

CHAPTER III*

INDIA ON THE EVE OF THE CROWN GOVERNMENT

More than anything else in the world, Imperialism stands in greater need of defence and Imperialists have not been wanting in their duty.

Unlike the Greeks who did not have even a word for imperialism nor knew the idea of the federation of city states, the Romans were the world's first and greatest imperial people and they coined a justification for imperialism that became the heritage of their successor.

They proclaimed that they were a people of superior race with a culture too high to be compared with any other, that they had better system of administration, that they were versed in the arts of life. They also proclaimed that the rest were people of inferior race with a very low culture and were absolutely devoid of the arts of life, and that their administration was very despotic. As a logical consequence of this the Romans argued that it was their divine mission to civilize their low lying brethern, nay to conquer them and superimpose their culture in the name of humanity.

The British have justified their imperial policy in India by similar argumentation. The British historian of India have a kind of Leues Boswelliana—disease of admiration. Their optical vision somehow or other has magnified the vices, not the virtues, of the predecessors of the British in India. Not only have they been loud in their denunciation of the Moghul and the Maratha rulers as despots or brigands, they cast slur on the morale of the entire population and their civilization. This is but natural for individuals as well as states can raise themselves only by lowering the merits of others.

Historians of British India have often committed the fallacy of comparing the Rule of the British with their immediate or remote predecessors. In deference to historical methodology. They

* In the MS., this Chapter No. is V. Chapter III and IV are not forthcoming—ed.

ought to compare the rulers of India with the contemporaries in England. Much of historical error will vanish if we closely follow this plan. It would no longer be a matter of contemptuous pity to read perhaps the abject condition of the Hindoos under the conquest of the Mohomedans when we will remember the pitiful condition of the Anglo-Saxons under their Norman conquerors when “to be called an Englishman was considered as a reproach—when those who were appointed to administer justice were the fountains of all iniquity—when magistrates, whose duty it was to pronounce righteous judgements were the most cruel of all tyrants, and great plunderers than common thieves and robbers ; when the great men were inflamed with such a rage of money that they cared not by what means it was acquired ; when the licentiousness was so great that a Princess of Scotland found it necessary to wear a religious habit in order to preserve her person from violation.”

The much spoken of Mohomedan cruelty could hardly exceed that committed by the first Crusaders on their conquest of Jerusalem. The garrison of 40,000 men “was put to the sword without distinction ; arms protected not the brave, nor submission the timid; no age or sex received mercy ; infants perished by the same sword that pierced their mothers. The streets of Jerusalem were covered with heaps of slain, and the shrieks of agony and despair resounded from every house.”

If we thus run down through the history of India and history of England and compare contemporary events we will find that for every Native Rowland we have an English Oliver. We must therefore repeat the warning of Sir Thomas Munro to English Historians of India, who said, “When we compare other countries with England, we usually speak of England as she now is, we scarcely ever think of going back beyond the Reformation and we are apt to regard every foreign country as ignorant and uncivilized, whose state of improvement does not in some degree approximate to our own, even though it should be higher than our own as at no distant period.”

Let us, therefore, turn to the “Despots and Brigands” who ruled India before the British and let us review their deeds and the condition of the people during their respective rulers

This knowledge is absolutely necessary in order to form a correct estimate of the Economic condition of the people of India under the East India Company.

We need not wait to dilate upon the Economic prosperity of India in ancient times since we have already dwelt upon it.

We have a consensus of opinion both Hindoo and Mohomedan as regards the prosperity of India when the Mohomedan conquest took place. The magnificence of Canouj and the wealth of the Temple of Somnath bear witness to it. It is a mistake to suppose that the Mussalman sovereigns of India were barbarous and despots. On the other hand majority of them were men of extraordinary character. Mohommed of Guzni, "showed so much munificence, to individuals of eminence that his capital exhibited a greater assemblage of literary genius than any other monarch in Asia has ever been able to produce. If rapacious in acquiring wealth, he was unrivalled in the judgement and grandeur with which he knew how to expend it."

