

# BRITAIN'S EMPIRE AND THE ECONOMY

## 3. WHO BENEFITED FROM THE BRITISH EMPIRE?

MARTIN DAUNTON



**GRESHAM**  
COLLEGE



gir, Sorabji (1889) *Representative Men of*  
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**"COLOURABLE SHAKSPEARIAN IMITATION."**

*Othello*, M.P. for Central Finsbury (saluting Sarum, Doge of Vestminster). "HAPLY THAT I AM  
BLACK——"  
[Doge shudders, but feels unable to withdraw.]

## QUEEN VICTORIA'S PROCLAMATION, 1858

'our subjects, of whatever race or creed, be freely and impartially admitted to offices in our service'

'it is our earnest desire ... to administer its government for the benefit of all our subjects.... In their prosperity will be our strength, in their contentment our security, and in their gratitude our best reward'.





Creative commons. *Imperial Gazetteer Atlas of India*, vol. 25, Oxford University Press, 1909.

# Poverty and Un-British Rule



India soldier presented with a flower in Paris on Bastille Day, 1916

'All the wars by which the British Indian Empire is built up have not only been fought mainly with Indian blood, but every farthing of expenditure (with insignificant exceptions) incurred in all wars and proceedings within and beyond the frontier of India by which the Empire has been built up and maintained .. has been exacted from the Indian people. Britain has spent nothing. There is the great injustice that every expenditure incurred even for British interest is charged to India'.

## DADABHAI NAOROJI, 1825-1917: *Poverty and un-British Rule*, 1901

‘The British Empire in India is built up entirely with the money of India, and, in great measure, by the blood of India. Besides this, hundreds of millions, or, more probably, several thousands of millions (besides what is consumed in India itself by Europeans...) of money, which Britain has unceasingly, and ever increasingly drawn from British Indians, and is still drawing, has materially helped to make Britain the greatest, the richest, and most glorious nation in the world’.

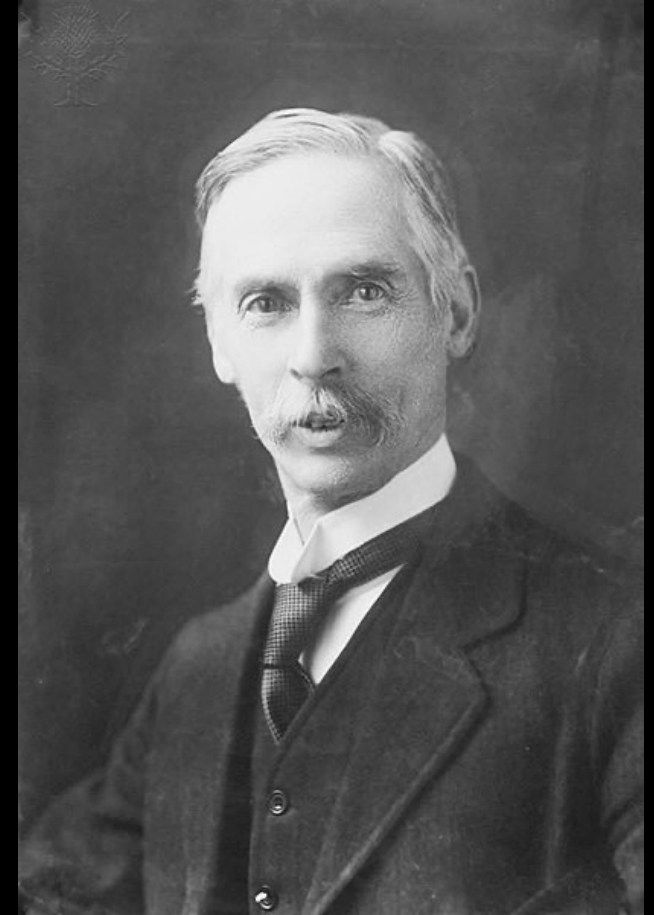
‘After having a glorious history of heroic struggles for constitutional government, England is now rearing up a body of Englishmen in India, trained up and accustomed to despotism, with all the feelings of impatience, pride, and high-handedness of the despot becoming gradually ingrained in them, and with the additional training of the dissimulation of constitutionalism... The English in India are ... descending and degenerating to the lower level of Asiatic despotism’.

JOHN A HOBSON 1858-1940: *Imperialism: A Study*, 1902

‘Great Britain has been becoming a nation living upon tribute from abroad, and the classes who enjoy this tribute have had an ever-increasing incentive to employ the public policy, the public purse and the public force to extend the field of their private investments’.

