

VI. The Plunder of India

"There is no end to the violence and plunder which is called British rule in India."—Lenin: "Inflammable Material in World Politics," 1908.

In order to understand the role of imperialism in India it is necessary to cover certain historical ground.

During recent years the real history of British rule in India is beginning to be disinterred from the official wrappings. But it still remains true, as Sir William Hunter, the editor of the *Imperial Gazette of India*, declared in 1897:

"A true history of the Indian people under British rule has still to be pieced together from the archives of a hundred distant record rooms, with a labor almost beyond the powers of any single man, and at an expense almost beyond the reach of any ordinary private fortune."

For our present purposes we are not concerned to follow in any detail the chronicle of British rule in India, which would require a separate volume for any useful treatment, and the conventional facts of which can be studied in any of the current standard works. We are only concerned to bring out some of the decisive forces of development which underlie the present situation and its problems.

The past is past. The record of British rule in India, when truthfully told, is not an edifying record. It is important that Englishmen should be acquainted with some of the facts of that record (which are normally suppressed from the school-books) in order to free themselves from imperialist prejudice; and it is important that Indians should be acquainted with them in order to equip themselves as uncompromising fighters for Indian freedom.

Three main periods stand out in this history of imperialist rule in India. The first is the period of merchant capital, represented

by the East India Company, and extending in the general character of its system to the end of the eighteenth century. The second is the period of industrial capital, which established a new basis of exploitation of India in the nineteenth century. The third is the modern period of finance-capital, developing its distinctive system of the exploitation of India on the remains of the old, and growing up from its first beginnings in the closing years of the nineteenth century to its fuller development in the most recent phase.

The era of the East India Company is conventionally measured from its first Charter in 1600 to its final merging in the Crown in 1857. In fact its main period of domination of India was the second half of the eighteenth century. By the middle of the eighteenth century the Company began to build up its territorial power in India.

The original aim of the East India Company in its trade with India was the typical aim of the monopolist companies of merchant capital, to make a profit by securing a monopoly trade in the goods and products of an overseas country. The governing objective was, not the hunt for a market for British manufactures, but the endeavor to secure a supply of the products of India and the East Indies (especially spices, cotton goods and silk goods), which found a ready market in England and Europe, and could thus yield a rich profit on every successful expedition that could return with a supply.

The problem, however, which faced the Company from the outset was that, in order to secure these goods from India by way of trade, it was necessary to offer India something in exchange. England, at the stage of development reached in the early seventeenth century, had nothing of value to offer India in the way of products comparable in quality or technical standard with Indian products, the only important industry then developed being the manufacture of woolen goods, which were no use for India. Therefore precious metals had to be taken out to buy the goods in India.

Accordingly, at its commencement the East India Company was given a special authorization to export an annual value of £30,000 in silver, gold and foreign coin. But this was most painful and repugnant to the whole system of mercantile capitalism, which regarded the precious metals as the only real wealth a

country could possess, and the whole object of trade as to secure a net favorable balance expressed in an influx of precious metals or increase of real wealth.

From the outset the merchant "adventurers" of the East India Company were much concerned to devise a means to solve this problem and secure the goods of India for little or no payment. One of their first devices was to develop a system of roundabout trade, and, in particular, to utilize the plunder from the rest of the colonial system, in Africa and America, to meet the costs in India, where they had not yet the power to plunder directly:

"The English trade with India was really a chase to find something that India would be willing to take, and the silver obtained by the sale of the slaves in the West Indies and Spanish America was all-important in this connection."
(L. C. A. Knowles, *Economic Development of the British Overseas Empire*, 1924, p. 74.)

So soon, however, as domination began to be established in India, by the middle of the eighteenth century (especially following the Battle of Plassey in 1757), methods of power could be increasingly used to weight the balance of exchange and secure the maximum goods for the minimum payment. The margin between trade and plunder, from the outset never very sharply drawn (the original "adventurers" often combined trade with piracy), began to grow conspicuously thin. The merchant was now able to throw the sword into the scales to secure a bargain which abandoned all pretense of equality of exchange. By 1762 the Nawab of Bengal was complaining impotently to the Company about the Company's agents:

"They forcibly take away the goods and commodities of the Ryots (peasants), merchants, etc., for a fourth part of their value; and by ways of violence and oppression they oblige the Ryots, etc., to give five rupees for goods which are worth but one rupee." (Memorandum of the Nawab of Bengal to the English Governor, May, 1762.)

