

CONCLUDING NOTE

A failed experiment ?

As has been suggested in the foregoing chapters Bengal passed through a period of unique experiment in industrial drive in the context of the *Swadeshi* movement. A number of industrial enterprises both by landlords and professional groups were set up in quick succession. Unfortunately the experiment proved to be short lived and overtly futile. In fact, the drama of *Swadeshi* enterprise began as a bang but sadly ended in a whimper. Poet Tagore captured the sense of agony caused by the fiasco of steamship enterprise which had been initiated with much exhilaration by his elder brother Jyotirindranath Tagore. The entire episode surfaced the abject surrender to the machination of powerful British competitors in ferry service. Poet Tagore summed up the failure by saying “it is these uncalculating un-business like spirits” became a set pattern for mushrooming of Indian business concerns.¹

Economists, historians and academicians seem to be locked in a hair – raising battle of ideas in trying to locate the paradox of Bengal’s failure to emerge as the hub of indigenous industrial enterprise in India. The widely accepted view is that the big merchants of Eastern India had been eliminated by the Permanent Settlement and entire Bengal Presidency had been converted into a landlord paradise. This view has been corroborated by N.K. Sinha in his exhaustive study on Bengal economy in the colonial phase.² It has been pointed out that after Permanent Settlement capital was drawn to investment in land and this resulted in stagnation of capital circulation. Another explanation is that it was the burden of colonial intervention that caused ruination of India’s trade and industries. R.C.Dutt, Dadabhai Naoraji and M. G. Ranade ascribed the evil of India’s deindustrialization to discriminatory economic policies pursued by the British.³

Another explanation for lack of indigenous industrial development in Bengal lies in the very logic of historical development. England, the pioneer of industrial revolution in the world was in a higher stage of historical development with steady growth of capital and infrastructural development technical advancement and acquisition of colonial market. In such a situation, it is unthinkable that Indian traders and merchants would be able to withstand the challenge of capital crunch. Moris.D.Moris. has taken a revisionist view in suggesting that Indian economy came into close contact with modern economic network as a result of this colonial impact. While Japan provides a classic example of superb economic development on Western model, India failed to take advantage of this historic opportunity.

It is true that the Permanent Settlement certainly contributed to the growth of landlordism and capital was diverted to purchase of land. Moreover, from the very beginning the East India Company and the Europeans merchants pursued a discriminatory policy towards Indians and controlled monetary mechanism like the Bank of Bengal. Amiya Bagchi has pointed out that there was “racial alignment of Government patronage and reinforcing European control over trade and industry.”⁴ Indians were denied of railway facilities and official advantages. Even the Indians had no chance of acquiring technical knowledge.

Obviously in Eastern India there was complete European control over trade and industry, while in sharp contrast there was onward march of Indian entrepreneurship in Western India. Indian Managing Agency houses sprung up in Western India and began to consolidate their commercial and industrial interests. The *Parsi* community achieved spectacular success and the House of Tata emerged as the leading *Parsi* entrepreneur in both commerce and industry. It has been pointed out by R.E.Kennedy that the *Parsis* were endowed with Protestant values which enabled them to move ahead with industrial activities.⁵ But Amiya Bagchi does not agree with this hypothesis and has suggested that both *Parsis* and

Guajaratis were traditionally involved in manufacturing industry and invested their capital in industrial venture. It may be pointed out those Indian trading communities in Western India encountered very little opposition from British business than in Eastern India.⁶

After the First World War there was a fundamental change in the attitude of colonial state towards industrial development in India through Indian entrepreneurship. Owing to strategic political and fiscal condition the colonial state was forced to take a favourable view of India's industrial development. The government had to adopt a policy of "discriminating protection".⁷ It has been pointed out Indian investment made significant improvement but pattern of entrepreneurship in Bengal remained unaltered. There was very little structural transformation of the industrial sector in Bengal. All the three key industrial sectors in Bengal-jute, coal mining and tea plantation remained under effective domination of the British Companies.

