

Assess the importance of India to the Empire in the period to 1914 and changes after the War.

The third quarter of the nineteenth century saw an expanding European society in all fronts, with the physical movement of millions of emigrants overseas, rising populations at home, increasingly assertive national governments and spectacular economic growth. Where Britain for example had exported £164m worth of goods in 1860, by the turn of the century this had increased to £291m, a 77% increase. Imports from overseas had increased even more rapidly, up by 249% over the same period of time. Yet the emerging triumph of the industry, which had created Britain into a workshop for the world also intensely traumatised the traditional bases of the British economy. Agriculture for example bore the brunt of the change in consumption patterns. Foreign luxury and colonial goods increasingly replaced the established patterns of food-production in Europe, and threatened the continued dominance of the landed aristocracy. The end of the mid-Victorian boom caused Britain to see a deceleration in the rates of GDP growth after 1870, and this was most obvious in the agricultural sector. Agricultural output suffered absolute falls in both the 1865-82 and 1889-99 periods, not least from the fact that from the 1860s, the application of new world-wide systems of food transport and technology allowed cheap cereals to flood in from the USA and Russia. The competition in Britain was too much for many old farmers, who saw the price of wheat fall by half in 30 years. The gross value of arable land fell from £104m in 1867-9 to £62m in 1894-1903, and agriculture declined from one fifth of national income in 1850 to one sixteenth in 1900.¹ Despite increased demand for pastoral and meat-products from the growing cities, there remained a pressing need for Britain to import almost half of all her foodstuffs: a balance of payments deficit sustained only by the belief that she could always export more manufactured goods in order to pay for the food. Even before Joseph Chamberlain became a committed protectionist, he was able to say in 1888 that 'if tomorrow it were possible, as some people apparently desire, to reduce by a stroke of the pen the British Empire to the dimensions of the United Kingdom, half at least of our population would be starved.'²

There was also considerable concern at the potential of other countries to overtake them in terms of trade and resources. If the populations of rapidly-developing countries such as Russia and the USA continued to rise at the rates they had managed previously, this would soon erode the power and influence of the European Great Powers. The foreign threat to the old order came both through potential resources and demonstrable industrial development overseas. Germany's exports between 1880-1900 rose from £142m to £231m - by 63% - compared with just 23% in Britain. Germany's imports over the same period rose by 107% at a time when Britain managed a 27% rise. More importantly, the growth sectors in the German industrial economy matched the growth sectors in the world economy. Textiles, iron, coal, steel and engineering still dominated the British industrial landscape in 1914 as they had done in 1850, and there was very little technical innovation or movement into new areas such as chemicals or electricals. In 1870, Britain still produced one third of the world's manufactured goods, but only one seventh by 1914 - worse in key areas like steel.³ Therefore despite Britain's extraordinary success in the nineteenth century, a century she finished with a visible trade still worth twice that of her nearest European rival, there were unmistakable signs that the dominance was soon to be over. As Froude said 'If the United States and Russia hold together for another half century, they will at that time completely dwarf such old European states as France and Germany, and depress

¹ Cain and Hopkins, *British Imperialism 1688-1914*, (London, 1993)

² Bernard Porter, *The Lion's Share*, (London, 1995), p.80

³ Cain and Hopkins, *British Imperialism 1688-1914*, (London, 1993)

them into a second class. They will do the same to England, if at the end of that time England still thinks of herself simply as a European State.⁴

British investment - a geographical breakdown ⁵				
	1830	1854	1870	1914
Europe	66%	55%	25%	5%
USA	9%	25%	27%	21%
Latin America	23%	15%	11%	18%
British Empire				
India			22%	9%
Dominions	2%	5%	12%	37%
Other			3%	9%
Total	£110m	£260m	£770m	£4,107m

