CHAPTER III

IDEOLOGY OF NATIONALIST LEADERS AND GROWTH OF ECONOMIC NATIONALISM IN INDIA, WITH SPECIAL REFERENCE TO BOMBAY PRESIDENCY

The establishment of British rule in India brought about political and administrative unification. The British rule not only made them aware that they possessed common characteristics, but also provided them with common interests and common grievances. "Among the numerous things, the state system and administrative machinery, the introduction and spread of modern western education, and the Christian missions played a very significant part in creating modern middle class."1 This middle class first appeared in the newly founded cities of Calcutta, Bombay, and Madras, and later in the towns which became the subsidiary centres of British commercial activity and administration. So, the middle class stood between the rulers and the masses. The modern western educational section of middle class spearheaded the task of reformation. Their role in the history of modern Indian nationalism was great and decisive. They were the pioneers, organizers and leaders of national consciousness in India. To begin with, they integrated the Indian people into a nation and organized socio-religious reform movements, this task was to reform the Indian society. Raja Ram Mohan Roy, the first Modern man of the India, and his group constituted the first group of intelligentsia.

The question of socio-religious reform was the utmost for them in the late 18th and early 19th century, they were stunned by the development, and hoped that the British Government would modernize India by spreading modern education, by
introduction of modern industry on par with England. However, another face of British Government was visible since its establishment. Significantly, Raja Ram Mohan Roy, who preceded Dadabhai Naoroji, R.C. Dutt, M.G. Ranade by more than half a century spoke about the evils of economic policies of British Government. In 1831, he gave evidence before the select committee of the British House of Commons, which was examining the renewal of the East India Company’s Charter due in 1833. He had better understanding of the effects of the permanent settlement of land revenue, and drew the attention to the rise in the land values that had taken place. He noticed that the rayats had not shared in their prosperity and felt that a personal settlement for the rayats also would be a logical corollary to the permanent settlement of the landlord’s revenues. His specific proposal was that the rayats rent should be reduced and stabilized, and that along with this, the revenues payable by the landlords should also be lowered. He emphasis to fill the loss of revenue, caused due to reduction of land revenue by ‘taxes on luxuries and such articles of use and consumption as are not necessaries’. His significant suggestion to reduce large government expenditure, as he pointed out, would be to appoint Indians in place of Europeans in most of the administrative and judicial posts.

It is interesting to note that even as early as 1831, Raja Ram Mohan Roy was already speaking of a ‘drain’ from India i.e. of unilateral outward movement of funds, his own estimate of the drain was about £ 2 million per year.2

The vast territories of India offered great natural wealth and resources, yet these resources and possibilities remained underdeveloped, because British Government radically changed the economic structure of the Indian society to suit
its own purpose. Though some of the leaders of Bombay Presidency also considered that the British rule providential, yet they were quick to realize that the ultimate aim of the British was the economic exploitation of Indian resources, when the intellectuals saw the growing misery, impoverishment and economic ruin, and the chief purpose of education was to create an army of lower class clerks, but not officials, heavy taxation, recurring famine etc. caused by the British rule, their initial optimism gave way to severe criticism of the British economic policies.

Bhaskar Panduran Tarkhadkar was one of the first to discuss the sinister nature of the British rule and gave vent to his discontentment in a series of eight letters he wrote to the editor of the Bombay Gazette under the pen name ‘A Hindoo’. In the very first letter Bhaskar blamed the British Government for its tyranny, its racial discrimination, arrogance and aloofness, explaining the nature of the British economic policy he wrote, we cannot look on your government in any other light than that of the most bitter curse India has ever been visited.

Bal Gangadhar Tilak, the radical nationalist leader of Maharashtra realized the importance of educating the people of India about the true nature of colonial rule. He said “still many people believe that the English have come here to benefit us”. The duty of the leaders at present is first to remove this notion and to explain to the people that the English have come to drain and impoverish India. The attitude adopted by nationalist leaders towards British rule was determined by their understanding of its nature and purpose. This understanding was not derived from theoretical reasoning or a priori assumptions, practice was the hard school in which they were brought up. Hence, the nationalist leaders quickly realized that, on the
whole, British rule was economically injurious to India and that perhaps it was
designed so, to suit the British economy, or to help the British economy gain
prosperity. This reality was pointed out by the nationalist leaders like G.K. Gokhale,
G.V. Joshi, M.G. Ranade, D.E. Wacha, R.C. Dutt, Dadabhai Naoroji, B.G. Tilak, the
Mahratta, the Kesari and numerous other nationalist papers8 published in Marathi
and Kannada.