Though the Government of India officially subscribed to the policy of free trade but Bengali entrepreneurship had to confront with a number of constraints like denial of support from the Government and unfair competition from influential British concerns. What Bengal witnessed was a continuing trend of "the aborted Bengal entrepreneurship."⁸ However in the industrial sector and investment pattern in Eastern India some business groups particularly the *Marwaris* made significant inroad into the field of Jute and cotton mill industries. It may be noted the Kesoram Cotton Mills, the Birla Jute Manufacturing Company- all in or near Calcutta –and the Jiyajirao Cotton Mills in Gwalior had been registered between 1919 and 1921. The Birlas like other Indian entrepreneurs had earned money in trading works. Raja Baladev Das Birla the founder of the house of the Birlas moved to Calcutta in 1901. Settled in Bombay with his father at the age of fifteen (in 1879), he moved to Calcutta in 1901 and retired from business in

1920. His son Ghanashyam Das Birla, who was probably the most influential spokesman of the “nationalist wing” of Indian business joined the family business at the age of twelve and entered into Jute trade as a gunny broker at the age of sixteen. It is symptomatic of the close alliance between trade, industry and landlordism in India that G.D.Birla was described as mill owner, merchant and *Zamindar*. He was reputed to have made a profit of more than ten million rupees in three years from trade in opium. Soon, Birla became a leading figure in Jute industry. His example was emulated by Sarupchand Hukumchand.⁹ Omkar Goswami has shown that in the jute industry the British dominance was affected by the entry of Marwari Business groups. The Bengali investment in coal mining was also displaced by Marwari intervention. In course of time Indian investment grew in momentum in different parts of India and consumer industries like sugar, cement, aluminum came to be major ventures. Birlas Hukumchand Singhanias took a prominent role. Consequently there was steady flow of Indian capital from elsewhere into Bengal. Small Bengali entrepreneur groups, however, maintained their hold in engineering workshops and foundries in Howrah industrial sector. It cannot be denied that expansion of labour force in Bengal registered steady growth in manufacturing industries compared to other parts of India. But the industrial process had been extremely partial and differential in character. The industrial growth in Bengal did not signify comparative growth of Bengali entrepreneurship. Whether in terms of capital investment or in terms of workforce, Bengalis had marginal presence. Again industrialization process did not encompass the whole of Bengal Presidency. Sharp disjunction existed between Calcutta-based industrial zone and a vast agricultural hinterland in Eastern Bengal.

In the otherwise dismal scenario on entrepreneurship in Bengal, Sir Rajendra Nath Mookherjee (1854-1936) stands out as an exceptional personality who made remarkable success in the field of industrial investment. By the end of

the nineteenth century apart from Sir Rajendranath Mookherjee there was practically no Indian worth the name in Eastern India who is a partner of a large British Indian firm. Born to a poor family Mookherjee started his professional career as a contractor after doing engineering course at Presidency College. He came into close contact with Sir Bradford Leslie the legendary British engineer of his time and the architect of Howrah Pontoon Bridge. Thereafter Rajen proved his technical skill in the construction of Calcutta Water Works.¹⁰ In 1889, he was associated with Acquin Martin of the firm of Messer's, Walsh, Lovett and Company in a joint contract for the Allahabad Water Works, which they had successfully constructed. Sir Rajen stood out as the only Indian entrepreneur who worked as a partner of a large British Indian Firm.¹¹ Rajendranath Mukherjee's role was closely linked to the birth and consolidation of the Calcutta based Martin and Company which had emerged as a formidable concern by the beginning of the twentieth century. Originally counted as an expatriate firm Martin and company was set up as a joint venture by Rajendra Nath Mukherjee and Englishman Acquin Martin. Together they formed Martin and Company in 1892 which grew into a major engineering firm. After Martin's death, his successors disassociated themselves from their India enterprise. This enabled Mukherjee to emerge as the Senior partner and its undisputed captain.¹² The Company took up a number of construction works which include waterworks, and the Light Railway construction. The Company also achieved immense reputation as designers and builders of houses and places.¹³ The construction of the Victoria Memorial Hall may be looked upon as Mukherjee's masterly achievement.¹⁴ The most important contribution of Sir Rajen was the foundation of Bengal Iron and Steel Company established in 1904. The Company came under the joint control of Martin and Burn Companies. Sir Rajen emerged as the icon of Bengali entrepreneurship. He

was also a multi dimensional personality and acquired respectful place in Bengali society in his time. As the President of the Asiatic Society and also as President of Indian Science Congress, Sir Rajen pleaded for Scientific and Technical Education for entrepreneurial advancement on modern lines. Sir Rajen showed how a person with little social standing could develop into a skilful industrial entrepreneur. He perceived the importance of a modern managerial system in the running of a gigantic industrial house. He appropriately upheld the principle of friendly co-operation of capital and labour. At the same time he was not a narrow minded industrialist rather he wanted harmonious blend between indigenous and foreign capital. In his view western knowledge in technical matters had to be in for substantial growth. In fact, he differed with “vain prejudices of a narrow minded *Swadeshi*”.¹⁵ At the same time, he recognized the need for protection for the development of Indian industries. But he was opposed to any kind of state interference in commercial enterprises.¹⁶