‘Aggressive Imperialism, which costs the taxpayer so dear, which is of so little value to the manufacturer and trader... is a source of great gain to the investor who cannot find at home the profitable use he seeks for his capital, and insists that his Government should help him to profitable and secure investments abroad’.

‘It is idle to attack Imperialism or Militarism as expedients or policies unless the axe is laid at the economic root of the tree, and the classes for whose interest Imperialism works are shorn of the surplus revenues which seek this outlet’.



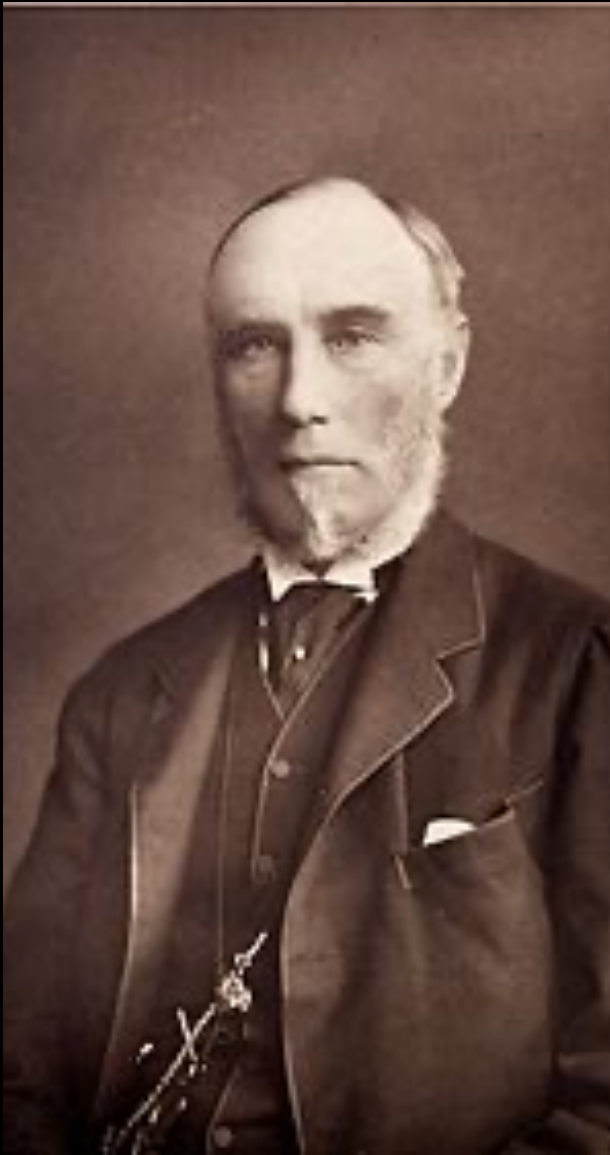
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Ascot races, 1910.

