

Banians in the Bengal Economy (18th and 19th Centuries): Historical Perspective

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Registration No: 45

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Declaration

This is to certify that Murshida Binte Rahman has written the thesis titled 'Banians in the Bengal Economy (18th & 19th Centuries): Historical Perspective' under my supervision. She has written the thesis for the M.Phil degree in History.

I further affirm that the work reported in this thesis is original and no part or the whole of the dissertation has been submitted to, any form in any other University or institution for any degree.

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Dated:

Declaration

I do declare that, I have written the thesis titled ‘Banians in the Bengal Economy (18th & 19th Centuries): Historical Perspective’ for the M.Phil degree in History. I affirm that the work reported in this thesis is original and no part or the whole of the dissertation has been submitted to, any form in any other University or institution for any degree.

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Abstract

Banians or merchants' bankers were the first Bengali collaborators or cross cultural brokers for the foreign merchants from the seventeenth century until well into the mid-nineteenth century Bengal. Foreign merchants were generally ignorant of the local language, customs, business hubs, weights and measures. They were also unacquainted with the communication networks and market conditions in the mofussil. Because of this they needed to engage local agents to guide them. The *banians* were their agents, interpreters, intermediaries, negotiators and even custodians of their purse. This dissertation examines the connection and interaction between the foreign (European and American) merchants and Bengali banians.

During the eighteenth and nineteenth centuries Bengali merchants were the important trading community in the Bengal Presidency. They played prominent role not only in the internal trade but also in the sphere of external trade. A significant number of these merchants also entered into joint business ventures with the European capital. The *banians* held a strong position among these Bengali merchants. Besides this a significant part of capital accumulated by this newly rich merchant class was diverted into landed property, which was associated with the introduction of *zamindari* system under the Permanent Settlement. The Bengali banians also joined in the development of Kolkata's commercial infrastructure, a chamber of commerce and commercial newspapers.

In this thesis we have attempted to explore how banians were developed as a class in Bengal, and how the community engaged themselves with the European and American merchants. To do this first, we looked at the economic activities of banians. We focused on their aims and capacity as the leader of the Bengali traders in the eighteenth century and during the first half of the nineteenth century. Secondly, we examined how the policy of the English East India Company affected banians to build up a strong relation with the English merchants. We focused on the Company's 'Investment' policy, experiment policy on Bengal's land revenue system, and the private business of the Company's officials. Thirdly, we looked at how the banians did their job with American merchants and the business policy of the American merchants in Bengal in the last two decades of the eighteenth century and first half of the nineteenth century. Fourthly, we looked at what was the role of the banians as social leaders. We focused on their life style, belief and activities which contributed to the social reforms. Finally, we looked at the reasons why the banians could not continue their activities from the second half of the nineteenth century.

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Introduction

The banians as a class emerged in the mid seventeenth century. They were native brokers attached to business houses or were the agents of the European merchants till the first half of the nineteenth century. Banians had played the leading role in communicating business information between the foreign merchants and the local traders of Bengal. They proved themselves as essential collaborators of the European and American merchants. European merchants had a deep sense of appreciation for banians, as being the source of money and goods supply. Those people had adequate knowledge about the real market. Their business intelligence and skills of capital handling, trading and labor management are regarded as the pillars of success of personal businesses, developed over the years, in the name of European merchants. Banians were capable to run and supervise various aspects of open and confidential business deals in Bengal. Because of this, it is very necessary to analyse the banian economy.

The subject of banian has been dealt with partially or touched incidentally by historians. Historian N.K Sinha has dealt with the banians of Bengal elaborately. However his works do not focus the long history of banians. Historians like Sushil Chaudhuri, P.J Marshall, Bhola Nauth Chunder, Dilip Basu, Sirajul Islam and some other scholars dealt with the banians. Benoy Ghose, Sushil Chaudhuri and P.J Marshall also provide a brief picture on eighteenth century's banians. Dilip Basu wrote about the nineteenth century banians and Sirajul Islam discussed specially on banians connected with

American traders. However none of them has taken the trouble to offer a comprehensive picture of the emergence and development of banians throughout the seventeenth to the nineteenth century.

There is little debate about the studies of the above mentioned scholars. However, confusion remains among the historians about different intermediary groups such as broker, banian, dadny merchant, gomasta-dalal. Some scholars argue that after the Plassey the banian class established by the influence of Maharaja Nabakrishna and Krishna Kanta Nandy. Other scholars think that the importance of banians was losing day by day after the establishment of the Agency Houses. Finally after the Permanent Settlement they totally engaged themselves into land.