But it will be unfair to project Sir Rajendranath as a mere collaborator devoid of any spirit of patriotism. It may be noted that during the *Swadeshi* movement Sir Rajen joined the Bengal National Bank, a *Swadeshi* enterprise, as one of its Directors. He was also involved as a Director of Indian Store, a *Swadeshi* venture to establish a regular *Swadeshi* sales machinery.¹⁷ Sir Rajendranath’s specialised knowledge in technology was directed towards framing of policy decisions at high level government bodies. He was member of the Railway Committee, Coal Enquiry Committee and the Indian Currency Commission. He also headed a special Committee in 1921 which submitted its report in 1922 for construction of a cantilever bridge over the Hooghly. The New Howrah Bridge was in fact, brain child of Sir Rajendranath.. The University of Calcutta conferred Honorary D.Sc on him. Sir Rajen exemplified how technological knowledge is indispensable for large scale industrial development.

Apart from Sir Rajen, Debendranath Mallick of the famous Mallick family, a celebrated landlord family of Calcutta achieved remarkable success in a number of commercial and industrial ventures. His mantle was taken up by his son who served as Chairman of the Board of Directors of a number of concerns¹⁸

Raja D.N. Mallick and Sons Ltd (merchant & Banker)

Hindusthan Co-operative insurance society Ltd.

City paper and Board Mills.

Photo paper and Films Ltd.

Great India Motor Works Ltd.

New Tea Company Ltd.

Friends Saving Society Ownership.

Cooper And Company.

Most of the Bengali entrepreneurs had the feeling that economic development of Bengal could only be sustained by commerce and industry. In his speech in reply to felicitation accorded to him on his election to the Bengal Legislative Council D.N.Mallick also stressed the need for protective tariff for benefit of the Indian merchants. At the same time he emphasized the need for cottage industry.¹⁹

The period before the First World War was marked by Industrial transition. The growth of Indian enterprise saw the emergences of Modern factory type Industrialization system. Though the giant managing agency firms had their grip on Tea, Jute, and Coal Mines etc. several other fields like cotton mills, chemical works, banks, and tannery came under Indian investment. The landlords class definitely played a significant role in development of industries. That landlords and merchants had interlocking of interest is evident from the proceedings of the Bengal National Chamber of Commerce. From the report of Bengal National Chamber of Commerce (1913-1915) it is found that all important

office bearers of the Chamber were from the landlord class. While Raja Rishee Case Law was the President, Raja Pearymohan Mukherjee and Raja Janakinath Roy were Vice-Presidents and Raja Sitanath Roy Bahadur acted as Honorary Secretary. It is to be noted that the leading landlords of Bengal Sitanath Roy and Manindra Chandra Nandy served as Secretary and President of the Chamber for a long time.²⁰ The role of the landlords in industrial development is clearly reflected in a speech, of Sir John Anderson, the Governor of Bengal who called Sir Manindra Chandra Nandy as a pioneer of many individual ventures for the cause of developing the industrial and commercial resources of the province. ²¹

Though it is an accepted fact that landlord's involvement in the industrial enterprise in Bengal was not substantial and they were mainly interested in purchase of land and house property. It may be noted that prices of plots rose up in Calcutta from the early years of the 20th century. This attracted the attention of landlords as a means of quick monetary gain. The landlords of Bengali society derived their political prestige and economic strength from their support base in agricultural wealth. They enjoyed superior status in socio economic life. In fact the nobles were justified in having their claim to natural leadership. Poet Rabindranath Tagore has given a great role to the *Zamindar* in organizing constructive work in society. In his view only enlightened landlords can provide true leadership. It has been pointed out by P.C. Mahatab "Their economic and social influence over the various interest groups affected practically every aspect of socio-economic life in rural Bengal and to a certain extent even in the city."²²

As the momentum of *Swadeshi* enterprise started waning, the Bengali enterprise turned its back on independent industrial venture. In contrast, the British Companies maintained its grip over commerce and industry in Bengal. From Thacker's Diary it may be found that there were in all 140 commercial

organizations in 1860. By 1910 a number of Companies made upward journey. At least eleven companies performed remarkably well. These include Apper and Company, Begg and Dunlop Company, Gillanders Arbathnat and Company, Grindley and Company, George Henderson and Company Hoyare Miller and Company, Jardine Skinner and Company, Mackengie and Company, Macinon Mackenji and Company and Ralley Brothers. Further four Companies had changed their names. Two Companies Burn Company and Jessop and Company, though not mentioned in the list of 1857, had an unbroken record of remarkable achievement.