Of all his illustrious successors one of whom was a female (Sultana Rezia); Feroz Shah is very well known for his administration. His public works "consisted of 50 dams across rivers to promote irrigation, 40 mosques and 30 colleges, 100 Caravan series, 30 reservoirs, 100 hospitals, 100 public baths, 150 bridges, besides many other edifices for pleasure and ornament; and, above all, the canal from the point in the Jumna where it leaves the mountains of Carnal to Hausi and Hissar, a work which has been partially restored by the British Government. The historian of this monarch expatiates on the happy state of the ryots under his Government, on the goodness of their houses and furniture and the general use of gold and silver ornaments amongst their women... The general state of the country must have been flourishing, for Milo de Conti, an Italian traveller, who visited India about A.D. 1420, speaks highly of what he saw in Guzerat, and found the banks of the Ganges covered with towns amidst beautiful gardens and orchards. He passed four famous cities before he reached Maarazia, which he describes as a powerful city, filled with gold, silver, and precious stones. His accounts are corroborated by those of Barbora and

Bartema, who travelled in the early part of the sixteenth century. The former in particular describes Cambay as a remarkably well-built city, situated in a beautiful country, filled with merchants of all nations, and with artisans and manufacturers like those of Flanders. Caesar Frederic gives a similar account of Guzerat, and Ibne-Batuta, who travelled during the anarchy and oppression of Mohammed Tagluk's reign, in the middle of the fifteenth century, when insurrections were reigning in most parts of the country, enumerates many large and populous towns and cities, and gives a high impression of the state in which the country must have been before it fell into disorder."

Baber, the founder of the Moghul dynasty in India found the country in a prosperous condition and was surprised at the immense population and the innumerable artisans everywhere. He was a benevolent ruler and public works marked his statesmanship. Sher Shah who temporarily wrested the throne from the Moghul was excepting Akabar, the greatest of Mohomedan rulers and like Baber executed many public works.

Akabar's benevolent administration is too well known to need any mention.

The rule of Shah Jehan who "reigned not so much as a king over his subjects, but rather as a father over his family" was marked by the greatest prosperity; his reign was the most tranquil.

Speaking of the condition of the people in the dominions of the Marathas who were contemporaries of the later Moghuls a traveller says, "from Surat, I passed the Ghats, and when I entered the country of the Maharattas, I thought myself in the midst of the simplicity and happiness of the golden age where nature was yet unchanged, and war and misery were unknown. The people were cheerful, vigourous, and in high health, and unbounded hospitality was a universal virtue ; every door was open, and friends, neighbours and strangers, were alike welcome to whatever they found."

With regard to the economic condition of the people in Southern India which was under the rule of Tipoo, a historian

says, "When a person, travelling through a strange country, finds it well cultivated, populous with industrious inhabitants, cities newly founded, commerce extending, towns increasing, and everything flourishing, so as to indicate happiness, he will naturally conclude it to be under a form of Government congenial to the minds of the people. This is a picture of Tipoo's country, and this is our conclusion respecting its Government." "His country was found everywhere full of inhabitants and apparently cultivated to the utmost extent of which the soil was capable" His Government though strict and arbitrary, was the despotism of a strict and able sovereign, who nourishes, not oppresses, the subjects who are to be the means of his future aggrandisement, and his cruelties were, in general, inflicted on those who he considered as his enemies.

Clive described Bengal as a country of "inexhaustible riches". Mecauley said, "In spite of the Mussalman despot and of the Maratha freebooter, Bengal was known through the East as the Garden of Eden—as the rich kingdom. Its population multiplied exceedingly; distant provinces were nourished from the overflowing of its granaries: and the noble ladies of London and Paris were clothed in the delicate produce of its looms."

But with the advent of the English things began to change. Prosperity bade fair to India and perched itself on the Union Jack.

The evil forces were set forth both on the side of the Parliament and the East India Company.

The Rule of the Company was anything but wise, it was rigorous, it gave security but destroyed property. The scheme of administration was far from perfect. Adam Smith characterizes the "Company of Merchants" as "incapable of considering themselves as sovereigns, even after they have become such" and says, "Trade or buying in order to sell again, they will consider as their principal business, and by a strange absurdity, regard the character of the sovereign as but an appendix to that of the merchants,.... as sovereigns, their interest is exactly the same with that of the country which they govern. As merchants, their interest is directly opposite to that interest." ¹ Adam Smiths

1. *Wealth of Nations* (Canner's Ed.) Vol. II, p 136-7.