It is a fact that when the colonial rulers got more and more power, banians gradually lost their position steadily. But it seems unrealistic that after the Permanent Settlement all the banians gave up their trade and invested their capital in land. Basically Bengali banians engaged themselves completely into land after the fall of Union Bank in 1847. In my research work I have tried to give a clear picture on banian class; it's rise and development; relation with European and American merchants and it's influence on the society of Bengal. The thesis also attempts to seek the causes of the decline of the banian class.

The thesis is divided into five chapters. The first chapter seeks a definition of the banian. Here I tried to identify who were banians and what were their activities. In the second chapter I discuss that how the banians did their services to the Europeans. In this chapter I presented the diversified activities of banians in the whole of the eighteenth to the first half of the nineteenth century.

American came to Bengal in the last decade of the eighteenth century for trade. They mostly depended on Bengali banians. The third chapter throws light on

banians interaction with the American merchants and their role in the American trade from Bengal. Chapter four analyzes the influence of banians in the society of Bengal. In the concluding chapter I analyse the causes of the decline of the banian class.

In this thesis I have used both the secondary literatures and published and unpublished primary archival sources. I have used various archives and libraries in Bangladesh and India, particularly West Bengal.

The study admits limitations too. It would be great if I could do a comparative study on banian capital. We are still very ignorant of the size and use of the banian capital. We have no complete records on the quantum of exports made through the mediation of the banians.

Chapter One

Formation and Activities

This chapter defines the term banian, discusses about the formation of banians, presents various figures that fall under this term and traces the development of the banian. Banians, being the closest associates of the European and American merchants, collaborated with these foreign merchants to penetrate the nerve centers of every economic sector of Bengal. Their activities helped the East India Company to establish a firm command over all aspects of monetary benefits ranging from land revenue to every profitable commodity of internal trade. In fact, banians laid the foundation of European and American trade in this country.

Definition

The word banian comes from Sanskrit *vānija*, Hindi *baniyā*,¹ Bangla *banik*,² which means merchant. The lexicographical meaning of ‘Banian’ is shopkeeper. In other words it means a person having keen intelligence in trading.³ In the Bengal Magazine, the word banian occurs as a corrupt form of the term *banik*, which also means a merchant.⁴ The term ‘Banyan’ or ‘Banian’ as it is otherwise written, evidently comes from the *Banias*,⁵ the hereditary

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- 1 ‘Banian.’ Encyclopedia Britannica. Encyclopedia Britannica Ultimate Reference Suite. Chicago: Encyclopedia Britannica, 2010 (CD Version); Oxford Online Dictionaries.
 - 2 ‘Banian.’ Banglapedia- National Encyclopedia of Bangladesh (CD Version).
 - 3 Dr. Sirajul Islam, *Bangladesher Bhumi Byabasta o Samajik Samasya (The Land System and Social Problems of Bangladesh)*, 2nd Edition, Katha Bicitra, p. 68.
 - 4 Shubhra Chakrabarti, ‘Collaboration and Resistance: Bengal Merchants and the English East India Company, 1757-1833,’ *Studies in History*, 1994, vol. 10, No. 1, p. 107.
 - 5 The term ‘Banian’ also applied to Hindu and Jain merchants in Western India. It is Indian caste consisting generally of moneylenders or merchants, found chiefly in northern and western India; strictly speaking, however, many mercantile communities are not Banias, and, conversely, some Banias are not merchants. In the fourfold division of Indian

mercantile and banking class from ancient times, possessing invariably heavy purses, with extensive credit and influence in the community.⁶ According to the Hobson-Jobson dictionary the definition of the term is 'In Calcutta *banyan* is (or perhaps rather was) specifically applied to the native brokers attached to houses of business, or to persons in the employment of a private gentleman doing analogous duties (now usually called *sircar*). The word was adopted from *Vaniya*, a man of the trading caste (in Gujarati *vaniyo*), and that comes from Skt. *vanij*, 'a merchant.' The terminal nasal may be a Portuguese addition (as in *palanquin*, *mandarin*, *Bassein*), or it may be taken from the plural form *vaniyan*. It is probable, however, that the Portuguese found the word already in use by the Arab traders....'⁷ Dilip Basu also wrote that the term 'banian' is a pidgin version of the merchant caste name *banya*. It seems to have first gained currency among the Portuguese traders on Indian West Coast during the fifteenth century. Bengalis however, emphasize the non-caste character of the term, interpreting it as a state functionary (*mutsubdi*).⁸ Some of the Hindu appointees of Murshid Quli Khan were called *Ahal-i-kar* and *Mutsubdi*. Bengalis in the employ of East India Company's servants continued to call themselves *mutsubdis* while the British followed the subcontinental practice of calling them *banian*.⁹ In the south part of India such agents and brokers were called *Dubash*. In Myanmar they were called *Linguists* and in China, *Comprador*. These *banians* played very significant role to introduce foreign trade in the eighteenth and nineteenth Century Bengal.