In this last statement lay the solution, as far as many people in the UK thought: the Empire, as Britain's way of meeting domestic demand for foodstuffs and other agricultural products, took on a crucial importance. Certainly, judging from the sums which British investors sent overseas, it was clear that if the Empire provided a guarantee of continued British prosperity, India would be in many ways the key element, the jewel in the crown. In 1870, India had received 22% of Britain's total investment portfolio, the single largest sum for any country with the exception of the United States, and almost double the amount sent to the white Dominions.⁶ Although the relative volume of new investment dropped after this, India and Ceylon still almost 40% of Britain's investments in Africa and Asia, a total of £380m.⁷

Political control in India

That being said, British India was by no means acquired for reasons of economic opportunism - although the East India Company had originally come as traders, this role had declined well before the Indian Mutiny in 1857. Indeed the formal acquisition of India in the mid-Victorian period was seen by some to have admitted the ultimate failure of the Company to succeed in maintaining its trading influence by the force of the quality of its products - as seemed to be perfectly possible almost everywhere else in the world. Cobden went so far as to suggest that colonies were persisted in only to enable the English upper classes to find jobs for their younger sons as governors and generals.⁸ Certainly in the period before the Indian Mutiny - as in the period after 1917 - British administrators saw themselves not as permanent masters of India, but as temporary foster-parents, holding her 'in trust' for a self-governing future. This sense of 'trusteeship' was far more positive and developed here than in the other British colonies.⁹ However, the shape of self-governing future envisaged in each period was very different. In some ways the period leading up to the Mutiny of 1857 saw a naïve but utter confidence that the species of social engineering that seemed to be possible in the empty colonies of settlement could be replicated among the 300m population of India. Thomas Macauley genuinely believed it possible to produce an anglicised middle class 'who may be interpreters between us and the millions whom we govern - a class of persons Indian in colour and blood, but English in tastes, in opinions, in morals and in intellect.' William Wilberforce's strategy was no less radical: 'Let us endeavour to strike our roots into the soil by the gradual introduction and establishment of our own principles and opinions; of our laws, institutions and manners; above all, as the source of

⁴ Bernard Porter, *The Lion's Share*, (London, 1995), p.82

⁵ AG Kenwood & AL Loughheed, *The International Economy 1820-1990*, (London, 1992), p.30

⁶ AG Kenwood & AL Loughheed, *The International Economy 1820-1990*, (London, 1992), p.30

⁷ AJH Latham, *The International Economy and the Undeveloped World 1865-1914*, (London, 1978), p.53

⁸ Bernard Porter, *The Lion's Share*, (London, 1995), p.13

⁹ Bernard Porter, *The Lion's Share*, (London, 1995), p.19

every other improvement, of our religion, and consequently of our morals.' A rebel broadsheet from 1857 was absolutely correct: 'It is well known that in these days all the English have entertained these evil designs - first, to destroy the religion of the Hindustani army and to make the people by compulsion Christians.'¹⁰ Both those coming before and after the experiment's failure in 1857 called for the greatest caution in this form of dogma. Sir Thomas Munro, a governor of Madras, directly attacked reformers such as Cornwallis and Macauley when he complained that 'Englishmen are as great fanatics in politics as Mahomedans in religion. They suppose that no country can be saved without English institutions'.¹¹ After the Mutiny, most English agreed with Lord Roberts that 'the affair betrayed an incredible disregard of the natives' religious prejudices.' Every English reform had degraded at least one section of the community - the Muslim elite by the introduction of English language, literature and science; the artisans by competition with English manufactures; higher Hindu castes by equality before the law; village hierarchies by introduction of land ownership and money rents. Whether or not commentators agreed that the reforms may have been good for India, they were definitely not good for British control. In a post-Mutiny environment, the economic importance of India if nothing else was enough to convince most politicians that stability and the marketplace was more important to them than proselytising.