The improvement of the cultivators, burden of heavy taxation, decline of
agriculture, export of food grains, adoption of dubious methods to ruin trade, craft
and industries, decline of indigenous industries, rural indebtedness, de-
industrialization, growing unemployment, recurrent famines, stringent forest laws,
and drain of wealth, led to the growth of a general feeling that economically the
results of British rule had been disappointing and perhaps even injurious. This
opened the eyes of Indian intellectuals, and forced them to make an intensive
investigation into the economic evils of their country by 1870’s.9

On 27th July, 1870 Dadabhai Naoroji* read his famous paper on ‘the wants and
means of India’ at a meeting of the Society of Arts, London, in which he posed a bold
question ‘Is India at present in a condition to produce enough to supply all its
wants?’ and then answered it in the negative10 because his intensive investigation
revealed some shocking aspects. He convinced that large number of Indian people
do not get sufficient food.

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* Dr. Dadabhai Naoroji. The grand old man of India was born in Bombay on 4th September,
1825, the son of Maneckbai and Naoroji Palanji Dordi in a parsi priestly family. 1892 he
became the first ever Indian/ Asian member of the British Parliament. He was thrice elected
President of Indian National Congress. His ideas were put into a volume called “Poverty and
British rule in India”. On June 30, 1917, Dadabhai Naoroji passed away.
Dadabhai Naoroji in his paper ‘wants and means of India’ had made an estimate of the average per capita income, he pointed out that the total national income of British India was 3.4 billion rupees for a population of 170 millions for the year 1867-68, which reveals, the striking fact that the per capita income of India was just Rupees 20.11 Further, Dadabhai Naoroji said in his paper ‘Poverty of India’ read before the Bombay branch of East India Association of India in 1876. “India is suffering seriously in several ways and is sinking in poverty and that the masses of India do not get enough to provide the bare necessities of life”.12 Naoroji was convinced that the primary cause of India’s growing poverty was the British rule, and concluded “it will be seen that even for such food and clothing as a criminal obtains, there is hardly enough of production even in a good season, leaving alone all the occasions of joy and sorrow and any provision for bad season.13

Another most important evil of British rule, raised by Dadabhai Naoroji was “Drain of Wealth”, it was in his paper ‘England’s Debt to India’ read before a meeting of the East India Association, London on 2nd May, 1867, that Dadabhai Naoroji first put forward the idea that Britain was extracting wealth from India ‘as a price of her rule in India’ that ‘out of the revenues raised in India nearly one-fourth goes clean out of the country, and is added to the resources of England, and that India was consequently ‘being continuously bleeding.14 Hence, the nationalist leaders firmly believed and raised the question that England draining wealth from India at the cost of Indian poverty. Thus, Dadabhai Naoroji initiated the exposure of true nature of British rule in India. He was one of the moving spirits and founder of the Indian National Congress, who was elected thrice as president of the Indian National Congress (1886, 1893 and 1906). He delivered speeches and published
articles to support his opposition to the unjust and oppressive regime of the British. During his stay in England he endeavoured to educate the British people about their responsibilities as ruler of India.

Mahadev Govind Ranade, radical economist of Bombay Presidency started the Quarterly Journal of the Poona Sarvajanik Sabha in 1878 and, along with G.V. Joshi, he dissected practically every aspect of Indian economy. The British Government used their political hegemony over India to crush Indian handicraft industries, and brought misery to India by converting it into merely an agricultural country producing raw materials to feed the industries of England. Ranade deplored the lack of any industrial policy persistingly advocated that the government should actively encourage the development of industries in India. Ranade along with other nationalist leaders challenged the laissez-faire theory of classical economics on account of which the British Government desisted from helping Indian industrial growth. They rejected the idea that the state should confine its activities to the maintenance of 'peace and order' and pleaded that, state should widen the horizon of its activities and act as the national organ for taking care of national needs in all matters. Ranade in his essay on 'Indian political economy' emphasized in 1892 the supremacy of the economic questions over the political ones. Probably M.G. Ranade had better understanding of the economic situation and was apparently better read in economic literature than his contemporaries. Ranade stood for

*M.G. Ranade was born on 18th January, 1842 at Nasik. In 1864, he started teaching Economics in Bombay University. In 1871, he was appointed a Judge by the Bombay Government. In 1885, Lord Reay nominated him to the position of the Law Member of the Bombay Legislative Council. In 1886, he was appointed to a Government of India committee on expenditure and retrenchment as the representative of the Bombay government. He wrote on all burning economic aspects. Passed away in 1901.
economic justice to India in the Indo-British economic relations. Ranade in fact gave India the first complete and integrated logic of economic nationalism.17