At the macro level, the economic situation in Bengal witnessed a down-turn from the second decade of the twentieth century. There was stagnation in agrarian system along with fragmentation of landed property. The landlords in general neglected the work of agricultural development. Apart from this, industrial development in Bengal did not mark any substantial progress. Though there was some investment of Indian capital from elsewhere into Bengal. Bengali entrepreneurship presented a sorry spectacle. Among top twenty Business groups with main base in Calcutta, only two were Indian business houses namely G.D. Birla and Hakumchand and without a single Bengali business group. ²³

A question may be raised as to why the Bengali landlords turned their back from trade and industry throughout the second half of the nineteenth century? Two broad explanations may be put forward for this. By 1847-48 Bengali business suffered a catastrophic set back and the landlords deliberately opted out from uncertainties of non-agrarian ventures. Secondly, *Zamindari* estates provided a source of stable income as the estates yielded maximum profits in most of the districts of Bengal Presidency. In the interest of extracting of high revenues, the government deliberately enacted a number of Pro landlord laws to bolster the interests of landlords. It was not until the closing years of the nineteenth century

that income from agricultural lands witnessed a steep decline. It was in this context that the government began to ensure the interests of *Jotedars* and resourceful farmers to meet the requirement in the world economy.

Much later the *Swadeshi* movement brought about a qualitative change in the attitude of the *Zamindars*. Taking an overtly Pro-*Swadeshi* and pro-Boycott stance the landlords along with professional elites took interest in *Swadeshi* Enterprise. But the process of *Swadeshi* enterprises reflects some inbuilt constraints. It is pointed out that too much stress on patriotic zeal was not itself a guarantee of systematic development of indigenous industries. What was really needed was a professional style of functioning.

The Bengali landlords are not above reproach for lack of entrepreneurship. Since the days of Dwarkanath Tagore Bengali *Zamindars* did not consider business as an exclusive profession. On the contrary they looked upon business, politics and nation building as parts of a unified whole. But in course of time there came about a changing perception on British rule in India. Dwarkanath who personified both landholding and commercial interests, considered India not as a separate entity but as an integral part of British Empire. In contrast fifty years later, Bengali elites began to visualize India as separate nation. At the same time, they did not view business activities as separate from social and political responsibilities. Blair Kling contends that Bengalis gave precedence to civic and patriotic duties over business matters. As such they could not fully utilize economic opportunities despite the fact that both Dwarkanath and the *Swadeshi* entrepreneurs contributed to the coming of an age of enterprise.²⁴

There is a generally accepted idea that the big landlords stayed away from pursuits of knowledge and carried pleasure seeking and reckless life style and held on to an indifferent approach to society. What is more deplorable is that the landlords have become a decadent class and lost their social utility. But at the

same time, Persons like Sir P.C. Ray does not postulate extinction of this class on the ground that the landlords have become the matrix of Bengal's social order and the elimination of the system of landlords would spell disaster for the entire agrarian set up in Bengal. ²⁵But the drift in the agrarian social order with landlords as its apex agency cannot be attributed solely to the landlords class. Landlords like Sitanath Roy of Bengal and Ray Bahadur K. Suryanarayan Murthi Nayudu of Madras in their evidence before the Industrial Commission stated that investment in land as an asset was so safe and profitable that it was difficult to raise capital for industry.²⁶

As a matter of fact, over emphasis on political matters also constitute hurdles in the way of a positive climate for industrial development. The tallest industrialist in Bengal of his time Sir Rajendranath Mukherjee spoke against the narrow canvass of political leaders. In his view “ our political friends are busy translating their aspirations into terms of constitutions and are thinking about majorities, electorates and votes..I picture an India of busy workshops, smoky factories, sanitary dwelling for the work people and eager money getters.”²⁷

Moreover, economic nationalism which found concrete expression in the *Swadeshi* enterprise in Pre World War period took a downturn soon after the War. The attitude of the Government was pin pointed as the source of the malady. Even before the War the Bengal National Chamber of Commerce and Industries, the organizational front of Bengali entrepreneurs minced no words in blaming government's policy.

Admittedly the government always took a step motherly attitude to the indigenous industries. The National Chamber vehemently opposed the government proposal to remove brick kilns from the river bank to the interior which would adversely affect the prospect of this indigenous industry using silt left by the river into bricks.