Wikimedia  
Commons, from  
Imperial War  
Museum





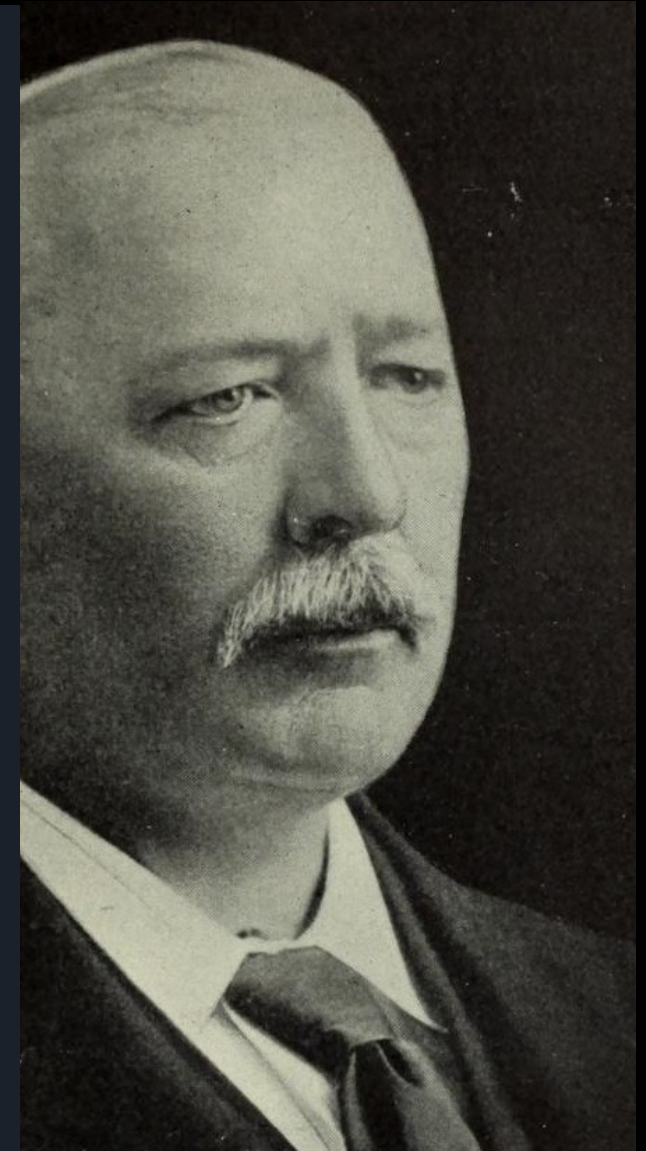


Thomas Baring, first Earl of  
Northbrook, 1826-1904 (left)

Liberal politician and Viceroy of  
India, 1872-76

Evelyn Baring, first Earl of Cromer,  
1841-1917 (right)

Private secretary to Northbrook  
Consul General of Egypt, 1883-1907



**Location of shareholders in a sample of companies (per cent)**

	<b>Imperial</b>	<b>foreign</b>	<b>domestic</b>
<b>London</b>	<b>58.5</b>	<b>50.9</b>	<b>20.8</b>
<b>Non-metropolitan</b>	<b>21.2</b>	<b>25.8</b>	<b>59.1</b>

