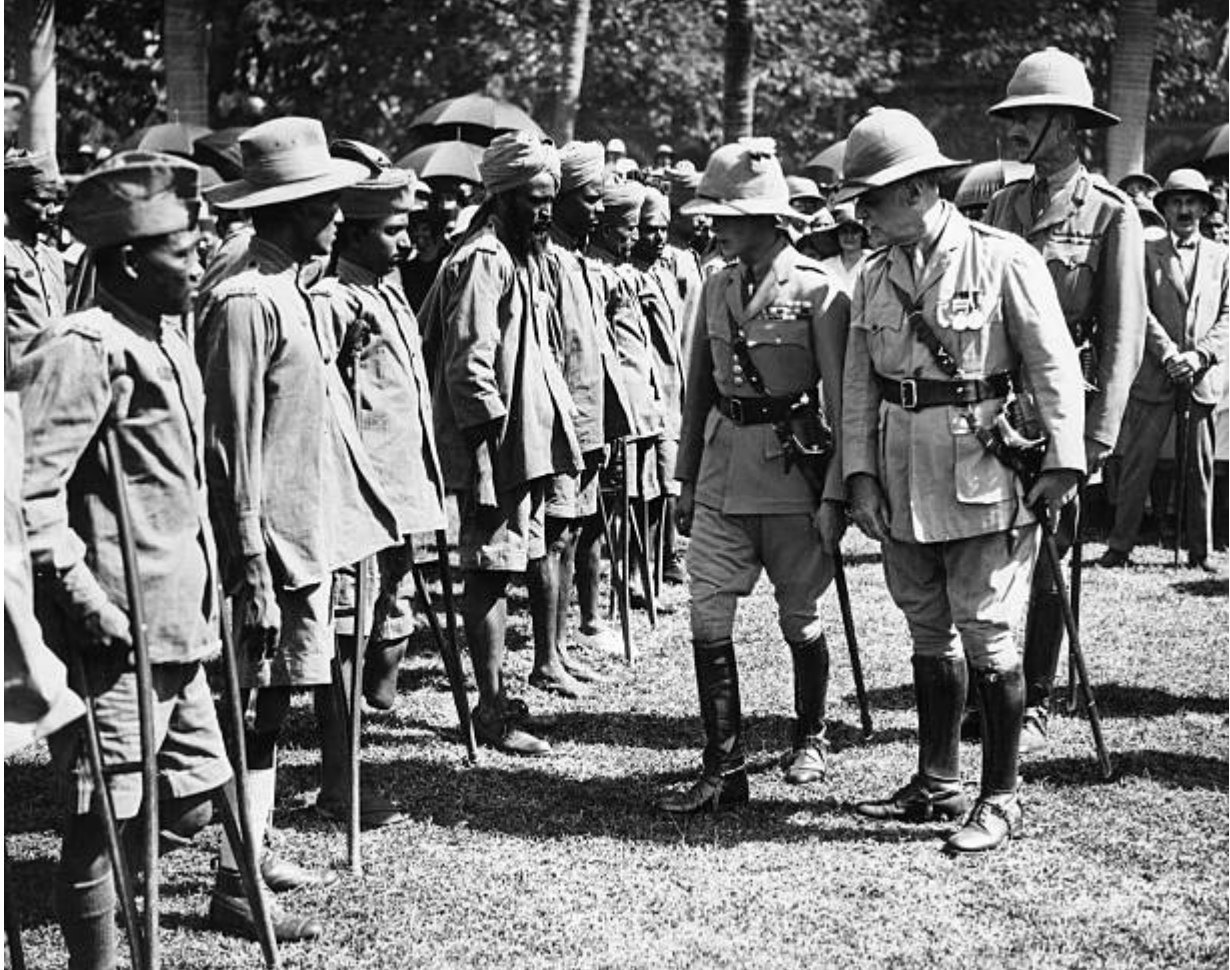


British Looted India of \$45 trillion



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By: Chaitanya Davé

There are many Britishers and even some Indians who believe that the British Rule was good for India. Granted, they built railroads, ports, attractive buildings, set up postal system, built some bridges etc....etc. But most of it was for the efficient functioning of their rule. They knew that with this infrastructure, their rule of India would be strengthened and solidified.

But let us not forget that colonization was always for exploiting the colonized country. The Portuguese, the Spaniards, the British and the French, all of them colonized many countries for looting their riches. It is said that the wealth of France is at the expense of Haiti. As it is

noticeable, all the countries of the world who were colonized are poor today and are struggling to overcome their poverty. India is no exception.

Professor Utsa Patnaik, an eminent economist from Jawaharlal Nehru University has estimated that the British Raj robbed India of \$45 Trillion between 1765 and 1938.

Utsa Patnaik estimates the magnitude of the British robbing of India thus:

“Between 1765 and 1938, the drain amounted to 9.2 trillion pounds (\$45 trillion), taking India’s export surplus earnings as the measure, and compounding it at a 5 percent rate of interest.”