society, the innumerable Bania subcastes, such as the Agarwala, are classed as members of the Vaishya, or commoner, class. In religious affiliation they are generally Vaishnavas (worshippers of the Hindu god Vishnu) or Jainas and tend to be strict vegetarians, teetotallers, and orthodox in observing ceremonial purity. The Indian leader Mohandas Gandhi belonged to a Gujarati Bania caste. Encyclopedia Britannica.

- 6 Bhola Nauth Chunder, 'The System of Banyanship', *Nineteenth Century Studies*, No. 8, October 1974, p. 461-475.
- 7 Hobson-Jobson, Online Dictionary. (Hobson-Jobson: Glossary of Colloquial Anglo-Indian Words and Phrases, and of Kindred Terms, Etymological, Historical, Geographical and Discursive was a dictionary of Anglo-Indian terms used during British colonial rule in India. Henry Yule and Arthur C. Burnell published it in 1886.)
- 8 Dilip Basu, 'The Banian and the British in Calcutta, 1800-1850', *Bengal Past and Present*, vol. 92, No. 1, 1973, p. 159.
- 9 Narendra Krishna Sinha, *The Economic History of Bengal- From Plassey to the Permanent Settlement*, Vol. I, Firma KLM Private Ltd, Calcutta 1981, p. 4.

In Anglo-Indian society and among the natives too, a banian was one who was engaged by an individual European merchant to work for him as a broker and agent. William Carey had noticed that the native manager of an English agency house, or a ship captain was popularly known as a *mutsuuddi* by his countrymen and as a banian by the Europeans.¹⁰ According to William Bolt:

A banian is a person (either acting for himself, or as the substitute of some great black merchant) by whom the English gentlemen in general transact all their business. He is interpreter, head book-keeper, head secretary, head broker, the supplier of cash and cash keeper, and in general also secret keeper. He puts in the under clerks, the porter or door keeper, stewards, bearers of the silver staves, running footmen, torch and branch light carriers, palanquin-bearers and all the long tribe of under servants for whose honesty he is deemed answerable; and he conducts all the trade of his master, to whom, unless pretty well acquainted with the country languages, it is difficult for any of the natives to obtain access. In short, he possesses singly many more powers over his master, than can in this country be assumed by any young spendthrift's steward, money-lender and mistress all together; and farther serves, very conveniently sometimes, on a public discussion, to father such acts or proceedings as his master dares not avow. There is a powerful string of connections among these banian, who serve all the English in the settlements of Bengal, as well in all public offices as in their private affairs.¹¹

Warren Hastings discussed the definition, characteristics and nature of the banian in a letter to Sir Elijah Impey dated 12 October, 1774. He wrote, "you may consider such a servant only as a steward, or one who you may usefully employ in providing common necessities for you. But banians are more than that; they are the people through whom every concern of whatever nature passes to their masters' and one could best be called simply 'your minister'."¹² In spite of having relations with the English, banians were mostly independent. These independent banians acted as middlemen between the foreign companies and the native primary producers.

10 W.H. Carey, *The Good Old Days of John Company*, Calcutta, 1907, p. 450

11 William Bolts, *Considerations on Indian Affairs*, Vol.1, London, 1772-1775, p. 84.

12 Somendra Chandra Nandy, *Life and times of Cantoobaboo (Krishna Kanta Nandy): The banian of Warren Hastings*, Allied Publishers, Bombay, 1978, vol.1, p. 3.

The foreign merchants had appreciated banians, being astonished by observing their higher level of intelligence and sharp realistic attitude. Their skill to learn any foreign language in a quickest possible time was simply amazing. French tourist Le Grand Prey, made a unique remark about the knowledge of banians in foreign languages. He said that Bengali banians were wonderful creatures. They could grasp foreign vocabularies so fast and well that was really fantastic. To tell the truth, everybody should admit their proficiency in many foreign languages. These people could fluently speak, read and write French, English, Arabic, Portuguese, Persian, Marawari and their own sacred language of Sanskrit.¹³