criticism of the Courts of Proprietors and Directors described in the last chapter is also very valuable. He posits that the interest of every proprietor of India stock, is by no means the same with that of the country 'in the Government of which his vote gives him some influence and says, "This would be exactly true if those masters never had any other interest but that which belongs to them as proprietors of India stock. But they frequently have another of much greater importance. Frequently a man of great, sometimes even a man of moderate fortune, is willing to give thirteen or fourteen hundred pounds... merely for the influence which he expects to acquire by a vote in the Court of Proprietors. It gives him a share though not in the plunder, yet in the appointment of the plunderers of India. The Directors, though they make those appointments, being necessarily under the influence of the Court of Proprietors, which not only elects them, but sometimes overrules their appointments. A man of great or even of moderate fortune, provided he can enjoy this influence for a few years, and thereby get a certain number of his friends appointed to Employments in India, frequently cares little about the dividends which he can expect from so small a capital, or even about the improvement or loss of the capital itself upon which his vote is founded. About the prosperity or ruin of the great empire, in the Government of which that vote gives him a share, he seldom cares at all. No other sovereigns ever were, or from the nature of things ever could be, so perfectly indifferent, about the happiness or misery of their subjects, the improvements or waste of their dominions, the glory or disgrace of their administration, as, from irresistible moral causes, the greater part of the proprietors of such a merchantile company are, and necessarily must be."¹

This is perhaps a sweeping indictment of the administration of the company as a whole. It, however, holds true of the early rule of the company though the corruption was later gradually eliminated.

In the local or Supreme Government of India, the native inhabitants had no voice. They were barred from all high paid offices and had no scope beyond the position of a petty clerk.

1. '*Wealth of Nations*' (Canner's Ed.) Vol. II, p. 139 *f.n.*

The internal administration was so devised that the Governors and the official staff in their capacity as advisers did or were compelled to do all the thinking for the inhabitants of the country. They enacted, true to a word, the part of Sir John Bowley or the "Poor man's friend" so ably drawn by Charles Dickens : "Your only business, my good fellow, is with me. You need not trouble yourself to think about anything. I will think for you; I know what is good for you; I am your perpetual parent. Such is the dispensation of all all-wise Providence ... what man can do, I do. I do my duty as the Poor man's Friend and Father, and I endeavour to educate his mind, by inculcating on all occasions the one great lesson which that class requires, that is entire dependence on myself. They have no business whatever with themselves."

These Bowleys no doubt did the thinking as a Divine mandate but unfortunately, none the less naturally, their thinking and enacting proved decidedly favourable to England and fatal to India.

How England prospered while India declined may be well impressed on our minds if we recall the economic condition of England immediately before and after 1600 and also the nature of India's tribute to England.

Sir Josiah Child gives very interesting comparative description of the rising prosperity of England after 1545.

According to him, in 1545 "the trade of England then was inconsiderable and the merchants very mean and few"..... "but now", he says "there are more men to be found upon the exchange with ten thousand pounds estates, than were then of one thousand pounds. And if this be doubted let us ask the aged, whether five hundred pounds portion with a daughter sixty years ago, were not esteemed a larger portion than two thousand pounds is now ; and whether gentle women in those days would not esteem themselves well clothed in a serge gown, which a chambermaid now will be ashamed to be seen in... We have now almost one hundred coaches for one we had formerly. We with ease can pay a greater tax now in one year than our forefathers could in twenty. Our customs are very much improved, I believe above the proportion aforesaid, of six to one ;

which is not so much in advance of the rates of goods as by increase of the bulk of trade.”¹ By 1600 A.D. the merchantile class had become so powerful that “but for the hostility of the city, Charles I could never have been vanquished, and that without the help of the city, Charles II could scarcely have been restored.”²

India contributed or rather was made (to)* contribute to the prosperity of England in many ways.

Trade as the augmentation of wealth must be placed in the forefront. Stock quotation is a barometer of business conditions applying the same criterion we will see how much Indian trade was valued in England. “Throughout the (18th) century the Company’s stock was always at premium. In 1720 it was quoted as high as £450, but by 1755 it fell to £148. This figure represented much more nearly its real value. Even supposing the dividend of 10% to be average, this would only mean interest at the moderate rate of about $5\frac{1}{3}$ % on the cost price. It continued to fall until 1766, when the prospect of profit from the revenues of Bengal caused an artificial boom, which inflated the price to £233. This was followed by a fall of 60% as a result of war in the Carnatic. From 1779 to 1788 the price was much more reasonable. It averaged about £150, although at the crisis of 1784 it fell as low as £118.10 s. 0 d. After Pitt’s Act prices improved and by 1787 it was quoted at £185.10 s. 0 d. Subsequently the fluctuation’s largely decreased. The Company was now a sovereign ruler than a trading Corporation. It paid a fair interest to its shareholders and its stock was quoted at a price which represented the capitalized value of its profits. There was no further scope for speculation. Its balance-sheet began to resemble the Indian Budget of later years.”³ Dividends paid to the share-holders will also indicate how much India contributed to the wealth of England. “Before the union of 1709 the trade, though subject to great fluctuations, always showed a great profit. In 1682, the dividend reached the enormous figure of 160% but at the end of

* Inserted—ed.

