



COLONIAL INDIA

WHEN BRITISH COLONISED
CHANGES TAKE PLACE TO
THE DETRIMENT OF INDIAN
SKILLS AND EFFORTS!

INDIA UNDER FOREIGN RULE

East india company	1612–1757
Company rule in India	1757–1857
British Raj	1858–1947
British Rule in Burma	1824–1867
Princely States	1765–1947
Partition of India	1947

BRITISH IN INDIA

- **East india company** 1612–1757
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CALCUTTA COMES UNDER BRITISH



AFTER THE 1857 INDEPENDENCE EFFORT

- Government of India Act came into force in 1858.
- This was the direct effect of the first war of Independence of 1857.
- British India was thereafter directly ruled by the British Crown as a colony of the British.
- From 1876 it was known as Empire of India.
- India consisted of regions referred to as *British India* that were directly administered by the British.

ESTABLISHMENTS OF PRESIDENCIES

- Madras Presidency: established 1640.
- Bombay Presidency: established in 1687
- Bengal presidency : established in 1690
- East India Company's headquarters moved from Surat to Bombay in 1687.
- The British started extending their tentacles all over the country, mostly by foul means.

THE ACT OF 1858

- The Company's territories in India were vested in the Queen.
- The Company ceases to be controlling the colony.
- India was to be governed in the Queen's name.
- The Crown was empowered to appoint a Governor General and Governors of the States.
- Creation of an **Indian Civil Service** under the control of the Secretary of State.
- All the property of the East India Company was transferred to the Crown.
- The Crown also assumed the responsibilities of the Company as they related to treaties, contracts, and so forth.

THE VICTIMS OF THE ACT

- All industries were controlled by the British
- Textile became the main trade with raw cotton going from India and cloth sent from the UK.
- Systematically all important industries were taken over and full control of trade.
- Appointments made to induce willing Indians
- shipping was the biggest sufferer

SHIPPING AND SHIP BUILDING

- Restrictive legislations slowly killed the shipping industry.
- The forerunner was the Navigation Act of 1646.
- In 1650 it became tougher.
- Oliver Cromwell brought yet another restriction in 1651: it provided that no goods produced in Asia, can be imported into England in any ship that was not built in England and did not have at least 75% of English sailors!

CHANGING SHIPS

- The Industrial revolution and mechanization brought in large changes in industry.
- Steam Engines replaced sails
- Now timber was replaced by iron in shipbuilding.
- Sailors had to learn new techniques which were denied to Indians

EVEN SO INDIANS WERE NOT BEHIND!

- In 1819 itself Indians had a steam ship sailing in the river Gomathi
- It was a pleasure boat of King of Oudh.
- In Hooghly also steam ferries were operating.
- Bombay dockyard built the frigate *FIROZ* of 1,450 tons for the British Navy.
- Similarly Bombay Docks built several ships for the British Navy.

BANNED SKILLS!

- Even during Company regime in Calcutta, Indian artificers and carpenters were banned – they were not allowed to take up any ship-building or ship-repairing activity by themselves!
- This was in practice from 1789 itself!
- In other words the English started slowly but steadily killing the shipping Industry!
- First it was on craftsmen then on tariff!