Generally banians used to receive their European masters on the arrival of their ship, arrange their accommodation, select their servants during their stay, supervise the loading and unloading of cargoes, convert the silver brought by them into sicca rupees, take them to *hats* and *bazaars*, provide capital if needed, and finally arrange a farewell nautch (*baizee* dance). P.J Marshall wrote that banian was his master's contact with the Indian world, a world with which most Englishman, lacking the linguistic skill and other expertise required, felt themselves unable to deal at first hand. The banian managed his master's household, engaged and dismissed his servants; paid his bills, even lend him money for his commercial concern. Moreover, the banian bought and sold on the Englishman's behalf, acted as his intermediary when his official duties required transaction with Indians, and for some employers at least acted as undercover agent in dealings from which Europeans were formally excluded.¹⁴ In return they got a commission. Banian was valued for his knowledge of internal markets and sources of supply. On the whole, a banian was the personal factotum of his European 'master'. He managed his household, kept his accounts, provided both the capital and the local knowledge for his commercial transactions, and in general was his link with the Indian world. He was a combination of steward, secretary and business partner.

13 Dr. Sirajul Islam, *Bangladesher Bhumi Baybasta*, p. 69.

14 P.J. Marshal, 'Masters and Banians in Eighteenth Century Calcutta', Blair B. Kling and M.N. Pearson (ed.), *The Age of Partnership: Europeans in Asia before Dominion*, Honolulu: University Press of Hawaii, 1979, p. 192-193.

Most of the English young men, before leaving London for Kolkata, used to collect names and addresses of faithful banians for making the new environment more favorable and familiar. Former staffs of the East Indian Company usually recommended and provided the names of obedient banians to their new successors. Their main target of the new assignment was to make maximum amount of money within a shortest possible period, enjoying magnificently, for ensuring an auspicious and well-established life later in their home. For example, the case of company writers may be cited. The monthly salary of each writer was two hundred rupees. It was enough to lead a solvent life at that time, but it was impossible to maintain a lavish life with this amount. Therefore, to enjoy luxurious life, those new company staffs had to borrow cash from banians. Being the loan source of money, they remained stand by to welcome any potential Englishman arriving at Kolkata Port. Banians knew the anchorage schedule of ships there and they had a common assumption regarding their bright future. They regarded every newcomer Englishman as a potential company officer as most of them were appointed as District Collector soon after their arrival. So, such a potential newcomer was targeted by many banians simultaneously. Each of these banians wanted to accompany the newly appointed collector as his banian in the journey to the concerned district for getting the highest post of Diwan, opened for the natives. His only target was to become a wealthier person through misuse of power of this position.¹⁵ The account regarding the feathers of banians, given by *Mrs. Eliza Fay* also reveals similar facts. She wrote, banians were seen to engage in serious competitions to get job of banian. After disembarkation, a new comer European was approached by many locals. The first one requested him by saying ‘My lord- please accept me, I’ll give you an advance of Rs. 5000, then the second candidate offers him Rs. 7000, the third one Rs. 10000 and so on. Many of them come forward to provide him such expenses of luxurious life. A common seen is sighted after a couple of months of their arrival-four staffs of the company, turning into a lousy crowd usually walk together on the street.’¹⁶

15 Sirajul Islam, *Bangladesher Bhumi Baybasta*, pp. 69-71.

16 Zakiuddin Ahmad, ‘Ostadosh shatake Banglar Samajik Srenibinnash’ (Social Class Structure in Eighteenth Century Bengal), *Itihas Patrica*, 1984, Issue-2, p. 48.

Generally, one could say that in the 18th century Bengal, a banian was an independent trader who came forward to help servants of the Company when they first arrived in Kolkata. All servants of the Company were engaged in private trade and the banian became his partner. But apart from that he also provided various other services: acting as an interpreter, finding a house, servants and even procuring a sleeping dictionary (a wonderful euphemism for a native mistress). The relationship between the banian and the British officer/servant of the Company began as an equal partnership. But as the century progressed and the political and economic power of the Company expanded and finally assumed forms of total control, the equality disappeared and the relationship acquired a master-servant character.

Banians were more generally trustworthy. In most of the cases, banians were given permission to use the goodwill of the concerned European company's name. The company without investing any capital just took share of the huge profit, earned by the concerned banian. A single banian often worked simultaneously for many companies. However, an attitude of mistrust between the European companies and their banians were exposed frequently. Both the parties even did not bother to cheat each other, whenever any opportunity favored one.¹⁷ Even then conflict of such small interest subsided under their common greater commercial gain. Banians and the European and American merchants played each other's complementary role throughout the 18th and 19th centuries. Moreover, their close mutual co-operation was reentry to run pseudonymous business for serving their common interest to earn more money. In this book drop, when Bengal entered the modern age, the British company's jurisdiction, banians emerged as a richer section of the society and gradually they were able to place themselves as an influential community loyal to the ruler.