1. “*Discourse of trade*” (1775), pp. 8, 9, 10.

2. T. B. Macaulay, “*History of England*”, Chap. III.

3. F. P. Robinson—“*East India Company*”, p. 161.

the century, things were very different. In 1709, after the union, it was only 8% rising, in 1710 to 9% and two years later to 10%, the average rate during the century would work out at about 9% and it only rose above from 1768 to 1771. In 1723 a slight fall was caused by the competition of the French Company, and a further fall of 1% followed an increase of capital and the foundation of the Swedish Company in 1732. In 1744, it rose again to 8% and continued at this rate for eleven years in spite of the continual war both in Europe and in the Carnatic. In 1755, the unsettled condition of the affairs at last had effect and a fall of 2% resulted. In 1760, the cession of Burdwan and other provinces increased the working costs of the Company, and kept the dividend at 6%, so that the sum distributed annually was £1,91,644. In 1767, in consequence of the acceptance of the territorial sovereignty of Bengal, the dividend was raised to 10% and the amount distributed reached £3,19,408. This rise was quite unjustifiable and was largely due to the exaggerated estimate of the prosperity of India. The increased dividends declared in anticipation of large profits which were never fully realized, were paid by means of loans raised at exorbitant interest. For five years the Company hung on in the hope of better days but in 1772 the crash came and the dividends fell from 12½% to 6%. Lord North then intervened and, for the future, the Company's dividend was subject to ministerial control. The Regulating Act was followed by revenue prosperity and the dividend continued to rise slowly. In 1792 the conclusion of the peace with Tipoo, whereby the Company received a revenue of £2,40,000 and an indemnity of £1,600,000, was followed by a further rise of 2% and in 1802, the dividend reached 11%.”¹ Besides this, “the sums of money paid to the (English) public by the United Company of Merchants of England trading to the East Indies, for their privileges, etc.,” “between the years 1798 to 1803 have been estimated by Mr. Macpherson at £25,343,215.”² Not only India has helped England in her war with America by taking the burden of £3,858,666 but has helped towards the furtherance of Education in America for Mr. Yale founded the Yale College after his name from the money earned exclusively in the Indian Trade.

1. F. P. Robinson—“*East India Company*”, pp 159, 160, 161.

2. cf.. “*European Commerce with India*” (1812), Appendix No. II.

Some of the direct and indirect advantages to England from India may be noted in the words of St. George Tucker who says:—

- (1) “The East India Company have, at different periods, drawn, a surplus revenue from their territorial possessions to the extent of a million and a half sterling per annum after paying the interest of the territorial debt and this surplus was evidently a direct tribute from India to England.”
- (2) “About four-fifths of the territorial debt being held by European British subjects, a large proportion of the annual interest, amounting to near two million sterling may be regarded as an *indirect* tribute paid by India to the mother country.” “This indirect or private tribute” including the savings, the profits of commerce, etc., Tucker estimates at “three million sterling per annum at the present period” (i.e., about 1821).
- (3) “The Shipping of India (that is, the India built ships which are employed in carrying on the trade from port to port in the (eastern Seas) forms no inconsiderable portion of the whole tonnage of Great Britain.
- (4) “The possession of India furnishes a most convenient outlet for the present overflowing in one class at least of the community, for whom it is found difficult in all countries, and in none more than our own, to make a suitable provision..... The service of India alone opens a field in which they can be employed *largely* with the prospect of benefit to themselves and to their country.”

These do not by any means exhaust the ways by which India contributed to the prosperity of England.

Besides these indirect ways, England adopted more direct and drastic measures to harm India. This was effected through the protective system. England was in no way able to compete with Indian goods and as a manufacturing country, India was England’s superior. To destroy the competition of Indian goods which in spite of the cost of transportation ousted the. English goods from their home markets, England adopted a strong protectionist policy.