TARIFF DISCRIMINATION

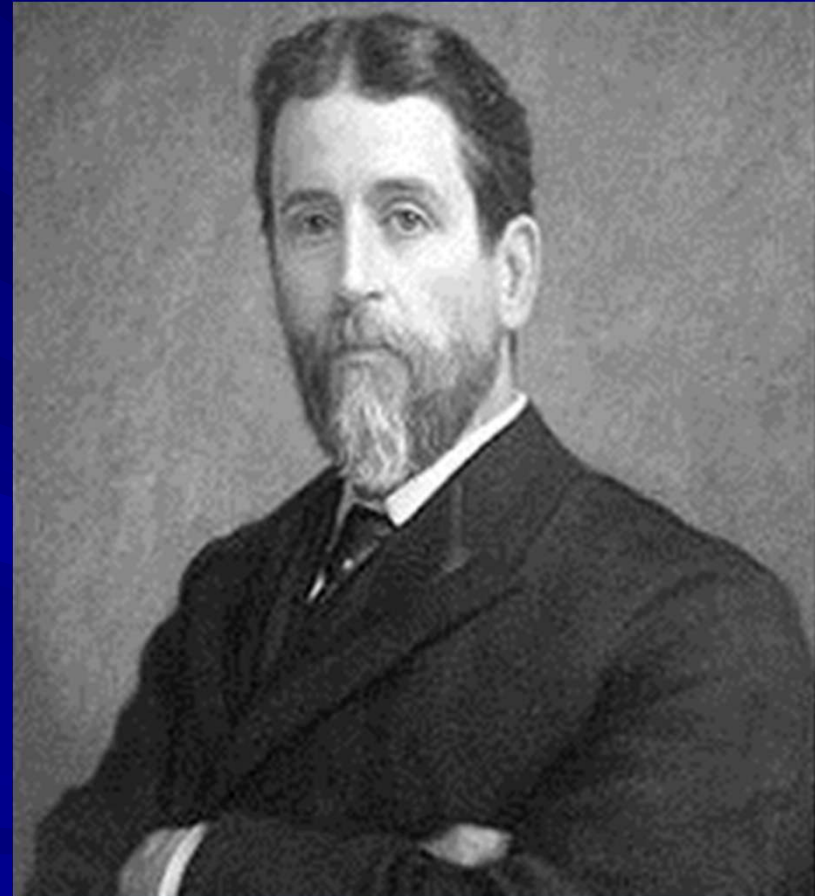
- 1811 was the first discriminatory order on tariff.
- Calcutta promulgated separate rates of import duties on goods carried by Indian and Company's ships!
- The rate was 7.5% for the company vessels and 15% for non-British ships.
- Madras followed this in 1812 and Bombay in 1813.
- Originally all non British ships suffered but by protest French and the Dutch were exempted.

THE 1814 ACT

- As British shipbuilders and traders wanted protection and were worried that Indians may become contenders, they sought and got this act passed
- According to this, *“even though Indian sailors are British subjects, they shall not be deemed as British Mariners!*
- *Ships not having an English captain and/or $\frac{3}{4}$ of its crew as British mariners shall not be allowed to enter English Ports!*

SIR WILLIAM DIGBY

- Digby was a journalist.
- He worked in Ceylon and India.
- In May 1888 he set up the Indian Political and General Agency in London for raising awareness about Indian grievances in the British Parliament and Press.
- He became a strong advocate of constitutional reform and acted as an unofficial guide to INC leaders visiting London.
- He used his political contacts to raise India's grievances in the British Public sphere.



SIR WILLIAM DIGBY WROTE (1901)

- The ancient occupations on sea and land have been destroyed.
- The ships which now carry India's coastwise trade are steamers built in Britain, the officers are Britons, the profits derivable from trade go to Britain.
- We are literally draining India dry – *bleeding* was Loard Salisbury's term in 1875
- It is more accurate than my own.

ADDING INSULT TO INJURY!

- The parliamentary committee while recommending the restrictive measures said:
- *The native sailors of India to the disgrace of our national morals, on their arrival here, are led into scenes which soon divest them of the respect and awe they had entertained in India for the British character*
- *... The effects of it may prove extremely detrimental*

1857 to 1898-99

Ships owned	Vessels	Tons
Indian	34,286	1,219,958
British	59,441	2,475,472
Indian	2,302	133,033
British	6,219	7,685,009

1899-1900

- The figures became horrible!
- 1,676 vessels and tonnage 109,813
- Actually opening of the Suez canal in 1869 should have improved Indian Shipping.
- On the contrary, it depleted.
- The B. I. and P&O lines benefitted by the support from the rulers.
- Lord Inchcape was the cause for all this!

LORD INCHCAPE

- As a result of their success in carrying troops from Ceylon (present day Sri Lanka) to India during the Indian Mutiny of 1857 to 1859, and through Mackinnon's influential contacts, the partners obtained further contracts to support a fleet of coastal steamers carrying mail around the Indian coast with extensions to the Persian Gulf and Singapore.
- In 1862, with additional capital - a total of £400,000 - the British India Steam Navigation Company (BI) was floated.
- MMC continued to act as agents for the BI for nearly 100 years.