Economic exploitation of India

The economic advantages for Britain keeping control over India and her vast resources were quite compelling. Already by 1850 nearly one-fifth of Britain's exported cotton goods went to India. In return, the subcontinent exported to Britain, and to Europe, North America, and South East Asia, a variety of raw materials and foodstuffs - cottons, jute, rice, tea, oil-seeds, wheat, and hides - as well as some manufactured goods such as high-quality cotton yarn and piece-goods. Since these were precisely the forms of sub-tropical products which were impossible to grow in Europe, the two countries quickly found a trading match. The imperial homeland dominated India's import trade. She supplied over 60 per cent of India's imports in 1913; while India was the largest single market for British exports, and particularly significant to certain staple British industries, cotton, iron, steel, and engineering.¹² The economic match was facilitated by the post-Mutiny programme of intensive railway-building - even though the primary aim was almost purely military. In 1857 railways in India were insignificant - just 288 miles in three short experimental lines many hundreds of miles apart. This had more than quadrupled in less than four years, and there were 24,760 miles by 1900; and India had 37,000 miles of metalled and 136,000 miles of unmetalled roads. This progress compared (a comparison that the Victorians themselves were fond of making) with the achievement of the Roman empire in Europe.¹³ Yet the new railways also hid a more subtle benefit to the British - indigenous craft industries were exposed to full-scale competition with cheap British products. The Government of India could have protected infant manufacturing industries by means of a tariff: but deference to metropolitan British mores and manufacturers refused to allow 'unfair' competition.¹⁴

India formed a vital part of the trend, which allowed Britain to direct most of her trade towards 'underdeveloped' countries - nearly 70 per cent of exports in 1900-13, with the share to the Empire rising slightly, from 33.6 per cent in the 1890s, to 35 percent in the 1900s.¹⁵ The fact that India took most of her exports from Britain meant that she developed an enormous surplus with the rest of the world, at precisely the moment when Britain was developing an enormous

¹⁰ Bernard Porter, *The Lion's Share*, (London, 1995), p.31

¹¹ Bernard Porter, *The Lion's Share*, (London, 1995), p.20

¹² Judith M. Brown, *Modern India: the origins of an Asian Democracy*, (Delhi, 1985), p.96

¹³ Bernard Porter, *The Lion's Share*, (London, 1995), p.41

¹⁴ Bernard Porter, *The Lion's Share*, (London, 1995), p.42

¹⁵ Bernard Porter, *The Lion's Share*, (London, 1995), p.201

deficit. India's exports to other parts of the world while importing heavily from Britain, thus enabled Britain to use India's surplus to balance her own international trade books. The British connection with India therefore enabled Britain to perform as an economy with a world-wide balance of payments surplus when her own trading position had declined.¹⁶ It is quite possible that if Britain had not had such large surpluses with Asia, she would have been unable to support the costs of free trade in Europe and the USA, and instead would have been forced to take up protectionism.

USA	-£50m	India	£60m
Europe	-£45m	Turkey	£10m
Canada	-£25m	Australia	£13m
Straits Settlement	-£11m	China	£13m
South Africa	-£8m	British West Africa	£3m
Total	-£145m	Total	£118m

Free trade did not close Indian markets to trade with others - Indian exports to the UK declined from 54% in 1870 to 25% in 1910, while Europe's share rose from 9% to 31% - Indian cotton not so much in demand in Lancashire cotton mills. Indian imports from UK declined from 84% in 1870 to 62% 1910 (Europe's increase from 2% to 15%)¹⁸