The following figures will indicate how high the tariff against Indian goods was :—

Alocs duty p.c.	..	280	Oil of Cinnamon	..	400
Assafoefida	..	622	Mace	..	3,000
Benjamin	..	373	Nutmegs	..	250
Borax	..	102	Olibanum	..	400

Cardemoms	..	266	Pepper (black)	..	400
Cassiabuds	..	140	Pepper (white)	..	266
Cloves	..	240	Rhubarb (common)	..	500
Coculus Indicus	..	1,400	Rice (Java)	..	150
Coffee	..	373	Rum (Bengal)	..	1,142
Cubebs	..	320	Sago pearl	..	100
Dragon's blood	..	465	Sugar (Bengal white)	..	118
Gamboge	..	187	Ditoo (Hudding		128
Gum Ammoniac	..	466	white).		
Myrph	..	187	Ditoo (low and		152
Nux Vomica	..	266	brown).		
Oil of Cassia	..	343			

But England did not stop with this high tariff. She went a step further and made an invidious discrimination against Indian goods which (bore)* import duty much higher than that on the same goods from other parts of the world. This will become manifest by the import duty figures given by M'Acloche's Commercial Dictionary respecting the goods from the East Indies and West Indies and other colonies.

Articles	East Indies			West Indies, etc.		
	£	s.	d.	£	s.	d.
Sugar per Qnt. ..	1	12	0	1	4	0
Coffee per Ib. ..	0	0	9	0	0	6
Spirits, Sweetend per gallon ..	1	10	0	1	0	0
Spirits not Sweetened per gallon	0	15	0	0	8	6
Tamarinds per Ib. ..	0	0	6	0	0	2
Succades per Ib. ..	0	0	6	0	0	3
Tobacco per Ib. ..	0	3	0	0	2	9
Wood—teak under 8 inches square per load.	1	10	0	0	10	0
Wood—not particularly enumerat- ed, <i>ad valorem</i> .	20	per cent		5	per cent	

The English tariff on Indian goods was not not only discriminating but differed with the use to which they were put to in England, as will be seen from the following answers of

* Inserted—ed.

Mr. John Ranking to the questions of the committee of House of Commons in 1813 :—

Q.—“Can you state what is the *ad valorem* duty on piece-goods sold at the East India House ?”

A.—“The duty on the class called Calicoes is £3 6s. 8d. per cent upon importation, and if they are used for home consumption there is a further duty of £68 6s. 8d. per cent”.

“There is another class called Muslins, on which the duty on importation is 10 per cent, and if they are used for home consumption, of £27 6s. 8d. per cent.

“There is a third class, coloured goods, which are prohibited being used in this country (England), upon which there is a duty upon importation of £3 6s. 8d. per cent; they are only for exportation”.

“This Session of Parliament, there has been a new duty of 20 per cent on the consolidated duties, which will make the duties on calicoes..... used for home consumption, £78, 6s. 8d. per cent upon the Muslim for home consumption ;. £31, 6s. 8d.”

This much for the Parliamentary Exactions, direct and indirect. The Exactions of the Governors and Governor-Generals were by no means small. It is necessary to recall here the words of Sir W.W. Hunter who, describing the morale of the European people, when they came in contact with India, says, “Europe just emerged from mediaevalism, was then making her first experiments in Asiatic rule. Mediaeval conceptions of conquest imposed themselves on her exploitation of the Eastern world : Mediaeval types of commerce were perpetuated in the Indian trade. Portugal, Spain, Holland established their power in Asia when these conceptions and types held sway. The English ascendancy in India came later and embodied the European ideals of the eighteenth century in the place of the European ideals of the sixteenth. It was the product of modern as against semi-mediaeval Christendom. Yet even for England it was difficult to shake off the traditions of the period... of monopoly in the Indian trade, and of Indian Government for the personal profit of the rulers.”¹ “Self-interest certainly swayed the corrupt and oligarchic legislature, and politics were always discussed on plane from which principles were banished... Men fought avowedly for the most material objects only. Gold ruled the aspirations of the greatest, and India afforded many examples of its fatal power at the time.”²

1. W. W. Hunter, “A history of British India”. Vol. 1, p. 6.

2. G. B Hertz, “The old colonial system”, p 4.

The battle of Plassey in 1757 and the battle of Wandewash in 1761 gave the English supremacy in Bengal and Madras respectively and they turned both of these victories to their account. Clive, the victor of Plassy became really the king-maker. He sold his support to the Nawab who promised better terms. He not only got great bribes from the Nawabs and Jehagir (Estate) and controlled the salt monopoly in spite of the wishes of the Home authorities but gave perfect liberty to the civil servants—Burke's—"birds of prey and passage"—to indulge in private trade to monopolize certain trades to the utter exclusion of the natives: as a result of this the people were greatly oppressed and reduced to poverty. The wealth of Clive and the poverty of the people are well described by Macaulay, who says "As to Clive, there was no limit to his acquisitions but his own moderation. The treasury of Bengal was thrown open to him. There were piled up, after the usage of the Indian princes, immense masses of coins, among which might not seldom be detected the florins and byzants with which before any European ship had turned the Cape of Good Hope, the Venetians purchased the stuffs and spices of the east. Clive walked between heaps of gold and silver, Crown rubies and diamonds, and was at liberty to help himself..... Enormous fortunes were thus rapidly accumulated at Calcutta, while thirty millions of human beings were reduced to the extremity of wretchednessThis misgovernment of the English was carried to a point such as seems hardly compatible with the very existence of society. The Roman proconsul, who, in a year or two squeezed out of a province the means of rearing marble palaces and baths on the shores of Campomia, of drinking from Amber, of feasting on singing birds, of exhibiting armies of gladiators and flocks of camelopards; the Spanish viceroy, who, leaving behind him the curses of Mexico or Lima, entered Madrid with a long train of gilded coaches and of sumpter-horses trapped and shod with silver, were now outdone."

