup> According to Habib, it is enough to look at the statistics of Britain's exports to India to see that role. Whereas between 1859 and 1877 British cotton manufactures exports doubled, between 1849 and 1875 the percentage share of cloth and yarn exports out of total British exports of these two items grew from 11,7 to 27.<sup>5</sup> The situation was accounted for by Sharma as follows :

*Consider the Indian textile industry, which was a lucrative enterprise that did not rely on machinery, but instead on low-cost labor, easy access to cotton, and skills of spinners, weavers, and dyers. By enabling industrial cotton manufacturers to import a flood of cheaper textiles to the subcontinent, the railways undermined the centuries-old industry and the prosperity of numerous urban centers. The majority of cotton weavers soon found it necessary to either abandon their trade or accept a marginal and destitute position in Indian society.<sup>6</sup>*

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<sup>1</sup> Sharma. A. K, op. cit. , pp. 2, 12.

<sup>2</sup> Belmekki. B, op. cit. , p. 91.

<sup>3</sup> Sharma. A. K, op. cit. , p. 5.

<sup>4</sup> Chaudhuri. K. N, op. cit. , p. 6.

<sup>5</sup> Habib. I, op. cit. , p. 21.

<sup>6</sup> Sharma. A. K, op. cit. , p. 12.

Karl Marx<sup>1</sup>'s article of 1853 "*The Future Results of British Rule in India*" had predicted :

*When you have once introduced machinery into the locomotion of a country, which possesses iron and coals, you are unable to withhold it from its fabrication. .... The railway system will therefore become in India truly the forerunner of modern industry ..... . Modern industry, resulting from the railway system, will dissolve the hereditary divisions of labour upon which rest the Indian castes, those decisive impediments to Indian progress and Indian power.<sup>2</sup>*

One may argue that Karl Marx had been falsely optimistic in that article for later on in a letter dated of 1881 he criticized British India's railways as being totally useless for the natives, in retrospect. Similarly, Vladimir Ilitch Lenin<sup>3</sup> claimed that instead of being a democratic, cultural, and civilizing reference, India's railways were made an oppressive machine assuring the drain of its food grains and raw materials.<sup>4</sup> In fact, in transferring her technologies to India, the metropolis intended not only to extend her imperial foothold but also to control its territorial possessions more profitably.<sup>5</sup> These facts are further indication of Queen Victoria's proclaimed promise being unfulfilled since the British rule kept being unfavourable to any economic or political stability for India. Habib put it as follows :

*The abolition of the Company's rule in 1858 was brought about by an alliance of British industrial interests, ever more dominant in Parliament since the Reform Act of 1832<sup>6</sup>. Direct government of India would give both Lancashire and the railway interests a much greater authority over what concerned them in*

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<sup>1</sup> Karl Marx was a German philosopher (1818–1883) who laid grounds for socialism and defended the causes of democracy and national independence. Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Knowledge in Depth, 15<sup>th</sup> Edition, Vol. 11, Chicago, Chicago's University, 1974, pp. 549- 551.

<sup>2</sup> Research Unit for Political Economy, op. cit. , p. 6.

<sup>3</sup> Vladimir Lenin (1870-1924) was a Marxist writer manifesting himself against capitalism and was the leader of the Russian revolution establishing the Soviet Union. Summers. D, op. cit. , pp. 754, 816.

<sup>4</sup> Research Unit for Political Economy, op. cit. , p. 6.

<sup>5</sup> Sharma. A. K, op. cit. , pp. 1-2.

<sup>6</sup> The Reform Act of 1832 was a parliamentary measure in favour of British mechanical industry. It assigned parliamentary representation to growing industrial areas. It deleted the ancient land property condition for vote and thus gave franchise to the industrial middle class. Encyclopaedia Britannica Incorporate, Encyclopaedia Britannica Micropaedia Ready Reference and Index, 15<sup>th</sup> Edition, Vol. 8, Chicago, Chicago's University, 1974, p. 471.