The Indian Army

In the times before the Mutiny, the Indian Army formed the basis of British power in the East, and guaranteed the viability of such a trade-based foreign policy. Not only did India furnish an 'English barrack in the Oriental Seas' from which it was possible to exploit the rest of the far east - an estate on which to cultivate the opium for the China trade, for example - but also produced troops for this barracks, to enforce trade on uncooperative states in the region. As the ultimate guarantor of Britain's power in the east the Indian army was vital; and there could be no Indian army - or any of these other advantages - without political control over the place.¹⁹ At no cost to Britain herself, it could be widely deployed to protect imperial interests; and helped to safeguard imperial trade and communications. It was Indian troops rather than Europeans who marched into Peking, intervened in East Africa, baited the Russians and Afghans and seized Egypt.²⁰ In the immediate period after 1857, then, it was a priority to assert direct British control over the previously-mutinous army. British soldiers officered the Indian army; British 'other ranks' were also recruited to balance the sepoys. The Indian element in the army dropped from 238,000 in 1857 to 130,000 in 1880; while the European forces rose from 45,000 to 66,000 -all at no cost to the British tax-payer, since India even paid £17m of 'Home Charges', such as pensions for veterans. When the test of the effectiveness of the reformed army came, in the shape of the First World War, India along with the rest of the colonies, impressed by their show of loyalty. The manpower contribution of the colonies and Dominions to the Allied war effort is illustrated by their casualty figures: 62,056 Indians killed, 59,330 Australians, 56,639 Canadians. Economically too the empire's contribution was crucial. Some of the colonies made direct grants of money. But more significant were the material goods they supplied. Britain's war economy gobbled up imports during the years of fighting, at a rate which in peacetime would have been

¹⁶ Judith M. Brown, *Modern India: the origins of an Asian Democracy*, (New Delhi, 1985), p.96

¹⁷ AJH Latham *The International Economy and the Undeveloped World 1865-1914*, (London, 1978), p.69

¹⁸ AJH Latham *The International Economy and the Undeveloped World 1865-1914*, (London, 1978), p.76

¹⁹ Bernard Porter, *The Lion's Share*, (London, 1995), p.15

²⁰ Judith M. Brown, *Modern India: the origins of an Asian Democracy*, (New Delhi, 1985), p.95

considered disastrous to her balance of trade: £1,161 million a year between 1915 and 1919, compared with £714 million a year during the five years before.²¹

Protection of India

Much of the fighting involving the Indian army in the late nineteenth century was at least outwardly done to protect such a valuable economic and geopolitical resource. The last twenty years of the century saw acquisitions 'in the interests of security' in the Afghan Wars 1879-80, Baluchistan, Pathans, Waziris, Chitralis (client-states on India's borders), Upper Burmah, the 1875 purchase of Suez canal shares and finally the invasion of Egypt in 1881. The fall-out from such activities polarised British political opinion, with Lord Derby claimed of imperialists that 'they would have annexed the planets, if feasible'²², and the *Manchester Guardian* wringing its hands with the words 'It is not the habit of the English people to set out with their eyes open on a career of conquest and annexation. The conquests which we make are forced upon us.'²³ Either way, it remained an unmistakable fact that the aggressive defence of India forced Britain to weaken her grip on everywhere else. Lord Hamilton, the Secretary of State for India said in 1899 'I think all my colleagues feel as I do that this war makes self-evident that our Empire is in excess of our armaments, or even of our power to defend it in all parts of the world. Arthur Balfour said of the 'two-power standard' for navy strength: 'I confess that the perusal of the Tables fills me with anxiety.'²⁴ Lord Curzon 'never spent five minutes inquiring why we are unpopular. The answer is written in red ink on the map of the globe.'²⁵ Much of the subsequent urge to allow self-government to the Dominions was a direct result of rationalisation of the costs of empire. Lord Grey, Colonial Secretary in 1846, had declared of the white colonies that 'circumstances now imperatively demanded the acceptance of self-government in communities with adequate population, wealth, social stability and political experience.'²⁶ In saying this, he offered the prospect, eventually realised, of self-government, with the costs of imperial defence nevertheless retained by Britain. In the period 1860-1912, Britons did indeed pay £1.14 per head on defence (37% of government expenditure) while those in the colonies paid only 12p per head. India's army largely *was* the imperial defence, however, and quite apart from the terror felt by the British at the concept of self-government - only marginally worse than their terror of a Democratic House of Commons - geopolitics would provide a serious reason for caution.

