



Question 15. Indicate the volume and direction of trade at the time of independence.

Answer. India has been an important trading nation since ancient times. But the restrictive policies of commodity production, trade and tariff pursued by the British government adversely affected the structure, composition and volume of India's foreign trade. The state of India's foreign trade on the eve of independence was as follows:

1. Net Exporter of Raw Material and Importer of Finished Goods. India became an exporter of primary products such as raw silk, cotton, wool, sugar, indigo, jute, etc. and an importer of finished consumer goods like cotton, silk and woollen clothes and capital goods like light machinery produced in the factories of Britain. UK was the chief supplier to India contributing to over 31 per cent of total import at the time of independence. The principal item of import was food grains and by 1947 food grain imports had touched the level of 3 million tonnes.
2. Britain had Monopoly Control on Foreign Trade. Opening of Suez Canal in 1869 served as a direct route for the ships operating between India and Britain. The canal connected Port Said on the Mediterranean Sea with the Gulf of Suez. It provided a direct trade route for ships operating between European or American ports and ports located in South Asia, East Africa and Oceania. It reduced the cost of transportation and made access to the Indian market easier. In other words, the exploitation of Indian market was now easier. British maintained monopoly control over India's foreign trade. More than half of India's foreign trade was with Britain. British allowed trade with few other countries like China, Ceylon (Sri Lanka) and Persia (Iran).

Question 16. Were there any positive contributions made by the British in India? Discuss.

Answer. British rule exploited India in many ways. But, the ways to achieve the motives sometimes yield positive effects. Their exploitative programmes and policies resulted in some positive impact on India. Some of these positive effects were:

1. Commercialisation of agriculture implied a good breakthrough in agriculture and resulted in self-sufficiency in food grain production.
2. The development of infrastructure, railways and roadways generated new opportunities for economic and social growth and broke cultural and geographical barriers.
3. Railways promoted commercialisation of agriculture through long distance movement of goods and it enabled people to move from one place to another easily.
4. The supply of food and essentials could be made available to drought affected areas through transportation.
5. Indian economy witnessed a huge expansion of monetary system and growth in production through division of labour and specialisation.