Clive ruined the Bengal populace. Hastings the first Governor-General turned to the potentates. His ill-treatment of, and exactions from the Raja of Benares and the Begums of Oudh, his massacre of the Rohillas excited the Catholic sympathies of that great 18th century political philosopher Edmond Burke who by impeachment of Warren Hastings re-enacted so to say, the

memorable impeachment of verres by Cicero for similar reasons. Burke espoused the cause of the oppressed and strained all his nerves to redress their wrongs and punish their offender. The impeachment, in spite of his vigour and the active participation of Sheridan failed but not without its salutary effect. It was one of these failures that was worth a hundred victories. Lord Morley in his *Life of Burke* says, "that Hastings was acquitted was immaterial. The lesson of his impeachment had been taught with sufficiently impressive force—the great lesson that Asiatics have rights, and that Europeans have obligations: that a superior race is bound to observe the highest current morality of the time in all its dealings with the subject race. Burke is entitled to our lasting reverence as the first apostle and great upholder of integrity, mercy and honour, in the relations between his countrymen and their humble dependents."

As a result, the direct mode of administrative exploitation was nipped in the bud: but certain other indirect modes of exploitations were either imposed or suffered to remain by the same administration. These indirect modes of exploitations were the Inland transit duties. The servants of the Company in their capacity of private traders enjoyed perfect immunity from these duties but they were levied with all strictness upon the natives whose economic betterment was thereby greatly hindered.

Mr. Holt Mackenzie speaking of these Duties says:

"Some articles have to run the gauntlet through ten custom-houses, passing at each several subordinate Chowkis (stations), before they reach the Presidency, and little or none of the great stable commodities of the country escape from being subjected to repeated detentions.

"Even supposing that there were no exactions and no delays, still the system would seriously hinder the commercial intercourse of the country, no interchange of goods can take place between districts separated by a line of Chowkis, unless the difference of price shall cover not only the export of transportation and the other charges of merchandise, but also the duty of 5 or $7\frac{1}{2}$ per cent levied by Government. Thus also the natural inequalities of prices aggravated and contrary to every principle, justly applicable to a consumption tax, the burden falls on those places where the consumer would, independently of duty, have most to pay.

"But when to the Government demand are added those of the custom-house officers, it appears to be certain that much trade that would be

carried on by persons of small capital must be absolutely prevented. The rich merchant can afford to pay the utmost demand likely to be made upon him, because a considerable douceur will not fall heavy on a large investment, and because his rank and wealth secures him from any outrageous extortion. But to the petty trader, a moderate fee would consume the probable profit of his adventure, and he has little or no security for moderation,

“Hitherto the attention of the authorities at home, and of the mercantile body generally in England, would appear to have been directed chiefly to the object of finding a market for the manufactures of the United Kingdom. They have consequently looked more to the import than to, the export trade of India. The duties prescribed by Regulation IX of 1810 have accordingly taken off a great number of articles sent from England hither : while of the exports only indigo, cotton, wool and hemp have been made free, and this more with a view, I apprehend, to English than to Indian objects.”

It would be profitable to read what Lord Ellenborough has to say regarding these inland transit duties:

“While the cotton manufactures of England are imported into India on payment of a duty of $2\frac{1}{2}$ per cent, the cotton manufactures of India are subjected to a duty on yarn of $7\frac{1}{2}$ per cent to an additional duty upon the manufactured article of $2\frac{1}{2}$ per cent, and finally to another duty of $2\frac{1}{2}$ percent, if the cloth should be dyed after the Rowana (pass) has been taken out for it as white cloth. Thus altogether the cotton goods of India (consumed in India) pay $17\frac{1}{2}$ per cent

“The raw hide pays 5 per cent. On being manufactured into leather it pays 5 per cent more ;. and when the leather is made into boots and shoes, a further duty is imposed of 5 per cent. Thus in all there is a duty of 15 per cent (on Indian leather goods used in India).