India and the potential for self-government

India was without doubt the most developed of the black colonies, and the one in which a significant proportion of the native population had sufficient education in Western-style values. The number of Indians finding their way into Balliol College, Oxford alone gave an indication of this superiority over other colonies. However, in the immediate post-Mutiny environment, as far as the British were concerned, the prospects for imminent self-government were small thanks to the clear failure of Indians to appreciate the efforts the British were making to lead them to 'civilisation'. The educated 'babu's were distrusted even more for their lack of support during the crucial period, and even more so for their incessant carping at British maladministration. When the Gladstonian Lord Ripon went to India as Viceroy in 1880 he found the mood among the white community there set hard against political liberalism. Sir John Strachey: 'We cannot foresee the time in which the cessation of our rule would not be the signal for universal anarchy and ruin, and it is clear that the only hope for India is the long continuance of the benevolent

²¹ Bernard Porter, *The Lion's Share*, (London, 1995), pp.241-2

²² Bernard Porter, *The Lion's Share*, (London, 1995), p.106

²³ Bernard Porter, *The Lion's Share*, (London, 1995), p.111

²⁴ Bernard Porter, *The Lion's Share*, (London, 1995), p.124

²⁵ Bernard Porter, *The Lion's Share*, (London, 1995), p.125

²⁶ Cain and Hopkins, *British Imperialism: Innovation and Expansion 1688-1914*, (London, 1993), p.238

but strong government of Englishmen.²⁷ In some ways this Indian experience set the tone for a more general European racism world-wide. One British newspaper said in 1884 'All coloured men seem to be regarded as fair game. The principle is that no-one has a right to any rule or sovereignty in either hemisphere but men of European birth or origin.'²⁸ The Fabian Graham Wallas went as far as to say in 1892 'The real fact is, that these men are a different species of animals to ourselves - their physical and mental constitution are extraordinarily different... their physical constitution is feeble and weedy and often disgustingly sensual. Their character is fawning and grovelling to superiors, bullying to inferiors, mean and deceptive to equals. Their general level of character does not show as much reason as ordinary European children and is much more full of spite and meanness.'²⁹ Certainly this was the attitude of some British towards the deference of the early stages of the Congress in India, which led WC Bonnerjee to say in 1888 'the principle on which the Indian National Congress is based is that the British Rule should be permanent and abiding in India and that, given this axiom, it is the duty of educated Indians to endeavour to the best of their power to help the rulers so to govern the country as to improve her material prosperity and make the people of all classes and communities happy and prosperous and contented as subjects of the British Empire.'³⁰

However, this did not mask the fact that it was clear that the educated classes in India were now sufficiently educated and aware of themselves to criticise the British administration using methods learnt from London itself. Dadabhai Naoroji read his paper to the Society of Arts in London 1870, asking 'is India at present in a condition to produce enough to supply all its wants?' In 1873 he published his calculations of the Indian GDP as Rs.3.4bn for 170m population, making income per capita Rs.20. In this fashion he forced the Viceroy, Evelyn Baring to publish his own calculation in 1882 as Rs.5.25bn, making per capita income Rs.27; Curzon announced that the 1897-8 figure was Rs.30. Either way, a political agenda had developed which called into question not only Britain's legitimacy to rule India in the future, but even their competence in doing so at that time. The *Poona Sarvajanic Sabha* compared in 1881 the Indian per capita income (£2) with the UK (£35.2), USA (£27.2) and Europe (£18) - giving a very unfavourable result. India was 'nineteen times worse off than England,' and it said that 'even the most oppressed and mis-governed Russia is prosperity itself,' while 'India is the poorest country in the civilised world.'³¹ Well before the reforms of the Morley-Minto era, to say nothing of the wartime reforms, a note of uncertainty over the future of British rule had been sounded. Sir Henry Fowler, the Secretary of State for India was forced to tell Parliament in 1894 'The question I wish to consider is whether that Government... has, or has not, promoted the general prosperity of the people of India; and whether India is better or worse off by being a Province of the British Crown. That is the test.'³² Lord George Hamilton, in the same way, told Parliament in 1901 'I admit at once that if it could be shown that India has retrograded in material prosperity under our rule, we stand self-condemned, and we ought no longer to be trusted with the control of the country.'³³