**Land Revenue Policy**

The British Government introduced three kinds of land revenue settlements viz., permanent or zamindari settlement, the Mahalwari system and the Ryotwari settlement.18 All these revenue settlements were oppressive, the assessment procedure was defective, the land revenue was very high, the revenue collecting machinery was harsh, which pushed the peasantry to the clutches of moneylenders and sawkars. Hence, the oppressive land revenue policy opened the eye's of nationalist leaders, who attached the greatest importance to the system of assessment and the pitch of land revenue. The Indian National Congress picked up the issue at its Nagpur session held in 1891. M.G. Ranade wrote series of articles on the problem of Indian agriculture in the journal of the Poona Sarvajanik Sabha. R.C. Dutt* took up the issue of land revenue very seriously, in a series of articles and speeches culminating in his famous open letters to Lord Curzon in 1900 and publication of the two volume 'Economic History of India'. R.C. Dutt repeatedly charged the land revenue system with statistics, which was the main cause of poverty of bulk of Indian peasantry.19 In his crusade Dutt received valuable and weighty support from G.V. Joshi, who studied extensively the agricultural situation

*Romesh Chandra Dutta was born in Calcutta in 1848. He became a member of the Indian Civil Service in 1869. He became District Magistrate in 1883. He was appointed Commissioner of Burdwan Division in 1894, the only Indian to rise to that position in the 19th century. He retired from service in 1897. He was elected president of the Lucknow session of the Indian National Congress in 1899.
of Bombay Presidency. G.V. Joshi made a detailed criticism of landlordism, both in the zamindari and the ryatwari areas in his essay 'The economic situation in India' published in 1890. In his another essay 'Note on Agriculture in Bombay' published in 1894, Joshi exposed the deteriorating situation of agriculture in Bombay Presidency. The Indian National Congress, M.G. Ranade, Tilak and other Nationalist leaders, and all the leading nationalist newspapers of Bombay Presidency unanimously agitated for the introduction of permanent settlement in the presidency to relieve the peasantry from the clutches of moneylenders.

Famine

One of the worst consequences of the British rule in India was the phenomena of recurrent famine, beginning with the famine of 1770 till the great famine of Bengal in 1945-46. Every decade of British rule there was a severe famine in which millions of people died in starvation, with a further toll of life in epidemics which followed every famine. Bombay Presidency was no exception, the famine of 1876 was the most worst famine, ever visited the presidency. The famine in fact provided a genuine reason to organise the people around a general grievance.

* Honourable Rao Bahadur Ganesh Vyankatesh Joshi was born at Miraj on 9th June, 1851. He was one of the most important of the Indian economists of the 19th century. Unfortunately, being a government servant he was a school teacher and later a headmaster, served in various places like Nasik, Satara, Pune, Sholapur. He did not get the limelight and he is not as well known as many of his other, lesser contemporaries, V.G. Kale said that Joshi's knowledge of administration and economic problems was almost unsurpassed by any Indian (Bipan Chandra. The Rise and Growth of Economic Nationalism in India, People's Publishing House, New Delhi, 1969, p-4). G.V. Joshi wrote on Finance, Agriculture, Famine, irrigation, land revenue, trade industries etc. In recognition of his service in eradication of plague, the Bombay Government conferred on him the title of Rao Bahadur in 1898. Joshi passed away on 20th May, 1911.
Balagangadhar Tilak* actively organized and participated in relief work, so as the Poona Sarvajanik Sabha. Tilak translated the famine code into Marathi and awakened the mass about their right to claim relief.²²

Foreign Trade

Foreign Trade of India underwent radical transformation during 19th century. Prior to colonial rule India was the exporter of manufacture of cotton, silk etc., and importer of precious metals and luxury goods. But after the establishment of British rule, particularly after 1858, India became an exporter of agricultural raw materials and food grains and importer of manufactured products. However, the British Indian authorities claimed that the rapid growth of foreign trade was very beneficial to India and it is visible proof of the advancing prosperity of the people.²³

Nationalist leaders disputed this view and realized that in the long run the foreign trade policy of British was not beneficial to India, but to England, G.V. Joshi asserted in 1884 increased foreign trade by itself affords no indication of increased domestic production. Trade only distributes produce, and does not necessarily in all cases create a new supply.²⁴ So they believed that expansion of foreign trade was not in itself a sign of prosperity, because large number of people in India were living in utter poverty.