In what manner do we continue to treat our own sugar ? On being imported into a town it pays 5 per cent in customs, and 5 per cent in town duty, and when manufactured, it pays, on exportation from the same town 5 per cent more, in all 15 per cent (on Indian Sugar used in India).

“No less than 235 separate articles are subjected to Inland Duties. The tariff includes almost everything of personal or domestic use, and its operation, combined with the system of search, is of the most vexatious and offensive character, without materially benefiting the revenue. The power of search, if really exercised by every custom-house officer, would put a stop to internal trade by the delay it would necessarily occasion. It is not exercised except for the purpose of extortion.”

Added to this was the lack of uniform currency in India. All these were a means to kill Indian industries.

Frederick List says, "Had they sanctioned the free importation into England of Indian Cotton and silk goods, the English cotton and silk manufacturers must, of necessity, soon come to a stand. India had not only the advantage of cheaper labour and raw material, but also the experience, the skill and the practice of centuries."

The opinion of Mr. H. H. Wilson, the historian of India is still more emphatic. "It is also a melancholy instance" he admits,

"of the wrong done to India by the country on which she has become dependent. It was stated in evidence (in 1813) that the cotton and silk goods of India up to the period could be sold for a profit in the British market at a price from 50 and 60 per cent lower than those fabricated in England. It consequently became necessary to protect the latter by duties of 70 and 80 per cent on their value, or by positive prohibition. Had this not been the case, had not such prohibitory duties and decrees existed, the mills of Paisley and Manchester would have been stopped in their outset, and could scarcely have been again set in motion, even by the power of steam. They were created by the sacrifice of the Indian manufacture. Had India been independent, she would have retaliated, would have imposed prohibitive duties upon British goods, and would thus preserved her own productive industry from annihilation. This act of self defence was not permitted her. She was at the mercy of the stranger. British goods were forced upon her without paying duty, and the foreign manufacturer employed the arm of political injustice to keep down and ultimately strangle a competitor with whom he could not contend on equal terms": With the result, to quote the words of Mr. Chaplin, that "many manufacturers have been compelled to resort to agriculture for maintenance, a department already overstocked."

Thus the land revenue policy destroyed agriculture and the prohibitory protectionist policy of England ruined the Industries of the country whose wealth attracted these swarms of flies that drenched her to the last dregs.

The resulting misery and poverty of the people knew no bounds and is pathetically described by many a traveller and

Governor. Bishop Heber, travelling in India about 1830 wrote," Neither native nor European agriculturist, I think can thrive at the present rate of taxation. Half the gross produce of the soil is demanded by Government, and this, which is nearly the average rate wherever there is not a Permanent Settlement, is sadly too much to leave an adequate provision for the present, even with the usual frugal habits of the Indians, and the very inartificial and cheap manner in which they cultivate the land. Still more if it (is)* an effective bar to anything like improvement; it keeps the people, even in favourable years, in a state of abject penury; and when the crop fails in even a slight degree, it involves a necessity on the part of the Government of enormous outlays in the way of remission and distribution, which, after all, do not prevent men, women and children dying in the streets in droves, and the roads being strewn with carcasses. In Bengal, where, independent of its exuberant fertility, there is a Permanent Assessment, famine is unknown. In Hindustan, (Northern India) on the other hand, I found a general feeling among the King's officers and I myself was led from some circumstances to agree with them, that the peasantry in the Company's Provinces are, on the whole, worse off, poorer, and more dispirited, than the subjects of the Native Princes; and here in Madras, where the soil is, generally speaking, poor, the difference is said to be still more marked. The fact is, no Native Prince demands the rent which we do, and making every allowance for the superior regularity of our system, etc., I met with very few men who will not, in confidence, own their belief that the people are over-taxed, and that the country is in a gradual state of impoverishment. The Collectors do not like to make this avowal officially. Indeed, now and then, a very able Collector succeeds in lowering the rate to the people, while by diligence he increases it to the State.

But, in general, all gloomy pictures are avoided by them as reflecting on themselves, and drawing on them censure from the Secretaries at Madras or Calcutta, while these, in their turn, plead the earnestness with which the Directors at home press for more money. "Speaking of trade and industries he says," the trade of Surat is now of very trifling consequence, consisting of little but raw cotton, which is shipped in boats for Bombay. All

* Inserted—ed.

the manufactured goods of the country are undersold by the English.. a dismal decay has consequently taken place in the circumstances of the native merchants. "Regarding the decay of Dacca the same authority says, "Its trade is reduced to the sixtieth part of what it was, and all its splendid buildings,... the factories and the Churches of the French, Dutch and Portuguese Nations are all into ruin, and overgrown with jungle."