But when the administration of the revenues passed into the hands of the Company, with the granting of the Dewani or civil administration of Bengal, Bihar and Orissa in 1765, a new field of limitless direct plunder was opened up in addition to the profits of "trade." Then began a process of wholesale unashamed

spoliation which has made the Company's administration during the last third of the eighteenth century a by-word in history. In the words of the House of Commons resolution in 1784:

"The result of the Parliamentary inquiries has been that the East India Company was found totally corrupted and totally perverted from the purposes of its institution, whether political or commercial; that the powers of war and peace given by the Charter had been abused by kindling hostilities in every quarter for the purposes of rapine; that almost all the treaties of peace they have made have only given cause to so many breaches of public faith; that countries once the most flourishing are reduced to a state of impotence, decay and depopulation."

What was the character of the system established by the East India Company when it had won the civil power in Bengal and in the other territories it conquered? The direct calculation of the profit to be made and remitted to England as the sole consideration in taking over the administration was set out by Clive, the main founder of British rule in India, in his letter to the directors in 1765 with a clearness and simplicity which are in refreshing contrast to subsequent philanthropic humbug:

"Your revenues, by means of this acquisition, will, as near as I can judge, not fall far short for the ensuing year of 250 lakhs of Sicca Rupees, including your former possessions of Burdwam, etc. Hereafter they will at least amount to 20 or 30 lakhs more. Your civil and military expenses in time of peace can never exceed 60 lakhs of Rupees; the Nabob's allowances are already reduced to 42 lakhs, and the tribute to the King (the Great Mogul) at 26; so that there will be remaining a clear gain to the Company of 122 lakhs of Sicca Rupees or £1,650,900 sterling." (Clive, letter to the directors of the East India Company, September 30, 1765.)

Here all is as straightforward and business-like as a merchant's ledger. Of the total revenue extracted from the population one-quarter is considered sufficient for the purposes of government; one-quarter is still needed to square the claims of the local potentates (Nabob and Mogul); the remainder, or half the revenue, estimated at £1½ million is "clear gain." Bottomley's old dream of the "Business Man's Government" is here realized with a com-

pleteness never equaled before or since. Enormous fortunes were made by individual officers of the Company. Clive himself, who started from nothing, returned home with a fortune estimated at a quarter of a million pounds, in addition to an Indian estate bringing in £27,000 a year; he reported that "fortunes of £100,000 have been obtained in two years." A measure closer to the full tribute is revealed by the figures of exports and imports; during the three years 1766-68, according to the report of the Governor, Verelst, exports amounted to £6,311,250, while imports amounted to only £624,375. Thus ten times as much was taken out of the country as was sent into it under the ruling care of this new type of merchant company governing a country.

The dearest dream of the merchants of the East India Company was thus realized: to draw the wealth out of India without having to spend wealth in return.

All contemporary witnesses have given evidence of the rapid devastation of the country within a few years by this process, the cutting down of the population by one-third through the consequent famine, and the transformation of one-third of the country into "a jungle inhabited only by wild beasts."

In 1769 the Company's Resident at Murshidabad, Becher, reported to the Company:

"It must give pain to an Englishman to have reason to think that since the accession of the Company to the Dewani the condition of the people of this country has been worse than it was before, and yet I am afraid the fact is undoubted. . . . This fine country, which flourished under the most despotic and arbitrary Government, is verging towards its ruin while the English have really so great a share in the Administration. . . ."

"I well remember this country when trade was free and the flourishing state it was then in; with concern I now see its present ruinous condition, which I am convinced is greatly owing to the monopoly that has been made of late years in the Company's name of almost all the manufactures in the country."

By 1770 this "ruinous condition" was succeeded by a famine in Bengal which, in the words of the Company's official report, "exceeds all description. Above one-third of the inhabitants have perished in the once-plethiful province of Purneah, and in other

parts the misery is equal." Ten million people were estimated to have perished in this famine. Yet the land revenue was not only rigorously collected without mercy through this famine, but was actually increased.

A decade and a half later William Fullarton, M.P., described the transformation of Bengal after twenty years of the Company's rule:

"In former times the Bengal countries were the granary of nations, and the repository of commerce, wealth and manufacture in the East. . . .

"But such has been the restless energy of our misgovernment that within the short space of twenty years many parts of these countries have been reduced to the appearance of a desert. The fields are no longer cultivated; extensive tracts are already overgrown with thickets; the husbandman is plundered; the manufacturer oppressed; famine has been repeatedly endured; and depopulation has ensued." (William Fullarton, M.P., *A View of the English Interests in India*, 1787.)

