



# Destruction of Indigenous Industries during British Rule: A Historical Perspective

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## Abstract:

*India was not an industries country in the true and modern sense of term. But by the standards of the 17<sup>th</sup> and 16<sup>th</sup> centuries, India was industrial workshop of the world. British interests were of several kinds. At first the main purpose was to achieve a monopolistic trading position. Later it was felt that a regime of free trade would make India a major market for British goods and a source of raw materials, but British capitalists who invested in India, or who sold banking or shipping service there, continued effectively to enjoy monopolistic privileges. This paper attempt to provide information regarding Destruction of Indigenous Industries of India during British rule in historical perspective.*

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**Keywords:** *British rule, Commercialized, Destruction of Indigenous, Indigenous, Trade*

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## 1. Introduction

Before the British came, India was one of the richest countries in the world. In 1800, India, China and Egypt and probably many of the kingdoms of central Africa were economically more developed than Britain. Indeed the British had nothing for sale that was of interest to the Indians or Chinese. When the British left in 1947, India was poor and industrially backward. India has been invaded and conquered by foreigners several times, but the British conquest differed from all previous conquests in the sense that it brought India Under the rule of a Country which had already reached a more advanced stage of economic development. Thus, while the earlier conquests brought about no important changes in the economic life of India, the immediate effects of the British conquest was the destruction of the ancient independent economic basis of Indian Society. As a result of contact with Imperialism, the age –long village communities began to break up, the economic isolation of Indian Village was rapidly destroyed, the old equilibrium between industries and agriculture was upset, agricultural production was commercialized, new forms of capitalist production began to develop and along with them arose new social classes and new social problems.

## 2. Role of East India Company

The role of East India Company was to prepare the ground for the systematic exploitation of the country which was to follow. It conquered large territories, defeated the feudal ruling classes and established British supremacy in the Land. The Economic policy of the Company early laid the foundation of those antagonisms between the national economies of Great Britain and India which matured under the rule of the Crown .In the earlier period of company took away from the country as much wealth as it could through internal and external trade. But by the Close of the eighteenth century when the Company had acquired Large territories, the annual drain of wealth from India to Great Britain was increased by an extremely heavy Land taxation and the enormous fortunes collected by the Company's officials through political corruption and objectionable commercial dealings. The Company monopolized Indian trade with Great Britain,

the trade with China, the coastal trade and the internal trade in several commodities such as, salt, betel nut, opium etc. The company's agents penetrated into all Parts of the country and compelled the handicraftsmen to deal exclusively with them. The prices of the monopolized goods were arbitrarily fixed by the officials and the producers were fleeced mercilessly.

### 3. Destruction of Indigenous Industries

The growth of the industrial capitalism in Great Britain marked a new departure in the economic policy of British Imperialism that is the systematic destruction of the indigenous industries for turning India into a vast market for British goods, and the commercialization of Indian agriculture for providing raw materials to British Industries. The new policy was carried out mainly by manipulating Indian tariffs, currency and credit and foreign exchange to the advantage of British interests.

Until the middle of the nineteenth century, the tariffs policy of the British Government in India had only one aim, namely, to discourage the export of Indian manufactures and to flood the Indian market with British imports. A policy of free trade was forced on India while Great Britain preferred protection for herself. Thus British cotton goods conveyed in British ships to India paid a duty of 3.5 percent while the Indian cotton goods imported into England paid a duty of 10 percent and Indian silk goods 20 percent. British woollen goods imported into India paid a duty of 2 percent, while in Great Britain Indian woollens paid a duty of 30 percent. A prohibitive duty of 5 shillings a ton was imposed on the import of Indian iron ore into England, while the English iron ore imported into India paid no duty at all. Indian sugar paid the same duty in England as the sugar imported from west indies, but Indian rum paid a duty of 15 shillings a gallon, while the West Indian rum, though stronger, paid only 9 shillings a gallon. These duties naturally caused a sharp decline in the export of Indian manufactures and a rapid increase in the import of British goods into India. The cotton Piece-goods imported into Great Britain from India declined.

**Table 2. Cotton Piece-goods imported into Great Britain from India**

Year	Cotton pieces imported to Great Britain from India
1814	1266608
1821	534495
1828	422504
1835	306086

Source: Ahmad, Z. A, 'Some Economic and Financial Aspects of British Rule in India', 1937, Page no. 19



**Table 2. Cotton Piece-goods Exported into India from Great Britain**

Year	Cotton pieces exported into India from Great Britain
1814	818208
1821	19138726
1828	42822077
1835	51777277

Source: Ahmad, Z. A, 'Some Economic and Financial Aspects of British Rule in India', 1937, Page no. 19.



In 1815 the value of the cotton goods exported from India was £ 1300,000 but this declined to £ 100,000 in 1832. The value of the cotton goods imported into India from England rose from £26300 in 1815 to £400,000 in 1832. The export of Indian Silk manufactures and raw silk also declined rapidly. The value of raw silk exported from India to Great Britain fell from £920,000 in 1828-29 to £ 540,000 in 1831-32. The export of silk manufactures declined rapidly since 1857 and has never been able to recover. The woollen manufactures also received a severe blow. The value of Indian woollen goods imported into England between 1828 and 1838 averaged not more than £ 28000 per annum, while the value of British woollen goods imported into India rose from £300,000 to £800,000 within a few years after 1857. The export of Indian sugar continued to dwindle steadily and was reduced to an insignificant figure by the end of the century. In the same manner the highly developed iron, smelting, glass and paper industries were ruined by cheap machine-made substitutes from England. The prosperous Indian ship-building industry, which had excited the jealousy of English shipping interests, was also destroyed by a policy of discrimination against Indian ships adopted by the court of Directors. In 1759-96 six ships with tonnage of 4105 tons and five vessels of 500 to 600 tons each were being built in Calcutta and in 1796-98 several ships were launched, but by 1840 ship-building had been entirely abandoned in Calcutta.

#### 4. Conclusion

The aim of British policy was to integrate the Indian economy with that of the British in way such that India supplied Great Britain with cheap raw material for being manufactured into valued-added finished products. It is not true that if India remained independent it could not have developed railways or telegraphic system; Japan or Thailand was never colonized but they have today much better infrastructure than that in India. India during the British rule was to provide a ready captive market for British goods made from Indian raw materials. The resultant enrichment and industrial development was to take place in Britain and not in India. Thus at the dawn of independence, India inherited an economy that had the worst features of both the feudal and the industrial ages without the advantages of either. By 1850, the destruction of Indian industries had been virtually completed. The railways which began to develop in the forties, enabled British manufactures to penetrate to the remotest corners of the land thereby establishing the permanent supremacy of British goods in the Indian market.

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