During the *Swadeshi* days Bengali entrepreneurs had set up a number of small and medium size trading and manufacturing firms in coal, cotton and chemicals etc. But within a decade the fate of the most of the Companies was more or less sealed. Even a gigantic cotton mill like the Bangla Lakshmi Cotton Mills had to be wound up. The year 1927 has been marked out as the calamitous year for the Bengali commercial houses. This was evident from the collapse in April 1927 of the Bengal National Bank, a pride of *Swadeshi* enterprise. The Committee Report for 1927 of the Bengal National Chamber of Commerce and Industries noted in mood of despair that the fall of Bank brought disaster to many concerns which had depended on financial arrangements entered into between them and the Bank”.²⁸ Most of the concerns run by Bengali entrepreneurs had to face lack of sufficient reserves and liquid assets. The aftermath of the Great Economic Depression aggravated the process of decay. The situation forced the Bengal National Chamber of Commerce and Industries to voice its demands for safeguarding the interests of the Bengalis in trade, commerce and industry. The chamber spoke against the domination by the European and non- Bengali immigrant elements and suggested protection and advancement of Bengali interests in the province.²⁹

But the growing erosion of strength of Bengali Enterprise cannot be solely attributed to official unresponsiveness and non- Bengali *Marwari* merchants’ steady ascendancy. Undeniably the grip of British Managing Agents was comparatively more widespread in Bengal. Yet the Bengali entrepreneurs had failed on two major counts. Firstly why did the Bengalis encounter shortage of the capital when the *Marwari’s* from economically poor Rajasthan succeeded in turning disadvantages into opportunities? Bengali landlords did have enough capital for investment. But they are scared of taking risks in business investment simply because they were more interested in earning stable returns from land.

Apathy to divert income from land to business and industrial ventures damaged the prospect of Bengali entrepreneurs. Another drawback which greatly hit the smooth progress of indigenous commercial and industrial ventures in Bengal was the failure to construct joint stock companies on the lines of British Managing houses. Lack of thorough professional approach damaged the chances of the survival of the Bengali *Swadeshi* ventures.

As a class, the *Zamindars* cannot escape onus for drift in Bengal economy. Much earlier noted civilian and a Bengal celebrity like Ramesh Chandra Dutt in his book “*The Peasantry of Bengal*” published in 1874 made thorough study of the condition of Peasantry of Bengal and indicted the role of the *Zamindars* for growing economic hardships of the Peasantry and the government had to take a positive policy right now to ensure the legal status of *ryots* against *Zamindar*'s whims and caprices.³⁰ The culpability of landlords lies in two distinct ways. Their failure to improve the agrarian economy worsened the general condition of the people. Secondly, they missed the historic opportunity of providing necessary capital towards indigenous industrial investment. The landlords failed to work out integrated rural development as envisaged by the Poet Tagore in “*Lokahita*”.³¹ At the same time they could not emerge as captains of industrial development in Eastern India. The role of landlords, thus, seems to be as a crucial factor in economic stagnation of Bengal. While income from land registered downward slide, this caused social friction in rural Bengal. The Pabna uprising of 1873 is a clear example of how *ryots* reacted against landlords exactions. The disaffection of Peasantry was not only a sectional phenomenon it had its impact in shaping the tenor of mass politics in Bengal since the *Swadeshi* movement.

At the height of the Civil Disobedience movement of 1930-32 and the Quit India movement of 1942 Peasant masses had a large share in intensifying the

movement in Bengal districts. The life and works of noted Bengali novelist Tara Shankar Banerjee (1898-1970) reflect this shift.³² Himself an active participant in mass mobilization drive, his novels like *Chaitali Ghurni*, *Dhatri Devata* and *Gana Devata* show how the marginal groups like *Bauri*, *Dom* and *Santals* were involved in the nationalist movements. Characters like Sibnath and Debu Pandit rallied behind the marginal men. In contrast, *Zamindars* who controlled power nexus along with money lenders acted as instruments of exploitation and repression.

Turning to the story of industrial entrepreneurship in Bengal, failure of the landlords to invest substantially thwarted the prospect of independent capitalist development in Bengal. In contrast from the mid-nineteenth century and particularly after 1914, an independent powerful capitalist class developed in Western India. This class originated from traditional traders, brokers and middlemen. Their example was not followed by Bengali landlords who formed the highest status group in socio economic set up.³³ But they preferred to remain enmeshed in the placid world of land ownership. As such Bengal could not carve out its place as the focus of big industrial ventures. Apart from a few landlords like Manindra Chandra Nandy, Bipradas Pal Chowdhury of Nadia, Taran Gobinda Choudhury of Pabna, professional elements and persons with artisan background accounted for the bulk of small and medium industrial concerns. Alamohan Das, the founder of India machinery co typifies the role of small and marginal entrepreneurs in the engineering units of Howrah.