ASSUMPTION OF CHARGE

- These events were the backdrop to the formative years of James Lyle Mackay, later to become the first Earl of Inchcape in 1911.
- Born in 1852, the son of an Arbroath shipmaster, Mackay left Scotland at the age of 20 and worked in the Customs department of Gellatly, Hankey and Sewell, leading brokers in London for many lines including BI.
- Mackay joined MMC's Calcutta office in 1874 and through great diligence and flair, became the heir to the Mackinnon businesses after the death of Mackinnon in 1893.

THE MERGER

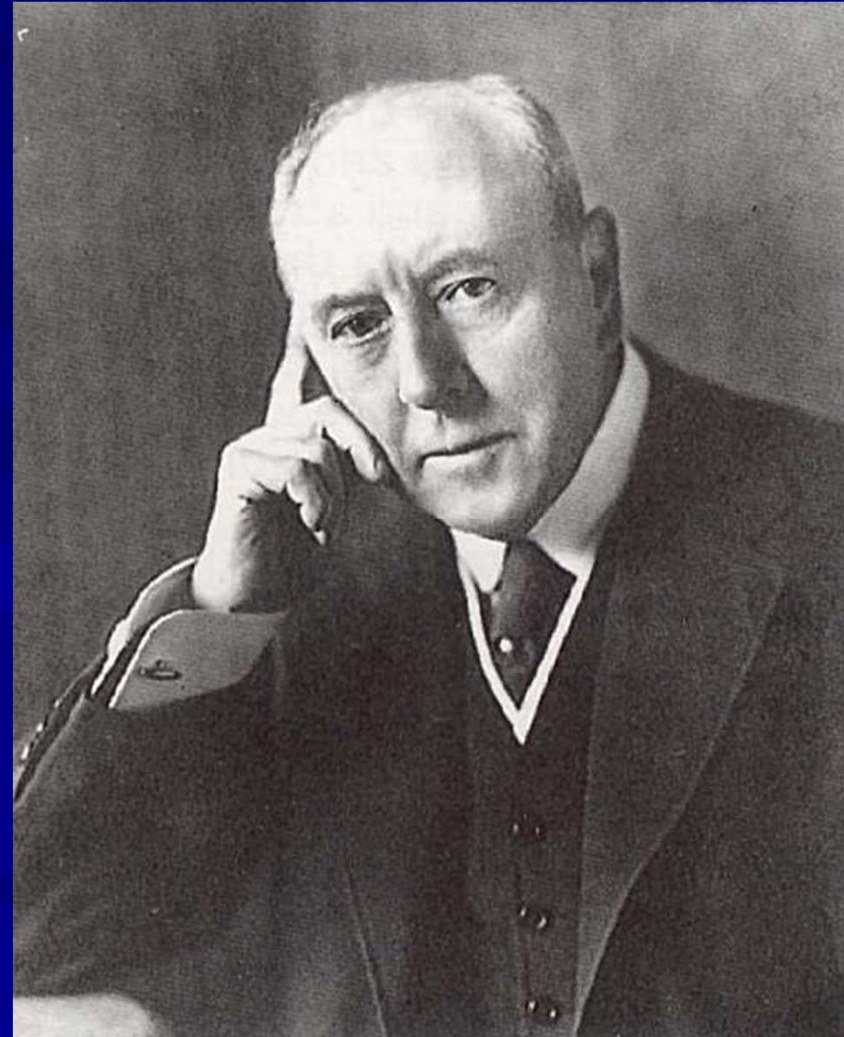
- Duncan Mackinnon, who had unofficially acknowledged Inchcape's prominence in the BI for at least the previous three years, retired owing to failing health in 1913, and with the death of the Duke of Argyll in the same year, the "old guard" was disappearing, and with them, the opposition to a merger with P & O.
- On 19th May 1914, the P & O Board - Sutherland, Adamson, Rathbone, Gladstone and Cunard - issued a Resolution to make an offer to the BI to buy its ordinary and preferred stock.
- The two Boards were to be "fused" still working separately but under a single controlling body "in which the Directors of the P & O will possess a preponderating voice".
- Despite their insistence on this clause from the outset, it was not to be adopted.
- Lord Balfour, in a private letter to Sutherland, was among the first of his colleagues to voice disquiet when he expressed fears that the future Board might not adequately protect the interests of its P & O element

HIS METEORIC RISE

- The prospect of Inchcape as their chairman was not altogether welcomed by P & O stockholders.
- Sutherland maintained that the P & O was fortunate to acquire Lord Inchcape's services - there was no need to dwell on his reputation; this was well known to the whole shipping world.