As per Patnaik’s research, India’s per capita income was quite steady during the years from 1900 to 1945-46. In 1900-02, India’s per capita income was Rs. 196.1, while 45 years later, it was just Rs. 201.9 in 1945-46, a year before it got its independence. During this period, the per capita income rose to maximum Rs. 223.8 in 1930-32. Life expectancy at birth was just 22 years in 1911. All this happened while India registered the second largest export surplus earnings in the world for three decades before 1929.

As per Utsa, the Britishers siphoned off resources equivalent to 26-36 percent of the central government’s budget. This would have made a huge difference in India’s journey towards being a ‘developed’ nation.

As Dr. Gideon Polya estimates, if India remained free with 24% of world GDP as in 1700, then its cumulative GDP would have been \$232 trillion greater (1700-2003) and \$44 trillion greater (1700-1950).

Shashi Tharoor, in his book “Inglorious Empire”, describes how the British looted and de-industrialized India thus paying for Britain’s industrial revolution and violent world dominance: “At the beginning of the eighteenth century, as the British economic historian Angus Maddison has demonstrated, India’s share of the world economy was 23 percent, as large as all of Europe put together. (It has been 27 percent in 1700, when the Mughal Emperor Aurangzeb’s treasury raked in 100 million pounds in tax revenue alone.) By the time the British departed India, it had dropped to just over 3 percent. The reason was simple: India was governed for the benefit of Britain. Britain’s rise for 200 years was financed by its depredations in India.” This deadly and merciless taxation was accompanied by massive de-industrialization of India. Thus before the invasion by the British, India led the world in textiles, agriculture and metallurgy, but rapidly became an exporter of raw materials and an importer of goods manufactured in Britain.

The previous conquerors had overthrown Indian political powers, but did not make any basic change in the nation’s economic structure; they had gradually become a part of Indian life; political as well as economic. There was no change in the type of existence in the lives of peasants, artisans and the traders. The basic pattern of the self-sufficient rural economy continued. But the British rulers were totally different. They disrupted the basic structure of the Indian economy entirely. They always remained foreigners while exploiting India’s resources, its labor and carried away India’s wealth as tribute.

By 1700, when most of the subcontinent was under Aurangzeb, the Mughal Empire was the largest economy and manufacturing power in the world, producing about a quarter of global GDP, before being fragmented and conquered by the British. During the Mughal Empire, India was the largest leader in manufacturing, producing 25% of the world's industrial output up until the mid-18th century, prior to the British rule. Bengal Subah was the empire's wealthiest province, with highly productive agriculture, textile manufacturing and shipbuilding. Before the advent of the British Raj, India was a huge exporter of Indian goods, namely handicrafts, items made of cotton, silk, jute products. But the British, during their rule imposed high import duties and other restrictions on the import of Indian goods into Britain and Europe. This along with the development of modern industries in Britain led to the virtual closing of European markets to Indian manufacturers after 1820.

The handicraft and cottage industries were so devastated that then Governor-General (1834-35) William Bentick famously remarked: "The misery hardly finds parallel in the history of commerce. The bones of the cotton-weavers are bleaching the plains of India."

The total deindustrialization of the country led to increased dependence of the people on agriculture. This increased pressure on agriculture was one of the major causes of extreme poverty in India under British rule. In reality, India now became an agricultural colony of Britain, the manufacturer which needed it and used it as a source of raw materials for its industries. Nowhere this change was more obvious than in the cotton textile industry. While for centuries, India had been the largest exporter of cotton goods in the world, it was now transformed into an importer of British cotton products and an exporter of raw cotton.

Additionally, the British had levied unbearable taxes and land revenues on the poor peasants of India. Bishop Herber remarked in 1826: "Neither Native nor European agriculturist, I think, can thrive at the present rate of taxation. Half of the gross produce of the soil is demanded by government...The fact is, no Native Prince demands the rent which we do." Under these heavy taxes, the peasants and agricultural laborers became so poor that millions of them perished whenever droughts or floods caused failure of crops and scarcity.

Meanwhile, university education, skill development education etc. was totally neglected and discouraged. Industrial development of Indian industries was neglected and denied as British industries looked upon Indian textile and other industries as their rivals and had to be curtailed.

Vast numbers of Zamindars, landlords and money lenders—who were mainly the creation of the British-Raj—flourished under the British Raj. With passage of time, Indians found it more and more difficult to find employment or make a living. Millions of them thus lived on the verge of starvation. British rule with its economic exploitation, decay of indigenous industries, lack of modern industries to replace them, unbearable taxation, drain of wealth to Britain, stagnation of agriculture due to its backwardness coupled with exploitation of the poor peasants by the Zamindars, landlords, money lenders, princes and merchants, gradually reduced the Indian

masses to extreme poverty. This ultimately led to massive famines where millions of them starved to death.

Besides massive theft of money and resources of India, about 35 million Indians have perished due to famines under the British Raj because of their criminal and intentional neglect to take remedial measures. India had enough food supply to feed the starving, but the British chose to export millions of pounds of grain abroad.

In contrast, no major famines have taken place in independent India.

Today, under thriving democracy, independent India is making slow but steady progress.

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