

The British East India Company was engaged in trade in India for about a hundred and fifty years, from shortly after 1600 A. D. until about 1757 A. D., with no idea of territorial conquest or political rule. It had only factories scattered along the coast, notably at Madras, Calcutta, and Bombay.

The breaking up of the Great Mogul empire at Delhi after 1707 A. D. and, a little later, the division of Maratha power into five or six Maratha states which were held together only loosely into any semblance of unity and were constantly bickering with each other afforded an opportunity for intrigue in local politics for the purpose of extending trade and of making trade safer and more lucrative. This process, which began at Madras, was accelerated by the desire to counterbalance French scheming for political influence. French and British experience around Madras showed how easy the process was, since it proved that a few well-trained soldiers could defeat vastly larger Indian armies. Gradually the local rulers and governors became puppets in the hands of the Company, and at last the Company itself began to take over complete political control of small districts and to work outward towards larger and larger political units. Such political extension on a large scale began about 1757 A. D., at first around Calcutta and Madras, later around Bombay, and gradually extended farther and farther inland from all three centers.

The hundred years from 1757 A. D. to the Mutiny in 1857-58 A. D., after which the Crown took over complete control from the Company, is the story of a rapid extension of political power by the Company over two-thirds of India and three-quarters of the population, the consolidation of this vast empire, and the formation of a system of administration. Remember that India is as large as Europe omitting Russia. The Indian empire in anything like its present form is hardly more than seventy-five years old.

The government evolved was a benevolent but autocratic bureaucracy responsible in no way to Indian public opinion and checked in no way by Indian opinion. Indians were admitted only to the lowest grades of service.

Effort was directed primarily to the organization of an efficient civil and judicial administration, to the keeping of peace and order, to the building up of an efficient army and the extension of the frontiers to the summits of the great mountain ranges on the northwest, to the development of ports and railroads, and to other enterprises which

might serve to extend imperial commerce and trade. The interests of London and of the Empire have always been in the foreground.

An impoverished and badly disorganized people found itself suddenly confronted by an industrial society of a new and strange type and pushed into the current of world affairs with nothing to minimize the shock and help it to adjust itself as easily and rapidly as possible to the new conditions. Government as such was interested in the formation of an efficient, smoothly running machine for the maintenance of peace and law and order. It did not identify itself in any way with India and make the internal development of India its main object. So far as Government was concerned India might remain a producer of raw materials and a market for western manufactured goods. Government policy was a *laissez-faire* policy, a policy of administrative opportunism which took no constructive measures to foster industry and agriculture and to help India adjust itself with a minimum of hardship to the new world into which it was thrown. This may have been due partly to a conviction on the part of the British government that the internal development of a country does not form an essential function of central government as such, that this should be left to the individual initiative of the people. It may have been due partly to the fact that the great expenses of central government left little surplus for such matters. Taxes were raised on an Indian scale of living and most of them were spent on a British scale of living which is many times greater. Very little was left for such matters as education, public health and sanitation, agriculture, and public works.

The improvement of agriculture is vital for India but the first agricultural experiment station was not started until 1903, and that was founded with American money. In 1905, after repeated reports by Famine and Industrial Commissions Government did finally create a Department of Commerce and Industry but in 1910 concrete proposals from Madras and the United Provinces for active government help in industry were pigeonholed in Delhi and refused in London. It was only with the Report of the Industrial Commission in 1918, to the effect that in the future Government must play an active part in the industrial development of the country with the purpose of making India more self-contained in respect of men and material, that there seemed to be the probability that Government would be forced to abandon its old *laissez-faire* policy. A definite protective policy was finally declared in 1922.