TO RECAP

- Though started as a clerk in MMC., within four years became a partner.
- In 1889 he became the President of the Bengal Chamber of Commerce and in 1891 an MLC of the Viceroy!



CRESTS OF THE COMPANIES

P & O

B I



P&O Crest

The P&O crest was adopted on 16 June in its Centenary year, 1937.



B I Crest

RISE IN CAREER OF LORD INCHCAPE

- 1892 – appointed chairman of Indian Currency Association.
- 1897 – 1911 Member of India Council.
- During this period his name was put up for the post of Viceroy.
- 1913 becomes Chairman of B I.
- 1914 takes over the P & O.
- 1922 he had the first encounter with Scindias.

THE MENACE B I S N CAUSED

- Complete control of shipping trade in India.
- 1875 The first Shipping Conference was formed.
- The Calcutta Liners Conference served to help BISN to monopolize.
- 1877 adopted ***deferred rebate system*** to ensure their monopoly.
- By this they beat all the newcomers in the field!

THE STATE OF THE INDIAN SHIPPING COMPANIES!

- Between 1860 and 1925 102 Indian shipping companies went into liquidation by the new system.
- Sir Alfred Watson editor of the Statesman said, “*Indian Company after Indian Company which endeavoured to develop a coastal service has been financially shattered by the competition of British Interests*”

THE INDIAN COMPANIES' FATE

- Jamsetji Nusserwanji Tata, started a shipping company in 1894.
- V. O. Chidambaram Pillai started “Swadeshi Shipping Company in 1906.
- Both had to abandon due to foul methods adopted by the British Maritime Interest!
- Tata’s company was to carry yarn produced in his spinning firms to the far east
- The British charged higher rates.
- He asked P&O to reduce rates and when they did not, he wanted to have his own line.

THE CUTTHROAT METHOD!

- The P&O did not reduce; they played underhand tricks by secret arrangements with a Jewish firm.
- Sir Thomas Sutherland Chairman of P&O said, “We carry raw cotton from Bombay to Japan in order that Japan may cut the throat of Bombay and we carry cotton twist from Bombay to China in order that Bombay may cut the throat of Japan”

JAMSETJI NUSSERWANJI TATA

- Tata noted that freight charges for shipping between Bombay and China and Japan were HIGH.
- At the time, this shipping route was monopolized by three companies, which kept prices high.
- So Tata turned to the Japanese Steam Navigation Company (Nippon Yusen Kaisha) for cheaper shipping.
- As a result, the three monopolizing companies fought back.
- In addition to fighting for fair freight charges, Tata also opposed taxes placed on Indian cotton products.