17 Subodh Kumar Mukhopaddya, *Banglar Arthanaitic Itihas- Astadas Shatabdi (Economic History of Bengal-18th Century)*, K.P Bagchi & Company, Kolkata, 1981, p. 123.

Formation and Activity

Eighteenth century was broadly speaking a period of the rise of the Bengali banians. The policy of the early *Nawabs*, for example Murshid Quli Khan and Shujauddin, was to recruit the Bengali Hindus in different branches of higher administration in revenue and military departments.¹⁸ Their policy of investing *zamindari* on them initiated these Bengali persons in a new era of achievement. Around the Nawabs and their palaces at Murshidabad and Dacca, they flocked to form the nucleus of an official class whereas in Kolkata and elsewhere around the settlements of the Europeans they settled and formed the rallying points around which a substantial class of people could grow in future. The rise of the banians in the eighteenth century must be viewed as a part of new mobility in the society.¹⁹ They were flourishing in the new lines of trade with Europeans. For that most of the banians came from Hindu religion. Before Plassey all most all of the banians came from low caste and after Plassey high caste Hindus involved themselves in banian occupation.

A number of historians have shown that the trade and economy of Bengal was very vibrant during the pre-Plassey era and as a result Bengal was able to secure an important position in the international trade across the East. Merchants from different parts of the world started coming to Bengal hubs. They were Persian, Arabian, Turks, Abyssinian, Mongol, Jews, Armenian and Chinese traders from the East. There were also merchants from the West, especially from Portugal, England, France and Denmark who came to Bengal. There were good numbers of commercial hubs in the then Bengal. These were located at Sonargaon, Jagadia, Dhaka and Chittagong in the eastern part of the delta; Maldah, Rajmahal and Patna in the Northern area and Murshidabad, Kashimbazar, Satgaon, Hughli, Kolkata, Balashore, Chinshura and Chandannagar in the western part of the delta. European merchants traded in all

18 Jadunath Sarker (ed.), *History of Bengal*, B. R. Publishing Corporation, Delhi, 2003, vol. II, p. 410.

19 Ranjit Sen, 'A Note on the Banian, the Bengali Capitalist in the Eighteenth Century', *Indian Historical Congress of Presidential Address*, Bombay, 1980, p. 567.

these trade centres. Among them, the English, the French and the Dutch business tycoons played the most important role in foreign trade of Bengal. They had established their own forts to protect their wealth and interest in the 18th century. Fort William was erected in Kolkata by the English, while the French and the Dutch set up Fort Orlio and Fort Gostavas in Chandannagar and Chinsura respectively. The nature of trading of every European merchant in this century was almost the same. During the period, local banians worked as their interpreters, dalals (agents, intermediaries) and capital investors.

Banian being secured, the English started their business in right earnest and in regular style. They made choice of stations in the country, founded factories, built large warehouses, and entered upon the complicated system of operations. The sale of the imports from Europe was made by auction at the factories, in the interior towns and markets, where the commodities were transported in the hickories of the country, or on pack bullocks. For purchase of the cargoes for exports to England, there was the European functionary, in the district, who had first his banian or native secretary, through whom the whole of the business was conducted. The banian hired a species of broker, called a *gomastah*²⁰, at so much a month. The gomastah repaired to the *aurang*, or manufacturing town, which was his assigned station; and there fixed upon a habitation which he called his *cutchery*. He was provided with a sufficient number of peons, a sort of armed-servants, and hircarabs, messengers, or letter carriers, by his employer. These he

20 Generally gomastah was a salaried agent who surfaced at a time when the Company was thoroughly exasperated with the *dadni* (contract) system and resolved to procure its provisions directly or through the agency system. A gomastah was a contact man, who operated through dalals and pycars, advancing them money to be distributed to the primary producers and later collecting the finished products from the same men. He thus served as the most vital link in the chain of intermediaries, and was not directly associated with the primary producers. For a detailed discussion of gomastah see, Shubhra Chakrabarti, 'Collaboration and Resistance: Bengal Merchants and the English East India Company', 1757-1833, *Studies in History*, 1994, vol. 10, No. 1, Pp. 105-129; K.N. Chaudhuri, 'Markets and traders in India' in K.N. Chaudhuri and Clive J. Dewey, eds., *Economy and Society, Essays in Indian Economic and Social History*, Delhi, 1979; Sushil Chaudhuri, 'Merchants, companies and rulers: Bengal in the eighteenth century', *Journal of the Economic and Social History of the Orient*, Vol. 31(1), February 1988.