At the same time, lopsided nature of industrial development in Bengal needs to be explained in terms of wider historical context. The pattern of industrial development in India had fundamental difference with that of Great Britain. Unlike Britain, a free country unfettered by alien domination India could not develop on her own but had to encounter colonial domination. India's experience shows how

colonial bondage uprooted Indian industries and subverted indigenous know-how. With the result that instead of having industrial capitalism of her own western model of development was transplanted in India. Another distinguishing feature of India's capitalist development is that here Industrial capitalism did not emerge by dismantling the shackles of feudalism as it did in Britain but by coexisting with it. Many feudal leaders such as those of Gwalior, Indore, Mysore and Trivancore patronized native industries.³⁴ In Bengal *Zamindars* under Permanent Settlement such as Manindra Chandra Nandi, Sitanath Roy, Brojendra Kishore Roy Chowdhuri invested in various industries from their income derived from landed estates. But landlords could not transform themselves into full scale industrialists as their main interest lay in land system. In this way, the landlords in Bengal failed to discharge their historical role. Capitalist investment in commerce and industry remained on the periphery, while land remained as the mainstay of Bengal's socio economic order. From the middle of the 1930s land system itself became the target of attack. *Zamindars* were singled out as the evil force in causing distress and suffering of the people. The Floud Commission Report of 1940 clearly recommended the acquisition of landed estates and revocation of the Permanent Settlement.³⁵ Thus it appears that if resourceful Bengali landlords had opted for capital investment in trade and commerce, they could have contributed to Bengal's transformation into a centre of indigenous capitalist development.³⁶ In seeking to continue their status as landlords, they paradoxically failed to maintain their identities as landlords. It was after Independence that landlordism in Bengal was abolished through an Act passed by the Bengal Legislative Assembly.

Landlordism was swept away and Bengal's emergence as the hub of indigenous capitalist development remained a day dream while Bengal lost the opportunity, non Bengali merchant class emerged as the main social force for India's journey to capitalist development. Dwijendra Tripathi has aptly remarked

“ Larger in number ,engaged in a variety of businessman, and varied in social composition, native Indian business had become quite conscious of its distinct identity by the end of World War I and was no longer prepared to play second fiddle to the British business interests in India. The days of the comprador were definitely over.” ³⁷

Bengal’s malady : Why did the Bengalis exhibit a sorry state of affairs in the field of commerce and industries from the beginning of the Twentieth century? Was this a historical blunder or was it a compulsion or a deliberate choice. It has been stated that Bengal had come under effective control of the British much before in Western India. Western India remained under Maratha rule. It was due to this historical condition, *Parsis* and other indigenous trading classes in Western India encountered much less competition from European businessmen than in Eastern India. The indigenous trading classes also enjoyed the patronage of native principalities like Baroda. The historical situation in Western India also forced the British to forge collaborative links with the Indian traders specially the *Parsis*. No wonder this provided an opportunity to the *Parsis* to thrive on trade and commerce and move on to industry. It has been indicated that the *Parsis* clearly outnumbered other Indian communities in the industrial field. But the success story of the *Parsis* cannot be attributed to geographical and historical factors but also to their leadership qualities and historical factors.

At the same time the English educated middle class Bengalis known as *Bhadraloks* were lured by the prospect and social prestige which accompanied professional vocation. This section became the social base of emerging nationalist aspirations. While the *Zamindars* were reluctant to look beyond landed property, the educated middle class also refused to be drawn into uncertain entrepreneurship. Acharya Prafulla Chandra Roy clearly identified lack of enterprising spirit among the Bengalis which lay at the root of economic stagnation in Bengal.