TATA'S EFFORT

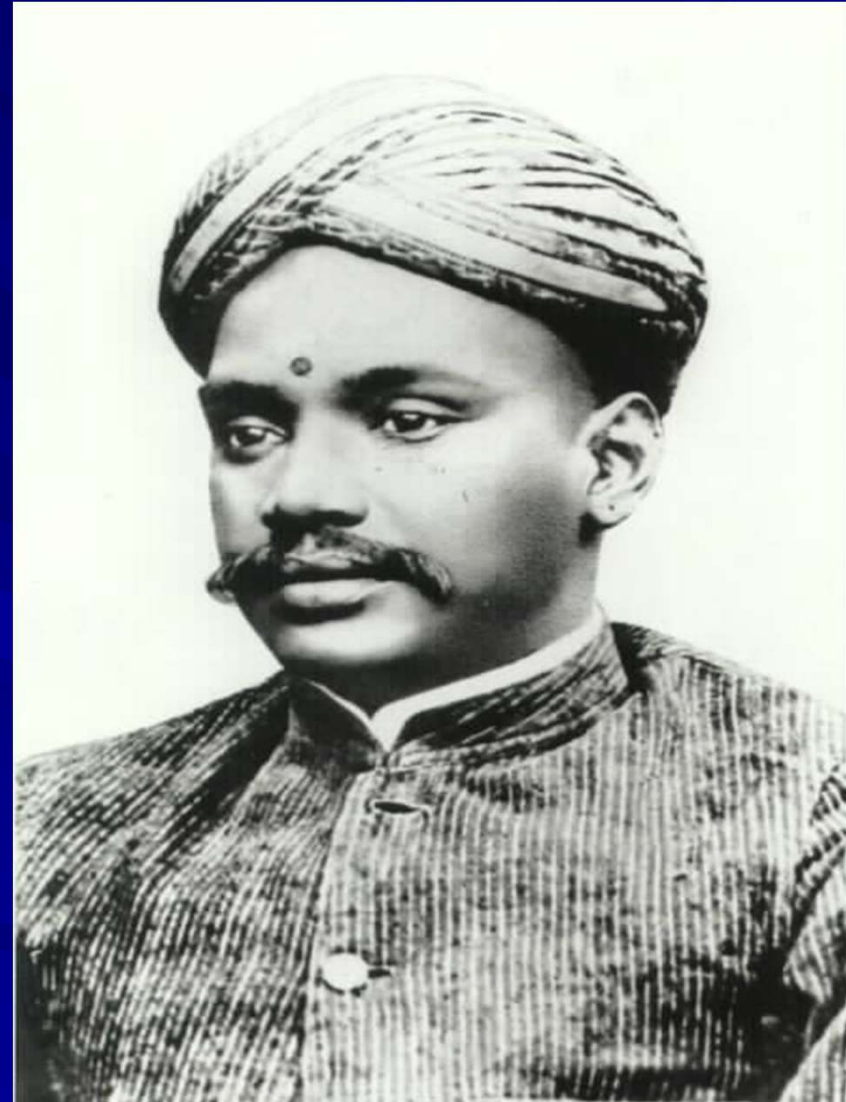
- Tata tried to have an understanding with NYK of Japan.
- He purchased two ships and each was to run once a month carrying coal, glass and other exports from Japan.
- On return the ships will carry cotton goods and yarn.
- The freight charged by Tata Line was Rs 12 per ton of 40 cu.ft.
- This was against the rate of P&O rate of Rs. 19.
- Soon P&O started a rate war and reduced their rates to Rs 1.50 per ton! They offered to carry cotton free to Japan!
- **The reduced rates were offered as deferred rebate for which the shipper had to declare he had not used Tata Line!**

OTHER TRICKS THE P&O PLAYED!

- They spread a rumour that Tata ships were not seaworthy!
- This affected the Insurance.
- Insurance companies were also British!
- Tata sent a memorandum to Secretary of State in London.
- This was futile as the British were supporting their companies.
- He was compelled to suspend operation immediately after P&O raised the freight to Rs 16 a ton!

V. O. CHIDAMBARAM PILLAI

- Vandanam Olaganathan Chidambaram Pillai was born on 5 September 1872.
- After completing schooling in Ottapidaram and Tirunelveli, he completed law.
- As a lawyer he pleaded for the poor, at times appearing against his father, who appeared for the affluent.
- Among his notable cases, he proved corruption charges on three sub magistrates.



BACKGROUND

- In the 1890s and 1900s India's independence movement and the Swadeshi movement, initiated by Tilak and Lajapati Roy of Indian National Congress (INC), were at their peak.
- They were against the British Imperial coercion of trade, which was damaging traditional Indian industries.
- In Tamilnadu the Independence movement was championed by Subramania Siva and the poet Barathi.
- V.O.C. entered politics in 1905 following the partition of Bengal, by joining the Indian National Congress.
- He presided over the Congress session at Salem.