immediately despatched about the place, to summon to him the *dallals*²¹ and *pycars*. The dallals and pycars²² were two sets of brokers; of whom the pycars were the lowest, transacting the business of detail with the growers or manufacturers. The dallals again transacted with the pycars; the gomastah transacted with the dallals, the banian with the gomastah, and the company's European servants with the banian.²³ As overseer banian wielded enormous power over his subordinate intermediaries- dalals, gomastahs and pycars. Europeans banian, gomastahs and dallals were visible in every district and village- in every *haut* and *Bazar* interfering with the shop-keepers in even petty dealings of commodities like fish, straw, bamboo and oil, with holding payment and as regards larger operations by threats, not vain purchasing at the lowest price, selling to the highest advantage and passing off all their goods duty-free under the immunity which was legally possessed only by the Company. In the course of their proceedings these native agents and dependents arrested, flogged, imprisoned and loaded with fetters people who refused to accept their terms, or dared to come across their way.

Regarding the activities of the banians, banianship followed five distinct stages. Such as, before Plassey; Plassey to Permanent Settlement, Permanent

21 The dalals were brokers whose main function was to bring the buyer and seller together. The dalal in eighteenth century Bengal was essentially a contact man and information supplier who received a small commission when the transaction was successful. No capital was necessary for his work. An insolvent person who had failed in business was ideally suited for the role of a dalal. Robert Hunter, a contemporary businessman had written from Dhaka to the Board of Trade, 'business was transacted through the channel of a set of creditable men called Dellols who constantly, in consideration of a small premium, furnished all goods by contract, and were answerable for all outstanding balances...'. Board of Trade Commercial, Proceedings, 16 July 1776, letter dated 8 July 1776 cited in Shubhra Chakrabarti, 'Collaboration and Resistance', p. 110.

22 Pykar was the another important intermediary merchant for European who actually combined several roles in one. Besides purchasing on behalf of his employer, a pykar was an independent trader, a supplier of capital, a superintendent of the weavers, an entrepreneur possessing his own looms and silk filatures, as well as a contractor who supplied goods in return for a fee. Unlike a dalal he was not a broker, though the nature of his work was very often similar. Except indigo and opium, in which the Company enjoyed a complete monopoly, all other articles of commerce were purchased through the pykars.

23 Bhola Nauth Chunder, 'The System of Banyanship', *Nineteenth Century Studies*, No. 8, October 1974, pp. 461-475.

Settlement to 1813 Charter Act²⁴, 1813 Charter Act 1813 to 1833 Charter Act and 1833 onwards. It is not possible to bind in banian's activities into an exact timeframe. But banians activities varied greatly in each of these five stages. From the nature of their work one can discern a routinization of steps leading to banianship. In the ascending order, step one would be broker to Fort William Governor and the Council Member; Step two, servant or *sircar* to a ship's stevedore and then to stevedore; step three, banian to a private trader or Company's factor; step four, banian to an agency house or a government department; at the final stage, the banian would become a merchant and entrepreneur in his own right, dealing directly with a number of agency houses, having his own insurance company with large shares in joint-stock companies and banks.²⁵ In every stage they played miscellaneous role. At least until the 1780's, a 'good' banian was essential for any European who hoped to make a successful business career in India.²⁶

Before Plassey the formation of baninan class, their activities and social effect were limited. In the course of time they started to work mostly as interpreter, broker and capital provider. During this period the European trade in Bengal played very prominent role in the economy of Bengal. Among the European companies the English became the strongest party from the late seventeenth century. The procurement policy of the English East India Company, known as 'investment' was not depended on the economic laws of demand and supply. So, they had to face some problems in procuring exportable goods. Being ignorant about local language and market situation, they had no other way but to solely depend on the local intermediary traders. However, the intermediaries often failed to procure goods meeting up the required quality and demand

24 The company lost the monopoly right under the Charter Act of 1813, which made India open to free trade. However, the company still retained the monopoly of China trade. But this residue privilege was also abolished under the Charter Act of 1833. Henceforth, the East India Company as a business concern had to compete with others on equal footing.

25 Dilip Basu, 'The Banian and the British in Calcutta, 1800-1850', *Bengal Past and Present*, vol. 92, No. 1, 1973, p. 160.

