

The Great Loot – British Exploitation of Indian Resources

Rare and dazzling beauties of **diamonds** have remained a strong object of desire throughout history, truly transcending time and culture.

The **Kohinoor** is one of the most famous diamonds in the world.

In 1849, after the conquest of **Punjab** by the British forces, it was taken to their treasury.

The British looted India and this tiny Kohinoor is **just the tip of the iceberg**.

Being in the backwater of the regional history, we take little interest in this matter, but not to forget that in some ways or the other all these events had significant impact on the processes through which we emerged as a nation-state.

Without the **British rule** probably we would never have been under the **typical colonial Zamindari system**, consequence of which eventually pushed us towards the Pakistan movement.

If there were no **Pakistan**, who knows, we might have missed the opportunity of living life as an independent Bangladeshi that we are so proud of.

From that perspective, how systematically the British looted India should be of some interest and not to mention that we collectively contributed to its wealth and riches of the British that we see today.

In General

Briefly, India's share of the world economy was 24% as the Britain landed on its shore and it dropped to 4% as they left, simply because India had been governed for the benefits of Britain.

It looted as much as 45 trillion dollars between 1765 and 1938 that amounts to 17 times the current GDP of the UK.

After defeating the combined forces of the Bengal, Awadh and Delhi by Major Hector Munro in the battle of Buxar in 1765, the Treaty of Allahabad was signed between the Mughal Emperor Shah Alam II and Lord Clive.

It gave East India Company the right to collect taxes from Bengal, Bihar and Orissa.

This was basically the start of the systematic depredations that followed.

War Booty & Other Immediate Financial Rewards

Immediately after the Battle of Plessey, the English army and navy each received a tribute of £275,000 equivalent to £32 million today.

Company received £3 million pounds annually from Mir Zafar.

While serving as a clerk in Madras EIC, Clive used to get only £5 annually, with another £40 for expenses but while he returned to England (1767), he carried some £4 million

pounds with him, that made him the richest man in entire Europe.

He also had a personal tract of land worth £35,000 pounds.

The British exploitation can be broadly divided into three distinct phases as:

1st Phase, starting from 1757 to 1813, also known as Marchant Capital Phase

Initially, Britain had almost nothing to offer in exchange of goods it purchased from India, therefore, every time, it had to spend precious **gold and silver** coins to buy Indian goods.

After the **battle of Plessey**, they got an opportunity to save precious gold and silver coins by using the revenue extracted from the region.

They purchased Indian products at low prices and sold those in **European market** at high prices.

By 1750s & 1760s, EIC took control of Bengal and South India and driven out other European contenders and established monopolistic trade.

After obtaining Revenue **right** in 1765, initially the company repatriated about 33% of its net revenue in the form of goods.

Rightly or wrongly, they could only think of profit and nothing else.

Even during the **1770's famine**, they increased the tax level as high as **70%** to compensate for the shortfall in the agricultural produce that worsened the situation further.

To support the rising **industrialization** in Britain, it syphoned huge Indian capital to support its growth of industrial capitalism.

Under the **Delhi Sultanate & Mughal Empire** the people had customary right over the lands.

The Emperor appointed tax agents to collect tax in exchange of commission.

As soon as Mughal empire began to weaken in terms of its control over the Zamindars, they started acquiring land as their personal property.

The English also thought if the Zamindars own land, they could be held responsible for the revenue collection.

Since, then the **Blackstonian concept** of private ownership of land in the form of Zamindari system came into being.

Further to the **Zamindari system**, in 1793, permanent Settlement was introduced under which revenue rate was fixed for an extended period without any regard to contingencies of any sort.

Huge share of the revenue was spent for EIC's own benefit like development of military units, employee's salary and for financing its further expansion in India.

2nd Phase started from 1813 and continued until 1858

This is also called the **Free Trade Phase** during which British capitalist class started their exploitation.

By then, the British manufacturers acquired the capacity of producing goods and EIC was no longer required to buy Indian goods for selling in Europe.

During this time, the industrialist class had become so dominant factor in the British economy that they enjoyed blessings of the colonial administration including policy matters.

In order to protect **Manchester based textile** industry, the British, imposed a high levy on Indian goods as high as 70%.

Thus, the Indians were forced to export raw materials and other non-manufactured articles to Britain.

Although, the policy of “free trade” championed by **Adam Smith** never meant to be a one-way free trade i.e., but, the British free trade policy only allowed free entry of British goods to India.

Net result was that the Manchester textiles flooded Indian market manufactured out of Indian cotton.

To enhance their profit further, the British started **commercializing the agriculture.**

Such decision added salt to the peasant's injury who were already struck hard by tax burden.

It reduced the arable land for major crops and thereby reduced the peasant's safety net.

Under the new policy, the Indian peasants had to cultivate indigo, rubber, tea, jute, opium and coffee.

The Englishmen acquired land and settled around plantation and their merciless exploitation of indigo workers in Bengal reminds us of the dreadful legacies.

Pattern of exploitation changed the nature of the Indian economy that completely destroyed the village community.

By disintegrating the union of village and industry the de-industrialization of India was ensured.

3rd Phase (Finance Capital Phase - 1858 onwards)

Following the rebellion of 1857, British Parliament passed the Government of India Act, transferring power from EIC to the British Government and that marked the start of finance capital phase.

Around this time, other European nations succeeded in industrializing themselves and they had been looking for exclusive colonies so that they could source raw materials for their thriving industries.

