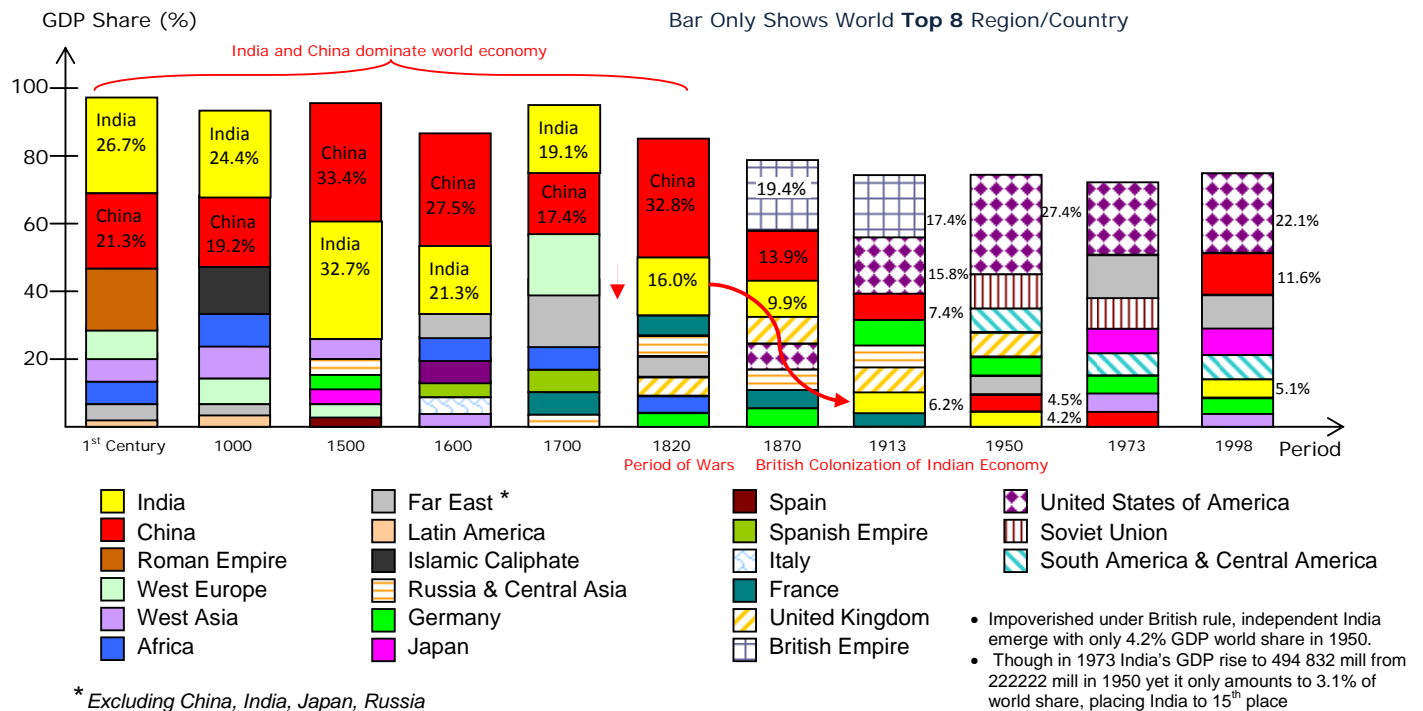


History of India: Economic Power



India - The richest nation and economic superpower of the world for over 1,800 years

- The **gross domestic product (GDP)** is one of the measures of national income and output for a given country's economy. The GDP is the total value (the "gross") of everything a country or region produces. It includes the value of food, manufactured items (such as cloth, jewelry, tools and pottery) and services (such as the incomes of doctors, teachers, authors and artists).
- According to economist Angus Maddison in *The World Economy: A Millennial Perspective*, the region that today comprises the Indian subcontinent held the largest share of the world's gross domestic product (China was the next highest) until the beginning of the sixteenth century, when it was rivaled by China, and then again throughout most of the eighteenth century. By comparison, in 1,000ce Europe's GDP was just 11%. (see chart above)
- At the end of the sixteenth century, India's great wealth sustained a population of more than **one hundred million** people. India was the world's leading manufacturer of handicrafts, handloom textiles, metal and luxury items.
- Economic historian Paul Bairoch writes, "More important, there was a large commercialized sector with a highly sophisticated market and credit structure, manned by a skilful and in many instances very wealthy commercial class." Paul William Roberts adds, "Methods of production and of industrial and commercial organization could stand comparison with those in vogue in any other part of the world. India had developed an indigenous banking system. Merchant capital had emerged with an elaborate network of agents, brokers and middlemen. Its bills of exchange were honored in all the major cities of Asia."

An extract from **Swami Rama Tirtha's** lecture delivered in the United States of America on December 13, 1902:

"There was a time when India possessed probably more riches than all Europe possesses at this time. There was a time when India had more jewels and diamonds, more pearls and rubies than all America has today. India had her day in material prosperity. Nations after nations overran India from time to time. Greece became rich at the cost of India, Persia became rich at the cost of India, Afghanistan became rich at the cost of India and at this day England is amassing fortunes at the cost of India. India was once really the land of gold and diamonds."

British colonialism turned India into an impoverished nation for the 1st time in its entire history! Few would doubt that Indo-British trade may have been unfair - but it may be noteworthy to see how unfair. In the early 1800s imports of Indian cotton and silk goods faced duties of 70-80%. British imports faced duties of 2-4%! As a result, British imports of cotton manufactures into India increased by a factor of 50, and Indian exports dropped to one-fourth! A similar trend was noted in silk goods, woollens, iron, pottery, glassware and paper. As a result, millions of ruined artisans and craftsmen, spinners, weavers, potters, smelters and smiths were rendered jobless and had to become landless agricultural workers.

While few educated South Asians would deny that British Colonial rule was detrimental to the interests of the common people of the sub-continent - several harbor an illusion that the British weren't all bad. Didn't they, perhaps, educate us - build us modern cities, build us irrigation canals - protect our ancient monuments - etc. etc. And then, there are some who might even say that their record was actually superior to that of independent India's! Perhaps, it is time that the colonial record be retrieved from the archives and re-examined - so that those of us who weren't alive during the freedom movement can learn to distinguish between the myths and the reality. (Refer to the subsequent articles, where few Indians understand the truth of what actually happened and how under the British Rule, the nation ruined.)

Please note that the above record does not include the period of BCE (Before Common Era), though India's history stretches thousands of years earlier.