"Were we to be driven out of India this day," Burke declared in his rhetorical denunciation, "nothing would remain to tell that it had been possessed, during this inglorious period of our dominion, by anything better than the orangoutang or the tiger." By 1789 rhetoric was echoed by fact when the Governor-General, Lord Cornwallis, reported:

"I may safely assert that one-third of the Company's territory in Hindustan is now a jungle inhabited only by wild beasts." (Lord Cornwallis, minutes of September 18, 1789.)

On the basis of the plunder of India in the second half of the eighteenth century modern England was built up. The spoliation of India was the hidden source of accumulation which played an all-important role in helping to make possible the industrial revolution in England.

"The influx of the Indian treasure, by adding considerably to the nation's cash capital, not only increased its stock of energy, but added much to its flexibility and the rapidity of its movement. Very soon after Plassey, the Bengal plunder began to arrive in London, and the effect appears to have been instantaneous; for all the authori-

ties agree that the 'industrial revolution,' the event which has divided the nineteenth century from all antecedent time, began with the year 1760. Prior to 1760, according to Baines, the machinery used for spinning cotton in Lancashire was almost as simple as in India; while about 1750 the English iron industry was in full decline because of the destruction of the forests for fuel. At that time four-fifths of the iron used in the kingdom came from Sweden.

"Plassey was fought in 1757, and probably nothing has ever equaled the rapidity of the change which followed. In 1760 the flying shuttle appeared, and coal began to replace wood in smelting. In 1764 Hargreaves invented the spinning jenny, in 1776 Crompton contrived the mule, in 1785 Cartwright patented the power loom, and, chief of all, in 1768, Watt matured the steam engine, the most perfect of all vents of centralizing energy. But, though these machines served as outlets for the accelerating movement of the time, they did not cause that acceleration. In themselves inventions are passive, many of the most important having lain dormant for centuries, waiting for a sufficient store of force to have accumulated to set them working. That store must always take the shape of money, and money not hoarded, but in motion. Before the influx of the Indian treasure, and the expansion of credit which followed, no force sufficient for this purpose existed; and had Watt lived fifty years earlier, he and his invention must have perished together. Possibly since the world began, no investment has ever yielded the profit reaped from the Indian plunder, because for nearly fifty years Great Britain stood without a competitor. From 1694 to Plassey (1757) the growth had been relatively slow. Between 1760 and 1815 the growth was very rapid and prodigious." (Brooks Adams, *The Law of Civilization and Decay*, pp. 259-60.)

The new needs required the creation of a free market in India in place of the previous monopoly. It became necessary to transform India from an exporter of cotton goods to the whole world into an importer of cotton goods. This meant a revolution in the

economy of India. It meant at the same time a complete change-over from the whole previous system of the East India Company.

It was obvious that, in the interests of effective exploitation, the wholesale anarchic and destructive methods of spoliation pursued by the East India Company and its servants could not continue without some change. The stupid and reckless rapacity of the Company and its servants was destroying the basis of exploitation, just as in England a few years later the unbounded greed of the Lancashire manufacturers was to devour nine generations of people in one. And just as the greed of the manufacturers had to be curbed by the action of the State on behalf of the capitalist class as a whole, in the interests of future exploitation (the attack being led by their economic rivals, the landed interests), so in the last quarter of the eighteenth century the central organs of the State had to be invoked to regulate the operations of the Company in India. The attack was led by the rival interests. All the numerous interests opposed to the exclusive monopoly of the East India Company combined to organize a powerful offensive against it. This offensive was interrupted by the overshadowing world issues of the French Revolution, and it was not until toward the close of the French wars, in 1813, with industrial capital now strongly established, that the question of India was taken up afresh, and the decisive step made towards the new stage.

Lord Cornwallis as Governor-General had reorganized the administration in order to replace the system of anarchic individual corruption and spoliation by a well-paid civil service. He sought to end the previous arbitrary continual increases of land revenue, which were turning the country into jungle and destroying the basis of exploitation, by the experiment of the Permanent Land Settlement in Bengal, which established a new landlord class as the social basis of British rule, with a permanently fixed payment to the Government.

All these measures were intended as reforms. In reality, they were the necessary measures to clear the ground for the more scientific exploitation of India in the interests of the capitalist class as a whole. They prepared the way for the new stage of exploitation by industrial capital, which was to work far deeper havoc on the whole economy of India than the previous haphazard plunder.