To Britain, India was important and hence planned to explore it further through a different form of exploitation.

It's when British started managing big projects through banks, investment firms, foreign trading firms, and insurance companies.

It invested in road, rail, postal system, irrigation, banking system, & limited education to carry out this new form of exploitation.

Particularly, for Railway project the rising debt was phenomenal:

As EIC handed over power to British Government:

in 1858, it was £ 70 m

prior to WW I it rose to £ 224 m

and after WWII it rose to £ 884 m

Before WW-I, 97% capital investment spent in administration, transport, plantation, and finance – which only served the British cause.

The motive behind all these investments was the commercial penetration of India to make it a source of raw materials and at the same time markets for finished products.

Agriculture:

In those days, about 85% people derived their livelihood directly or indirectly from agriculture.

They primarily produced two crops such as rice and wheat using primitive know how yet they lived a very happily.

Under the Mughal rule, peasants paid a nominal tribute of 1015% of their cash harvest.

This ensured a comfortable treasury for the rulers and a wide safety net for the peasant's for meeting up any contingencies.

EIC abruptly increased it to 50% in the name of suppressing the rebellion and 70% during the famines that came down heavily on the farmers.

Did you know that starvation alone caused between 15 to 29 million deaths in Bengal during the British rule?

Then came the permanent settlement putting the peasants under triple burden namely the EIC, landlord and the moneylender.

In order to meet the high demand of revenue, the peasants perpetually remained indebted to the local moneylenders.

Many of them lost their lands for failing to pay back the moneylenders.

Peasants subsistence base was completely ruined by the British agrarian policies.

The resulting impact was the reduction of per capita food grains from WW I to WW II in about 30 years it came down to 137 kg/year which was 60 kg less than 30 years before.

Thus the Indian agricultural sector, which supported almost the entire economy went towards stagnation.

Industrial Sector

Indian economy was doing better than the Chinese economy relying on its not so modern industrial base.

But the EIC deliberately deindustrialized India.

Hence, India was forced to turn towards British which were profitably met by the British exports that eventually gave them lot of earnings.

These earnings were used for importing strategic material like iron, timber and tar for their industrialization.

Before the British arrival, India was known for its handicraft and this industry enjoyed worldwide demand and was held in a high regard.

The destruction of these industries gave rise to largescale unemployment, but, the British shrewdly resolved this unemployment, identically born out of their faulty policies, by offering employment in tea, coffee, indigo plantations and jute industries, owned by white people.

Textile & Craftsmanship

Until 18th century, India was the world's dominant producer and exporter of cotton textiles, a position it held for low wages & abundant human capital.

Articles made up of wool, cotton and silk were famous both in domestic and international markets.

But these goods made with primitive techniques could no longer compete with British manufactured products using powerful steam operated machines.

Additionally, various metal industries, stone carving, marble work, tanning and leather industries were severely hit.

The development of railways enabled British manufactures to reach in the nook and corner of the country that uprooted the traditional industries.

Shipbuilding Industry

India has been a major maritime power for millennia, controlling the key routes through the Indian Ocean which facilitates half of global maritime trade.

It had a large shipbuilding industry with an output of 223,250 tons/annually during 16th & 17th centuries compared with 23,061 tons produced in 13 colonies in North America from 1769 to 1771.

Akbar maintained ships for trading purposes, Aurangzeb maintained a fleet which were used to carry the pilgrims for Hazz in Mecca.

The naval wing was an important branch of Maratha leader Shivaji's attack and defence strategy.

With the onset of invasions and colonization, trade declined and correspondingly shipbuilding industry was downsized.

Thus the shipbuilding industry got ruined.

World Famous Muslin

Dacca produced the finest Muslins which used to be famed around the world particularly in Europe.

The British for selling their own goods destroyed the looms and chopped off the fingers of the Muslin weavers so that those weavers could no longer produce muslin.

Eventually, the Dhaka Muslin weavers and the Muslin disappeared.

World Wars

In WW 1, over 1.3 million Indian troops served overseas.

Increasing demand of soldiers even brought children in the battle field, some as young as 10 years old fought the Germans and that's how the practice of child labour took root in this region.

Besides, India sent 1.7 million animals, 3.7 million tons of supplies, jute for sandbags, and £2 billion pounds as loan to British government.

Of these soldiers around 75,000 died and another 67,000 were wounded.

These men were undoubtedly heroes - yet they were destined to remain largely unknown once the war was over utterly due to deliberate British neglect.

And in WW 2, one of the little known facts is that it was India's contribution that bailed out the West.

Over 2.6 million Indian troops played a decisive role in the greatest conflict and helped Britain stay in the fight.

Indian forces terrorized German tank divisions in Africa, fought the Japanese in Burma, took part in the invasion of Italy, and played a significant part in battles in the Middle East.

Of these soldiers over 87,000 died.

Equally critical was Indian material help in the forms of arms, ammunition, timber, steel and specially food.

C-in-C British Indian Army Field Marshal Claude Auchinleck, asserted that the British "Couldn't have come through both wars if they hadn't had the Indian Army".

I am towards the end of my talk, but, I personally feel those Lord Cleves and white people were much better in the sense that they looted us to make Britain rich & wealthy but the 21st century looters of our country piled up wealth outside Bangladesh this is something we must ponder upon!

Thanks for watching. Good buy and Allah hafez.