*India. Under the new regime, the emphasis shifted from the levy of direct tribute through land revenue to the exploitation of India as a market and as a source of raw materials.<sup>1</sup>*

Like the building of railways, the building of motorways and bridges and the introduction of telegraph in British India were for imperialist penetration, not for national development. They were commercially advantageous assuring more efficient communication and transport of various Indian products from hinterland to ports and spreading in return the British ones.<sup>2</sup> Roland Marx's article tallies with that in these following words :

*Soucieux de relever une économie dont le secteur cotonnier avait été sciemment ruiné par les mesures de ses prédécesseurs, Lord Dalhousie tente de fonder un enseignement technique, ouvre de nombreux chantiers ferroviaires, télégraphiques, améliore la gestion des forêts, développe les canaux : ses efforts, dont certains profitent surtout à la métropole et à ses marchands, se révèlent nettement insuffisants pour compenser les pertes subies et ne parviennent pas à endiguer la misère et l'esprit de révolte.<sup>3</sup>*

In a few words, the British were always concerned about sustaining and multiplying their drain of Indian wealth but unenthusiastic about relieving the resultant chronic and mounting poverty. In fact, India was having its riches depleted but for no economic donation in return.

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<sup>1</sup> Habib. I, op. cit., p. 23.

<sup>2</sup> Basu. D, op. cit., p. 8.

<sup>3</sup> Marx. R, "Dalhousie James Andrew Brown Ramsay, Lord, 1<sup>er</sup> Marquis et 10<sup>e</sup> Comte (1812-1860)", in Encyclopaedia Universalis CD-ROM, Expert Functions, 2010, p. 2.

### GENERAL CONCLUSION

Because of its First Industrial Revolution, England altered its conception of India. Whereas pre-industrialized England's imports from India exceeded by far her exports thereto, industrialized England was in continual need to expand both her imports and exports to India. The notion of drain was made the most influential factor in British India's foreign trade since the latter was the main approach in which drain was carried out.<sup>1</sup> The aim of the British colonization of India was to fusion Indian economy with that of Britain in such a way as to make India supply the metropolis with cheap industrial raw materials and massively buy British-made products as well.<sup>2</sup> In her foreign trade with Britain, India kept being made the loser.<sup>3</sup> So was Anglo-Indian trade from around 1780 because India's exports of raw materials were assured by her own tax revenues. Meanwhile, her imports of British-made goods led to her de-industrialization, rural over-crowdedness, and poverty.

In fact, the resulting de-industrialization resulted in its turn in large-scale ruralisation to the inevitable depredation of further economic fall owing to the simple fact that, unlike industry, farming was not as lucrative as industry.<sup>4</sup> One may conclude that Anglo-Indian trade was not balanced at all since all the British purchases in India since 1757 were secured by means of taxation, particularly land taxation. India cannot have made any profit from that trade whatsoever. Indeed, the resultant enrichment and development were to take place in Britain and not in its periphery.

The year 1813-14 corresponds to an economic transition in which the colonizer's business shifted from its primitive capitalism to mechanical capitalism. Whereas the former was based on the exportation of Indian-made goods to Britain and Europe, mechanical capitalism on the exportation of English-made goods to India on free trade. In fact, it was the age of economic liberalism in which the English East India Company lost its traditional monopoly. Thus, by 1850, India alone received the quarter

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<sup>1</sup> Chaudhuri. K. N, op. cit. , p. 9.

<sup>2</sup> Basu. D, op. cit. , p. 8.

<sup>3</sup> Lal Roy. A, op. cit. , p. 4.

<sup>4</sup> Chaudhuri. K. N, op. cit. , p. 8.

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of Britain's cotton textile exports.<sup>1</sup> According to Marx, the whole British exports to India rose from £ 386.152 to £ 8.024.000 between 1780 and 1850.<sup>2</sup> Meanwhile, India ceased supplying herself with its own traditional luxury products, these being meant to the international market within British foreign trade.

One may claim that writings on Indian history by some British are determined by a certain Eurocentricism dissimulating real historical facts related to British colonial misgovernment in India. By way of illustration, Charles Johnston claimed in 1909 that the reasons why the Indians were poor under British rule were just their enormous demographic density and their eking out on agriculture.<sup>3</sup> It is true that British India was heavily and even increasingly populated and that its population depended mostly on farming as a means of survival. But, Johnston seems deliberate in his leaving out of the fact that this situation was brought into being first and foremost by the First British Industrial Revolution. Why did not he mention that the colonizer had enacted laws to control India's trade and industry, which eventually led to its global de-industrialization? Lal Roy tallied with this conclusion mentioning that :

*Free imports, which have enriched English capitalists, have killed the manufacturers of the country, maimed its industry, and made its trade pass into foreign hands, and the people have to look to Europe for the merest necessities of life. .... Thus, the formation of capital and a moneyed class by native industry is simply impossible ..... The ruined industries have thrown increasing numbers upon an impoverished soil.<sup>4</sup>*

The English imperialist venture in India was justified by the Eurocentric so-called paternalistic view of civilizing the natives providing them with science and education. However, behind that view was the ideology of classical political economy according to which the imperialist powers of the world were to adopt the *laisser-faire* policy of capitalistic market. The transfer of western technology to India during the

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<sup>1</sup> Dutt. R. P, op. cit. , p. 64.