**Source: Davis and Huttenback, *Mammon and the Pursuit of Empire*, 209.**

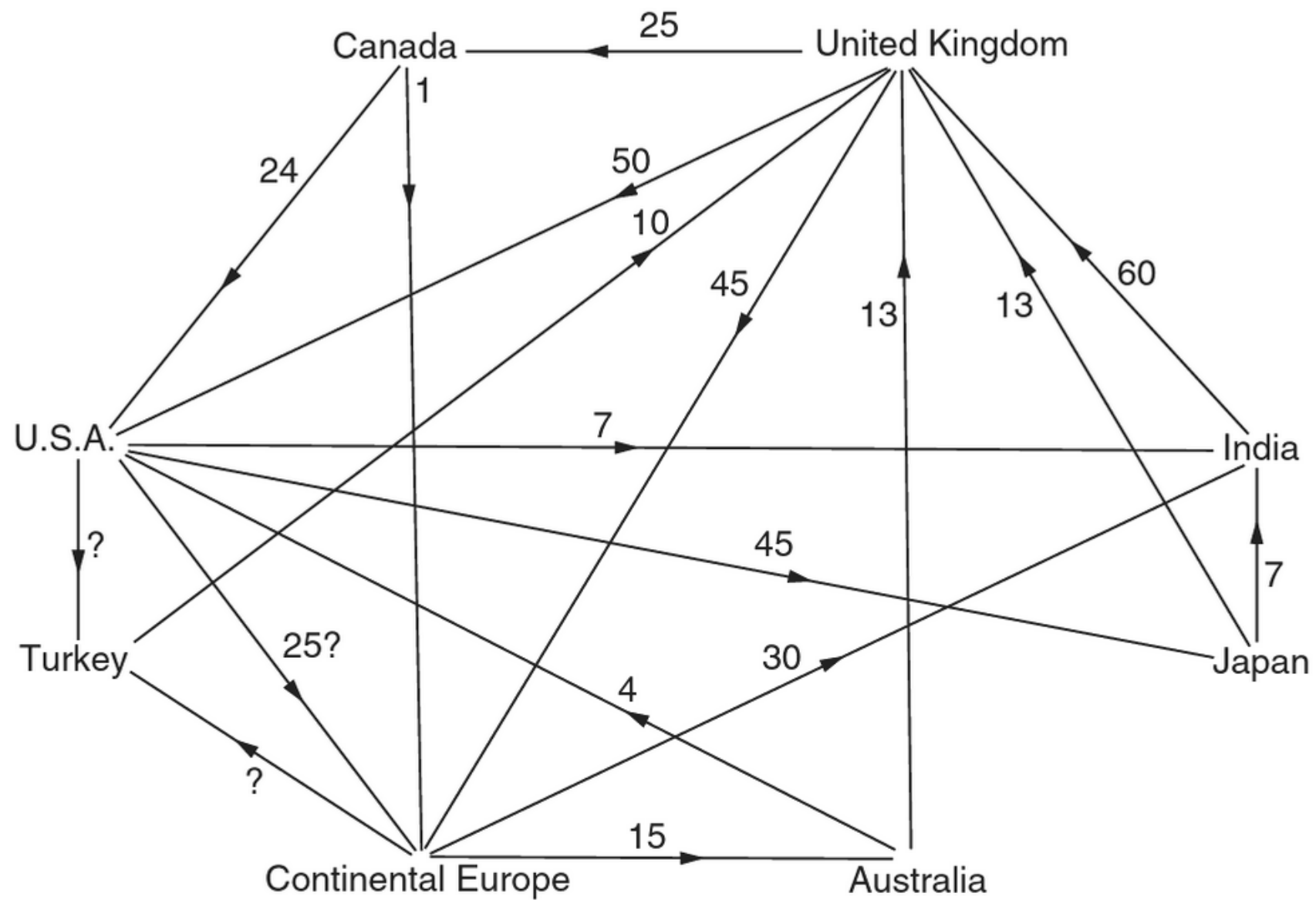


FIG. 6.I. World pattern of settlements, 1910 (£m)

Note: The arrows point in the direction of the country having a surplus.

Source: Saul, *Studies*, 58.

## Per centage of cloth consumption in India

	Imports	Indian mill	handloom
1900/1	66	11	23
1922/3	36	38	27
1938/9	10	62	28

Source: Harnetty, 'Deindustrialization revisited', table A

# Jamsetji Tata: cotton mill in Nagpur and steel works in Jamshedpur





Public domain

Sir Nawab Khwaja Salimullah, one of largest zamindars in Bengal

1934: estates of c200,000 acres and rent of £120,000



## Structure of taxation in India, per cent

	Land tax	opium	salt	excise	tariffs
1865	53	20	15	5	6
1910	40	15	6.5	15	15
1930	23	2	5	13	40

Source: PJ Thomas, *The Growth of Federal Finance in India*, Madras, 1939, 500-1.