To ameliorate their misery, natives petitioned Parliament saying, "that every encouragement is held out to the exportation from England to India of the growth and produce of foreign, as well as English industry, while many thousands of the natives of India, who, a short time ago, derived a livelihood from the growth of cotton and the manufacture of cotton goods, *are without bread*, in consequence of the facilities afforded to the produce of America, and the manufacturing industry of England." But the appeal was made in vain and the interests of England always remained in the forefront in the eyes of those that were called upon to rule the destinies of India.

Though, as Bishop Heber rightly says that the officers of the Company avoid "all gloomy pictures" of the misery of the people, there are others who, marked by independence of opinions, are quite as explicit as they are emphatic on this point.

The Court of Directors wrote on May 7th, 1766 :

"We have the sense of the deplorable state.....from the corruption and rapacity of our servants, and the universal depravity of manners throughout the settlement..... Think the vast fortunes acquired by a scene of the most tyrannic and oppressive conduct that ever was known in any age or country."

Clive, though criminal himself, was conscious of the oppression for, he wrote to George Dudley on September 8th, 1766 :

"But retrospection into actions which have been buried in oblivion for so many years; which if inquired into, may produce discoveries which cannot bear the light.....but may bring disgrace upon the nation, and at the same time blast the reputation of great and good families."

Sir Thomas Munro was so indignant at the misrule of the Company that he said, "It would be more desirable that we should be expelled from the country altogether, than that the result of our

system of Government should be such an abasement of a whole people.

Mr. Martin in his "Eastern India" 1838 says, "The annual drain of £3,000,000 on British India has amounted in thirty years, at 12 per cent (the usual Indian rate) compound interest, to the enormous sum of £723,900,000 sterling ... So constant and accumulating a drain, even in England, would soon impoverish her. How severe, then, must be its effects on India, where the wage of a labourer is from two pence to three pence a day ! Were the hundred millions of British subjects in India converted into a *consuming* population, what a market would be presented for British capital, skill and industry!" Mr. Frederick John Shore of the Bengal Civil Service very pathetically said:

"But the halcyon days of India are over; she has been drained of a large proportion of the wealth she once possessed, and her energies have been cramped by a sordid system of misrule to which the interest of millions have been sacrificed for the benefit of the few. The gradual impoverishment of the people and the country, under the mode of rule established by the English Government has.... the grinding extortions of the English Government have effected the impoverishment of the country and people to an extent almost unparalleled..... "

"The fundamental principle of the English had been to make the whole Indian Nation subservient in every possible way to the interest and benefit of themselves..... Had the welfare of the people been our object, a very different course would have been adopted, and a very different result would have followed."

But such was not to be the case. Nay, it would have been unnatural had it been otherwise, for Mill says, "the Government of a people by itself has a meaning and a reality ; but such a thing as Government of one people by another does not, and cannot exist. One people may keep another for its own use, a place to make money in, a human cattle-farm to be worked for the profits of its own inhabitants."

The administration of the East India Company was a prototype of the Roman provincial administration, under the Roman Empire, however, local liberties were conserved. Monesen says, "The Roman provincial constitution, in substance, only concentrated military power in the hands of the Roman Governor,

while administration and jurisdiction were, or at any rate were intended to be, retained by the communities, so that as much of the old political independence as was at all capable of life might be preserved in the form of communal freedom.”

But the British suppressed everything, and just as Mr. Ferrero insists on our abandoning “one of the most widespread misconceptions which teaches that Rome administered her provinces in broad-minded spirit, consulting the general interest, and adopting wide and benefit principles of Government for the good of the subjects,” so must we guard against any complacent view of the administration of the East India Company, so current among historians who labour hard to show that with the interval of 1700 years, human nature had greatly advanced in moral standard.

Short may have been our discussion of the situation before the East India Company, it is quite sufficient to show that the supplanter of the Moghuls and the Marathas were persons with no better moral fiber and that the economic condition of India under the so-called native despots and brigands was better than what was under the rule of those who boasted as being of superior culture.

It is with industries ruined, agriculture “overstocked” and over-taxed with productivity too low to bear high taxes, with few avenues for display of native capacities, the people of India passed from the rule of the Company to the rule of the Crown.