<sup>2</sup> Ibid. , p. 52.

<sup>3</sup> Johnston. C, op. cit. , p. 13.

<sup>4</sup> Lal Roy. A, op. cit. , p. 3.

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nineteenth century was essentially driven by economic interest.<sup>1</sup> In fact, the British cared little about the problems and needs of the Indian population. Unlike the Mughal emperors who had conquered India too, the British did undermine the colony. The new infrastructure British India got, including railways, had no development ends for India.

That infrastructure was meant to serve essentially the white newcomers, providing them with welfare and securing them military penetration, and a minority of highly-positioned Indians willing to side with them. Japan and Thailand were never colonized but have got today much better infrastructure than that of India.<sup>2</sup> Yet, they have been much less naturally rich than India, and have faced strains and pains due to their own population density, too. Lal Roy agreed with that as follows : “India has given to England wealth and fame; England has brought upon India penury and shame. Instead of being a means of civilization, English rule in India is almost an excuse to keep up barbarism in the nineteenth century.”<sup>3</sup>

As regards the principles of Utilitarianism and the British exploitative economic policies meted out to India from the 1830's onwards, one may see how much hypocritical the British were. If imperial Britain really wanted the greatest happiness for the greatest number, she just would not have adopted those destructive policies for the simple reason that her ‘Indian subjects’ themselves outnumbered her metropolitan subjects by hundreds of million. True enough, while the metropolis was increasingly happy, its Indian province increasingly in pain. If Britain really wanted to be a Utilitarian nation, how was it that she kept on taxing highly her ‘Indian subjects’ on land and making them jobless and penniless through her policy of de-industrialization? If imperial Britain had been Utilitarian towards her ‘Indian subjects’, she just would not have accentuated land excise while they were turning hardly able to pay. Are these policies to be qualified as modernizing or civilizing for India?

In fact, the historian J. V. Naik accused the colonial authorities and British writers such as James Mill of distorting Indian history. In that, Naik rebutted the claim

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<sup>1</sup> Sharma. A. K, op. cit. , p. 13.

<sup>2</sup> Basu. D, op. cit. , p. 8.

<sup>3</sup> Lal Roy. A, op. cit. , p. 2.

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that Britain provided India with peace and progress.<sup>1</sup> Lal Roy made a similar criticism in 1886 in these following words : “The fiction of ‘England’s mission’ and ‘India’s progress’ is kept up by the agents of three interested industries—the military, mercantile, and missionary—aided by the co-operative journalism, in behalf of privilege and power, in which the modern Muse so sadly prostitutes herself.”<sup>2</sup> The Board of Customs, Salt, and Opium had been telling in the first half of the nineteenth century that its monopolization of Indian salt was not abusive. It maintained that the Indian salt farmers were “well-paid, happy and contented under a benign administration.”<sup>3</sup> In his article, Serajuddin discounted these statements as entirely wrong.<sup>4</sup>

Ultimately then, eighteenth and nineteenth century England’s prestige was accordingly not pure. Certainly, one observes from an angle the nation pushing her way towards affluence through mechanical innovation and capitalistic labour. From a larger angle however, its so-called industrial and imperial glories revealed continual depredations against the nation of India. In fact, one sees that England’s early industrial capitalistic progress was, to a great extent, unfair.

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<sup>1</sup> Naik. J. V, op. cit. , p. 4.

<sup>2</sup> Lal Roy. A, op. cit. , p. 2.

<sup>3</sup> Serajuddin. A. M, op. cit. , p. 20.

<sup>4</sup> Ibid.

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## **Abstract**

Between 1760 and 1880, Britain followed two major economic processes. The First British Industrial Revolution and colonialism proved to be vigorously related. The needs of Britain's First Industrial Revolution were bound to accentuate the exploitation and domination of her colony of India. Many historians specialized in the imperial era assert that economic exploitation in British India during the latter period went on a systematic upward trajectory. India was a pillar to British capitalistic preponderance. There is much evidence that India's deepening economic down-break from the late eighteenth century was inflicted by Britain absolutely seeking to meet her own interests. That exploitation, carried out in many various ways, enriched one side and impoverished the other. India fell in misery and rose in indignation.

## **Key Words**

Britain; Colonialism; Industrial Revolution; India; Trade; Economy; Exploitation; Domination; Taxation; Impoverishment.