26 Somendra Chandra Nandy, *Life and times of Cantoo Baboo (Krishna Kanta Nandy): The banian of Warren Hastings*, Allied Publishers, Bombay, 1978, vol.1, p. 3.

specified by the European companies. Sometimes, they used to pressurize the companies to draw extra loan in advance. As a result, every company had to appoint a chief trader to solve these problems.²⁷ Other concerned partner intermediaries had to work under that chief, who was generally mentioned in the document of companies as broker or dallal. In fact banians were those brokers or dallals. They were appointed locally in most of the merchant offices owned by the companies and the Europeans were fully depended on them for procurement of the goods.²⁸ Dallals or intermediary traders were awarded contract by a particular company following the recommendation of its banian.²⁹

27 Benoy Ghose, 'Some Old Family Founders in 18th Century Calcutta', *Bengal Past and Present*, Vol. 79, No. 147, 1960, p. 44.

28 Sushil Chaudhury, 'European Companies and Export trade in 18th century', Sirajul Islam (ed.), *History of Bangladesh (1704-1971)*, Vol-2, 3rd Edition, 2007, page-184.

29 As per the contract, dallals were responsible to supply goods as per the companys' specification at the fixed rate on a fixed day. They enjoyed a fixed commission against the supply and an advance payment depending on the volume of ordered goods. This arrangement for goods purchase was known as 'contract system' and the advance money given to the brokers was termed as 'dadany' and the broker who used to take 'dadany' were called 'dadny merchant'. Dadny merchants had a good network all over the country. They used to make payment in advance to the artisans like weaver, technical professionals and other producers at grass root level through their agents called 'Gomasta' for procuring their whole products. Other responsibilities of those agents include physical supervision of the production at the concerned places to secure the quality of products and to supply those as per schedule. In case of any failure, generally dadny merchants were made responsible. The amount of advance (Dadany) was determined case-to-case basis and its range was 50 to 80 percent of the total value of the ordered goods. Shushil Chaudhury, *Trade and Commercial Organization in Bengal 1650-1720*, Calcutta, 1975, page-158-159. The dadny system, in Bengal, became an accepted norm in the pattern of the Company's trade during the second half of the century. In the early years of English trade in the Bengal subah, dadny was paid partly in kind and partly in cash at some places. The practice of advancing raw materials to the producers and artisans, however, could not be continued after 1660 in Bengal. For detailed see Binoy Shankar Mallick, 'English Trade and Indigenous Finance in Bengal and Gujarat in the Seventeenth Century: A Study of Dadny System and the Rate of Interest', *Studies in History*, 1986; 2; 31, pp. 31-44.

Rate of Interest on Dadny Money in the second half of the seventeenth century

Year	Place	Rate of Interest in Percentage	Reference
1678	Hughly	1-1.50	Masters Diary, I, pp. 113, 137.
1679	Hughly	1.25-2.0 & 2.50	Ibid., II, 317, 336.
20 Nov. 1680 to Oct. 1682	Qasimbazar Malda	annas per gold muhr 1.25	Malda Diary, pp. 85, 91, 95, 112, 119, 125, 133, 136, 138, 186, 190, 193, 199, 205.

Before the Plassey, the Governor and each of the Council members of Fort William had at least one banian. Initially, those banians had to earn confidence of the company staffs, and then started enjoying liberty to supervise the business concern of their respective masters. According to Dilip Basu ‘The Governors of Fort William depended entirely then for business on their broker and left everything to them.’³⁰ However, the concerned banian was accountable for the whole trading deal beginning from disbursement of advance payment among the dadny merchants to the shipment of goods.³¹ Sometimes banian himself took *dadan*. Two noted families of Kolkata having long tradition in doing business were *Seths* and *Basaks*. Members of both the families were appointed as banians of the British East Indian Company. Some other contemporary Banians who became very famous are Indranarayan Chaudhuri and Harikrishna Roy. They represented French and Dutch merchant offices at Chandannagar and Chinshuara respectively.³²

The Europeans had to face a major problem for supplying commodities in Bengal. There was a prolonged crisis of capital. The problem increased because there was no demand for the European commodities which were imported by the Company. The English people took up all-out effort to create demand for imported cloths. But they failed as nobody purchased those. So the imported cloths were kept in godowns for years together.³³ Beside finished products, gold and silver were also imported in a very limited scale during special seasons. These metals were known as bullion, and the bullion was converted into current rupees by local mints and indigenous banking houses like that of the Jagat Seths of Murshidabad, on commission. This family had absolute mastery over the Bengal mint, controlled the bullion price. So the European had to accept any rate

30 Dilip Basu, ‘The Banian and the British’, p. 46.

31 Sushil Chaudhuri, ‘Merchants, companies and rulers: Bengal in the eighteenth century’, *Journal of the Economic and Social History of the Orient*, Vol. 31(1), February 1988, p. 76.