This is not to say that by the time of the First World War, Britain was closer to questioning her right to rule, but nevertheless, it is clear that the authorities understood that there was a need to compromise with the disquieting nationalist forces, if for nothing else then to avoid repeating the dogmatic intransigence which caused the Mutiny in 1857. India remained an extremely

²⁷ Bernard Porter, *The Lion's Share*, (London, 1995), p.44

²⁸ Bernard Porter, *The Lion's Share*, (London, 1995), p.111

²⁹ Paul Rich, *Race and Empire in British Politics*, (Cambridge, 1986), p.27

³⁰ Gordon Johnson, *Provincial Politics and Indian Nationalism*, (Cambridge, 1978), p.14

³¹ Bipan Chandra, *The Rise and Growth of Economic Nationalism in India*, (New Delhi, 1966), p.19

³² Bipan Chandra, *The Rise and Growth of Economic Nationalism in India*, (New Delhi, 1966), p.7

³³ Bipan Chandra, *The Rise and Growth of Economic Nationalism in India*, (New Delhi, 1966), p.27

important possession, not least because of her vital role in maintaining Britain with the raw materials, markets and geopolitical power which she enjoyed. India provided vital support in terms of men, munitions, resources and money for use in the First World War, and maintained her internal order despite the ideal opportunity to rebel - at one stage there were only 15,000 troops in the whole country. This geopolitical importance maintained itself well after the First World War, and even in the Second, Britain's three strategic priorities for defence allocations were the defence of the British Isles, India and Egypt. The reason for the massive fortifications at Singapore was a function of the fact that India had a better right to Imperial troops.

Certainly some sections of the Indian administration wished to ignore the claims of Indians for self-government based on the same criteria of loyalty in service that applied even in the UK for the Representation of the People. The advice Viceroy Minto continually received from the ICS in the pre-war era, was to stand firm on 'law and order': Secretary of State Morley commented that he was as firm on 'law and order' the next man, but 'don't forget that "law and order" without common sense and a sense of proportion, are responsible for most of the worst villainies in history.'³⁴ 'Reforms may not save the Raj,' Morley wrote to Minto in 1908, 'but if they don't nothing else will.'³⁵ The reforms announced in 1908, with the expediencies of wartime and the moves towards formalised self-government in the Montagu-Chelmsford report of 1918 and subsequent India Act, set out to bring a new set of people into the governance of the country, and to recognise the existence of people with a legitimate claim to a voice. The Government of India wrote to the Secretary of State on 25 August 1911, saying 'Nevertheless it is certain that in the course of time, the just demands of Indians for a larger share in the government of the country will have to be satisfied, and the question will be how this devolution of power can be conceded without impairing the supreme authority of the Governor-General-in-Council.'³⁶ The principle of just demands had been conceded, but nevertheless, India remained fully a part of the British Empire, which was even the aim of the nationalists - Ghokale's group accepted 'the British connexion as ordained 'in the inscrutable dispensation of Providence, for India's good. Self-government within the Empire... is their goal.'³⁷

³⁴ Bernard Porter, *The Lion's Share* (London, 1995), p.223

³⁵ Bernard Porter, *The Lion's Share* (London, 1995), p.222

³⁶ ed. CH Philips, *The Evolution of India and Pakistan: select documents*, (London, 1962), p.90

³⁷ Bernard Porter, *The Lion's Share* (London, 1995), p.222