INSPIRATION AND AFTER

- V.O.C., inspired by Ramakrishnananda, a disciple of Sri Ramakrishna, resorted to Swadeshi work.
- He initiated steps to break the monopoly of British shipping in the coastal trade with Ceylon.
- On 12 November 1906, V.O.C. formed, Swadeshi Steamship Company, by purchasing two steamships 'S.S.Gaelia' and 'S.S.Lawoe'.
- He was assisted in this effort by BG Tilak and Aurobindo Ghose.
- The ships commenced regular service between Tuticorin and Ceylon.
- Until then the commerce between Tuticorin and Colombo was a monopoly enjoyed by the BISN, which was later merged with P&O Lines and its Tuticorin agents, A.& F. Harvey

THE COMPANY

- The Swadeshi Shipping Company was to popularise the art of shipping among Indians and had exclusive Indian and some Asian shares.
- The flag of the ships bravely bore the legend *VANDE MATHARAM*.
- This was a red rag to the English Bull!
- A two pronged offence was launched by the English!

THE TRICKS THE ENGLISH PLAYED!

- First the English made it difficult to buy ships by stopping the sellers!
- Undaunted Pillai purchased the ships in Ceylon.
- The BI immediately started a rate war as usual!
- With the connivance of the port officials they timed their sailings before SSC vessels.
- Thus the passengers and cargo were taken by them.
- The Government banned their officials from travelling in SSC vessels.

THE FINAL ONSLAUGHT

- When they could not make Pillai give up his effort the British Government arrested Pillai on false charges!
- They charged him with treason and sent him to long imprisonment.
- Poet Barathi and Siva appeared in the court for questioning for the case instituted against V.O.C.
- He was charged with sedition and a sentence of two life imprisonments (in effect 40 years) was imposed.
- He was confined in the Coimbatore Prison from 9 July 1908 to 1 December 1910.
- Court sentence may be seen as a reflection of the fear the British had of V.O.C. and their need to contain the rebellion and be sure that others would not follow in Chidambaram Pillai's footsteps.

LATER DAYS

- Gandhiji in 1910s and V.O.C. carried on a steady stream of correspondence between them (1915–16).
- In one of the letters Gandhi enquires whether he received the money which he had collected for V.O.C. in SA.
- After his releases, on hearing V.O.C.'s destitute condition Justice Wallace, the Judge who sentenced him, as CJ of Madras, restored his bar license.
- But V.O.C. spent his last years (1930s) heavily in debt, even selling all of his law books for daily survival.
- V.O.C died on the 18 November 1936

BENGAL STEAMSHIP COMPANY

- Yet another Indian tried his hand at the shipping.
- Jyotindranath Tagore, brother of Rabindra nath started a shipping company – BSC.
- This was in 1907 and its steamships carried passengers and cargo between Calcutta, Rangoon, Chittagong and Akyab.
- Seeing it do weel, the BI started its game and played a war of rates.
- Passengers were given free voyage and a handkerchief as a present!
- The BSC had to close down and sell its ships to BISN!
- Now BISN revsed tariffs and there were no more freebies!

INDIAN SEAS BECAME THE GRAVEYARD FOR INDIAN SHIPS!

- At this situation when as C Rajagopalachari said, “the company crashed on the rocks of politics, not on the rock of business”, Scindias dared the English with their venture.
- The WW I also made it impossible for any new venture.
- However the Indian Industry had been on a forward march.
- Indian capital and enterprise had established themselves in jute, textiles, iron and steel.
- Mining and plantations also were prosperous business.

THE SCINDIAS – WALCHAND HIRACHAND

- Walchand Hirachand was born at Sholapur, in a family engaged in trading and money lending.
- He started his own business
- He took a burning task of manufacturing business.
- Braving the odds, he
- found the railway contracting business to his liking and became a railway contractor.
- This later became Phatak-Walchand private limited and he took up challenges in business.



AN ACCIDENT OF HISTORY!

- Starting a shipping company by him was an accident of history!
- He was travelling from Delhi to Bombay in train when he met an English engineer, Watson on February, 16, 1919.
- Watson told him that a ship “LOYALTY” was for sale.
- The ship was owned by the Maharaja Scindia of Gwalior.

THE POINTS

- To recognize the need for training Indians and create an Indian Mercantile Marine.
- To train Indians in a suitable ship in Indian Waters and engage them later.
- To introduce in selected institutions Marine Engineering as a subject (Engineering College at Sidpur)
- To announce intention to adopt in the near future a system of licensing in respect of coastal trade in India.