Agrarian development witnessed downward trend and private investment was scarce. Acharya P.C.Roy in a series of articles on the Bengali *Zamindars* deprecated the erosion of values among the *Zamindars* and their failure to uplift the condition of peasants. While opposing any move to abolish landlordism, he held the *Zamindars* responsible for the plight of the rural people and also for the debasement of commerce and industries. ³⁸

Role of the *Zamindars* in Bengal society and economy has evoked sharp debate among historians, writers and thinkers. The debate continued throughout the nineteenth century commencing with Raja Rammohan Roy's evidence before the select committee of the British House of Commons in 1831. As already stated, all the front ranking thinkers of Bengal could not ignore the centrality of agriculture in Bengal society and economy. On the agrarian issue both the *Zamindars* and *ryots* were placed in contending polarized position. This has been articulated in *Rayater Katha* by Pramathanath Choudhuri. The book contains a critical note by poet Tagore and a rejoinder by the author. ³⁹ Interestingly both Tagore and Choudhuri shared identical social roots, both of them belonging to landlordism. Choudhuri took a diametrically opposite view point in his assessment of agrarian system in Bengal. Choudhuri, a sharp critic of the system of Permanent settlement, questioned the very basis of the Settlement. His contention had two broad aspects. Firstly the Bengal *ryots* should be made owners of their holdings and proprietary right to landlords be withdrawn. Secondly *Zamindars'* right to enhance rent will have to be terminated, Choudhuri had a note of caution saying that changes had to be brought about to maintain social order. Poet Tagore did not share his reformist stand in the land system. To Tagore the *Zamindars* being the natural leaders of society should take up measures for welfare of the rural people. It is his conviction that the *Zamindars* had to adopt benevolent attitude and help the *ryots* to free themselves from the misdeeds and extortion of money lenders.

Much earlier an eminent Bengali of his time Pramathanath Bose in his presidential address to the Bengal Industrial conference in 1891 exhorted Bengalis with an wake up call. He stated “I do not wish to detract from the value of social or political reform, but to me economic reform to a value a higher than either.” The chronic obsession of the Bengalis with landed property turned out to be prejudicial to “the industrial” advancement of my Bengali compatriots. It was this which brought about differential pattern of development between Eastern India and Western India.⁴⁰ While Bengal had “an aristocracy of *Zamindars*” western presidency proved catalyst to “an aristocracy of merchants”. But Bengal failed to foster the pace for Industrial enterprise not simply because of unresponsive attitude of the landlords to pump out capital from land to industry, but they had lacked proper organizational skill and networking. P.N.Bose underscored the importance of having “a great central organization” for promotion of Industries”.⁴¹ Unfortunately Indian entrepreneurs based in Calcutta failed to put up a integrated line of action. Non Bengali Marwari merchants and Muslim Businessmen opted for separate organization and moved ahead in instituting Indian Chamber of Commerce and Muslim Chamber of Commerce. Whereas Bengal National Chamber of Commerce and Industry always stood for national enterprise, other sectional groups had no hesitation in enjoying plum of profit even in collaboration with the British.⁴² All in all, Bengal failed to cause breaches in the hegemony of British commercial hold in Calcutta.

With the onset of Economic Crisis in the early 1930s the Bengal National Chamber of Commerce and Industry voiced serious concern over the prospect of indigenous industries in Bengal. N.N. Laha of the Chamber of Commerce suggested in 1931 that co-operative principle had to be followed to retrieve small industries and handicrafts from steady decline. ⁴³ Laha also drew

attention to the need for a full-fledged commercial bank for flow of capital to the indigenous industries. In the context of growing Japanese competition, the Chamber of Commerce also suggested to wind up the policy of discrimination suffered by indigenous industries like hosiery and pottery and be provided with protective tariff. ⁴⁴

No wonder the Bengali investors had failed to take advantage of investment friendly condition in the post-World War I period. The war time exigencies brought about a change in the attitude of the Government towards the Indian industries as exports had been affected by difficulties of communication. But the change in attitude was not the result of any liberal frame of mind but was the outcome of a combination of factors-strategic, political and fiscal. The colonial state had to commit itself to a policy of “discriminating protection”. This enabled indigenous industries to develop on a solid basis specially in the production of consumer goods. But despite consolidation of Indian entrepreneurs elsewhere in India Amiya Kumar Bagchi has pointed out that the nature of Indian industrialization was marginal and called it “stunted industrialization as the basis of Indian economy remained poor, basically agricultural colonial.” ⁴⁵

In my study, I have primarily addressed the role of landed aristocracy and have explored the failure of this class in both agrarian sector and industrial investment. The land system showed increasing signs of stagnation which could have been stalled through professional management. Instead the land question became a highly contentious issue causing socio economic divide in Bengal from the 1930s. The brief spell of *Swadeshi* enterprise in which the landlords made significant presence remained a passing phase. Bengal’s failure to emerge as a key player in the domain of big industrial development became a stark reality. The landed aristocracy in Bengal failed to look ahead, and Bengal’s modernization remained a social and cultural phenomenon without attaining economic

breakthrough. The ills of West Bengal in post colonial era are rooted in this basic economic malady.