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* Lokamanya Bal Gangadhar Tilak was born on 23rd July, 1856 at Ratnagiri. In 1879 took LL.B. degree. In 1881 he started newspapers Maharatta English weekly, Kesari, the Marathi weekly. In 1884 formed the Deccan Education Society. First he was elected member of Poona municipal council and later as a member of Bombay Legislative Council. To organize the people, he started Shivaji and Ganapati festivals. In 1896 famine, he sent traveling agents to collect information regarding famine. During Swadeshi movement he traveled extensively and played very important part in awakening nationalism. In 1907, at Surat split, came out of Congress. In 1917 he established Home Rule League established branches in Bombay Karnataka. In fact Tilak played vital role in awakening nationalism in Bombay Karnataka. He passed away on 1st August, 1920.
The nationalist leaders could not accept the claim that increasing export of agricultural products and the consequent increase in their price had helped the agriculturists, because the rise in prices was not reaped by the agriculturists but by the middlemen, sawakars, and the British Government in the form of payment of land revenue. The nationalists also realized the fact that India's foreign trade was controlled by the British and foreign merchants, and thus they appropriated and took out more than 90 per cent of its profits.25

**Tariff policy**

The tariff policy of the British Government hampered the growth of Indian industry. The Nationalists, therefore protested against the tariff policy as it had undoubtedly an intimate link with the industrial development and poverty of the country. The tariff policy of the nationalist was evolved in the course of a dual process as a reaction to official measures relating to cotton and sugar duties, and, on the theoretical plane, as a response to the doctrine of free trade.26 The tariff was deliberate one, Britain wanted to prevent any competition from India as Pherozshah Mehta* put it 'that principle and that policy is that the infant industries of India should be strangled in their birth if there is remotest suspicion of their competing with English manufactures.27

The tariff policy shook the faith of the nationalist leaders in the British Government. They did not see any morality in the imposition of the excise duty on

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* Pherozshah Merwanjee Mehta was born on 4th August, 1845 in Bombay, to a parsi business family. He is considered the father of Bombay Municipality. In 1885, he became the president of Indian National Congress in 1890 held at Calcutta. In 1887 he was nominated to the Mumbai Legislative Council and in 1893, nominated to the Imperial Legislative Council. In 1910 he started Bombay chronicle, an English weekly newspaper. Passed away in 1915.
cotton goods. Gopal Krishna Gokhale** The strong reaction to the tariff policy came in the form of Swadesh from the nationalists. The idea of swadeshi or ‘one’s own country’ was the promotion of indigenous products against foreign. The swadeshi movement was began in response to the partition of Bengal, it has given immense impetus to the boycott of British goods.

Another important economic question which attracted the nationalists was the currency and exchange policy initiated by the closure of the mints to the free coinage of silver in 1893.29 The currency changers were induced not by failure of the monetary functions of the rupee, but by a fall in the exchange value of the rupee in terms of the pound sterling, while the effects of the currency changes on the internal economic situation of the country were completely ignored30 for instance due to fall in exchange during 1875 to 1898 the loss was about 154 crores of rupees.31

The nationalist leaders criticized the government for the debacle. D.E. Wacha* before the INC of 1892 said that on the correct solution of the currency question entirely depends the economic salvation in the near future of a country so peculiarly circumstanced as ours.32 So they realised that only economic independence can resolve this problem. To sum up, when the Nationalists of Bombay Presidency began

** Gopal Krishna Gokhale born on May 9, 1866 at Kholapur, was one of the pioneers of the Indian National Movement. He was political guru of Mahatma Gandhi. In 1877, he became the editor of the Journal of the Poona Sarvajanik Sabha. In 1897, he visited England to give evidence before the Welby Commission on Indian expenditure. In 1900, he was elected member of the Bombay Legislative Council, and in 1902 he became the member of the Viceroy’s Executive Council. He was elected president of the Indian National Congress in 1905. Passed away in 1915.

* Dinshaw Edulji Wacha was born in Bombay on August 2, 1844 in a middle class parsi family. He worked in close association with Dadabhai Naoroji and Pherozeshah Mehta in the congress. He was a founder-member of the Indian National Congress, functioned as its Secretary for several years and was elected its president in 1901. he was the Secretary of the Bombay Presidency Association for thirty years (1885-1915) before he became its president (1915-18). He along with Gokhale acted as the custodian and watchdog of the country’s finance. Passed away in 1936.
to expose the reality and true nature of colonial rule, their ideas spread all over the Bombay Presidency. The educated middle class attracted towards them, who, later spread the ideas of nationalist leaders through vernacular press. For instance the Belgaum Samachar, Dharwar vritt, Rasik Ranjini etc., played vital role in spreading the ideas of nationalist leaders and spirit of nationalism.

References and Notes

4. Ibid., p. 2
8. Ibid.
9. Ibid., pp. 11-12
10. Ibid., p. 12.
15. Ranade M.G., Essays on Indian Economics, Bombay, 1898, (Lecture on Indian Political Economy delivered at Deccan College, 1892), p. 31.
16. Ibid., p-5.
20. Ibid., p. 219.
24. Joshi, G.V., Writings and Speeches, Published by Dinkar Ganesh Joshi, Arya Bhushan Press, Poona, 1912, p. 696 (hereafter referred to as Joshi Writings)
26. Ibid., p. 104.
27. Ibid.
30. Ibid.
31. Ibid., p. 134.