# Bardoli satyagraha, February 1928 and salt satyagraha, March-April 1930



Both public domain



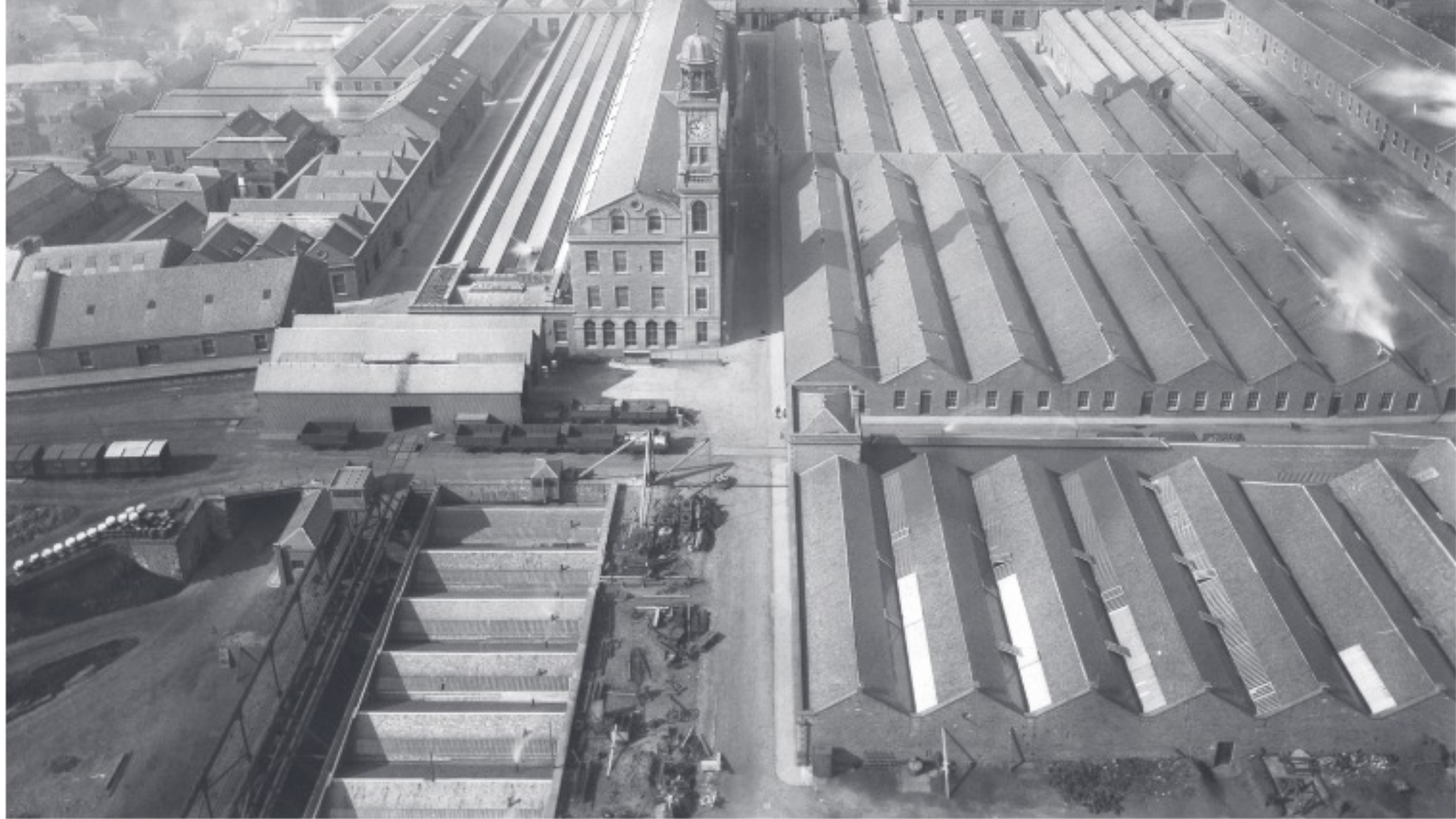


Plate 22.5 Photographer unknown, *Camperdown Jute Works, Dundee, c.1908*, from the *Dundee Photographic Survey*, Volume 1, *Industry*. Photo: Dundee City Council, Central Library

Distribution of overseas capital calls, 1865-1914 per cent

USA 34.3

Canada 20.5

Argentina 8.6

Australia 8.3

India 7.8

South Africa 6.4

Source: Simon, 'Pattern of new British portfolio foreign

investment'



The Vestey meat business:  
Argentina to high street

Times, 17 Aug. 1925

# SOC: ANON: FRIGORIFICO-ANGLO.

Works now in course of construction at South Dock, Buenos Aires

## BLUE STAR LINE REFRIGERATED STEAMERS

ALBIONSTAR  
CELTICSTAR  
DORICSTAR  
EMPIRESTAR  
GAELICSTAR  
GOTHICSTAR  
IONICSTAR  
MAGICSTAR  
MILTONSTAR  
NORMANSTAR  
ROMANSTAR  
ROYALSTAR  
SAXONSTAR  
TROJANSTAR  
TUDORSTAR  
TUSCANSTAR  
VIKINGSTAR  
KAOLACK

□ □ □



*Works:*  
SOUTH DOCK  
BUENOS AIRES

CAMPANA  
&  
FRAY BENTOS  
(URUGUAY)

The Anglo Company's  
Killings for the last  
three years

**CATTLE**  
1922 - 511,412  
1923 - 619,231  
1924 - 718,378

**SHEEP & LAMBS**  
1922 - 1,045,879  
1923 - 647,607  
1924 - 613,551

□ □ □

— Associated with —

## THE UNION COLD STORAGE CO., LTD., LONDON

CAPITAL - - £12,000,000

30,000 Shareholders

The Company have 2,400 Retail Shops in Great Britain and Continental Wholesale Distributing offices in FRANCE, BELGIUM, GERMANY, HOLLAND, ITALY, SPAIN.

# VOTE for TARIFF REFORM

We used this old stage  
In a by-gone age,  
And found it worked very well then,

But that way to go  
Is terribly slow  
In the year Nineteen Hundred and Ten.



**BRITANNIA.**—It's rather lonely in here all  
by myself, but the others are bound to  
join me soon.

**FOREIGNERS.**—We'll persuade Britannia to  
stick to the old Coach as long as she  
will, then she can't compete with us.

Printed & Published by M<sup>rs</sup> Compton & C<sup>o</sup> S<sup>r</sup> Thomas S<sup>r</sup> London S.E.



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