Notes and References:

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10. K.C.Mahindra, Rajendranath Mookherjee- *A Personal Study* (Calcutta 1933) PP-80-85
11. Ibid-PP 168-171
12. D. Tripathi and J.Jumani op.cit-PP 69-70
13. K.C.Mahindra op.cit-PP 196-198
14. Ibid PP 202-203
15. Ibid P 235
16. Ibid PP 210-211
Sir Rajen's bold stand against state intervention was evident from the Acworth Railway committee report of 1921 in which Sir Rajen voiced his firm opinions.
17. *The Cyclopedia of India*, Vol III, Calcutta 1909, P-349
18. Shastri Sibendranarayan- *Banglar Paribarik Itihas* (in Bengali) Part-I Calcutta-1937
19. Ibid
20. Sunil Kumar Sen- *Economic Enterprise* op.cit. P- 555

21. S. C. Nandy op.cit. P -348
22. P.C. Mahatab- *Bengal Nobles : An assessment of their influence 1911-1919 in Bengal Past and Present* , July –December 1975 Part-II, PP-113-114
In another article “*The Bengal Nobles A Status Group, 1911-19 in Bengal Past and Present*, January –June 1973,PP-23-26
Mahatab has explored the major components of landed elites.
23. Claude Markovits, *Indian Business and Nationalist Politics, 1931-1939*, Cambridge 1985, PP-190-193 Appendix-I
24. Blair Kling- *Partner in Empire*, op.cit. P-246
25. Prasanna Kumar Roy (edited) *Acharya Bani* (in Bengali) A collection of essays of Acharya Roy, Calcutta 1946 In a series of articles published in the *Bharat Varsha*(BS 1340)Acharya Roy explored both apathy and degradations of Bengali Zamindars as well as their social utility
26. For evidence of Sitanath Roy and Ray Bahadur Suryakanta Murti before Industrial Commission of 1916. See in A. Bagchi, *Private Investment* op.cit. P-212
27. K. C. Mahindra – *Rajendranath Mookherjee*, op.cit.PP-236-237
28. Chittabrata Palit- *Growth of Commerce and Industry in Bengal*, op.cit.,P-78
29. Ibid P-80
30. R.C.Dutt *The Peasantry of Bengal* ,Calcutta 1874 Chapter IV
31. *Rabindra Rachanabali* , Vol XIII, Government of West Bengal,1990 PP 602-603
32. Tarashankar Banerjee, *Amar Sahitya Jiban* ,Calcutta 1998
33. Amit Bhattacharyya, *Heterogeneity of the Indian Bourgeoisie in Colonial India: A comparative study in the quarterly Review of Historical Studies* ,Vol XLI,2001 PP 58-59
34. Ibid –PP 62-63
35. Report of the Land Revenue Commission, Bengal, Vol-I quoted in S.C. Nandy, Chapter-IX op.cit., PP-551-552
R. K. Mukherjee, noted historian, in his dissenting note to the Floud Commission alluded to the historic role of landlords in public benefaction
36. In his article “*A scheme of Economic Development for young India*” Benoy Kumar Sarkar contends that the landed aristocracy did not come forward for investment though they were “not absolutely devoid of capital” as they lacked “ the virtues of hard and honest labour” *The*

Modern Review, Calcutta July 1925, PP 17-23

37. D. Tripathi and J.Jumani- *Oxford History of Indian Business* op.cit,P-90

38 Prafulla Chandra Roy –*Banglar Jamindar Barga*, BharatVarsha, Calcutta ,Jaistha 13452(1934)

.Also see Achrya Roy –*The Bengali Brain and its Misuse* in G.A. Natesan (Edited) *Essays and Discourses* by P.C.Roy (Madras 1918) P 200

39. Pramathanath Chaudhury, *Rayter Katha* (in Bengali), Viswa Bharati 1944,,

For Tagore’s views See Rabindra Rachanabali, Vol XIII,op.cit,PP704-709

40. J. C. Bagal – *Pramanath Bose*, op.cit. PP 68-69

41. Ibid PP 90-91

42. Chittabrata Palit, *Growth of Commerce and Industry in Bengal*, op.cit PP-63-64

43. Ibid PP 71-72

44.Ibid P 76

45. A.K.Bagchi- *Private Investment in India*, op.cit,PP 440-443