32 Sushil Chaudhuri, ‘European Companies and Pre-modern South Asian Commercial System- A study of Bengal in the Eighteenth Century’, *Calcutta Historical Journal*, XI: 1-2 (1986-87), pp. 120-33.

33 Subodh Kumar Mukhopaddya, *Prak Palashi Bangla (Bengal before Plassey)*, KP Bangchi & Co., Kolkata, 1982, p. 54.

offered by Seths. As a result, the companies had to raise extra capital to purchase goods. Obviously this was a very complicated process, and the company's agents had to face and solve severe monetary difficulties from time to time in getting regular supply of their investment.

The usual method of getting regular supply was by giving *dadan*. Owing to the frequent shortage of capital shipped from home and stringent currency difficulties, company's agents could not always pay the required percentage of advance money to *dadny* merchants for the purchase of goods, and were often indebted to them for heavy sum. The proper period of commodity supply generally commenced with the sailing of European ships from Bengal. The price of exportable items often increased by 40 to 80 percent due to delay in procurement and supply phrase.³⁴ Therefore, just after the sailing of Europe-bound ships, commodity supply agreements were signed with the *dadny* merchants to ensure next year's consignment. The Companies had to pay the outstanding dues and the new year's advance to the *dadny* merchants simultaneously. As it required a huge amount of money, local moneylenders and *banians* became the company's sources of capital. It reveals more clearly from the fact that the companies had a huge amount of outstanding debts till 1757.

The foremost problem of getting regular supply of investment had to be solved, and it was solved by the same touch of English foresight as had been done earlier in regard to many a knotty problem. The solution was sought in the appointment of a broker, who was to act as the main link between the company and the *dadny* merchants.³⁵ Under this circumstance, they had to depend for investments on this group of merchant-middlemen, generally under a chief merchant, called broker by the Companies. In pre-Plassey Bengal, this broker maintained *banians* role. Every Company official including the Fort William Governor and the Council members had one or more *banian* who looked after their business concerns. He was

34 Shushil Chowdhury, 'European Companies and Export Trade', p. 185.

35 Benoy Ghose, 'Some Old Family Founders', p. 44.

responsible for money advanced to the dadny merchants as also for the timely supply of the export commodities.³⁶ The banians acted not only as brokers and agents but also as capital providers. It is argued that most of the capital investments of the individual European merchants were locally procured and the greatest source of such capital was the banians.

The first British ship, *The Falcon*, when anchored at Kolkata port in 1679, Ratan Sircar, a professional washer man was appointed its local representative cum interpreter. Later, he acquired huge wealth continuing business with the foreign companies. Ratan Sircar Garden Street, a road named after him in Kolkata by the city authority during that period, testifies his position and prestige. Another example is *Huto* and *Bali Kotma* families who were banians at Kashimbazar Kuthi.³⁷ Seth and Basak emerged later as pioneer banians in Kolkata in the first half of the eighteenth century.³⁸ By caste, they were associated with the cloth and yarn trade. Some scholars called them as dadny merchants, some other identified them as brokers. Their involvement with the cloth business of the country earned them immense fortune and provided the ground on which the English in the early years of the eighteenth century developed association with them.

Before 1757, they worked as chief merchants and the companies appointed dadny merchant in Kolkata. They had their own commodity supply network throughout Bengal. Seth and Basak families developed Kolkata as a commercial area with the establishment of their business headquarters long before the arrival of Job Chernak, who further expanded the city as the main

36 Sushil Chaudhuri, 'Merchants, companies and rulers: Bengal in the eighteenth century', *Journal of the Economic and Social History of the Orient*, Vol. 31(1), February 1988, p. 76.

37 S. Bhattacharyya, *The East India Company and the Economy of Bengal*, Firma K.L. Mukhopadhyay, Calcutta, 1969, p. 202.

38 The Seths and the Basaks are believed to have migrated from Saptagram, the traditional port of Portuguses trade which had decline because of the silting up of the river Saraswati in the sixteenth Century. For detailed see G.D Basak, 'Kalighat and Calcutta', *Calcutta Review*, 1891, Vol. 92, p. 319-320.

trade centre of East India Company. They set up a huge market here for the trading of cotton yarn and cloths. The place was named as *Sutanuti*, located in North Kolkata. These two Bengali merchant families were top dadny trading partners of the East India Company during the first half of the 18th century. Handloom products were the main good, traded by the company. Seths and Basaks had to take the prime responsibility of supplying the cloths and yarns from the weavers by providing them advance cash payment (dadani).³⁹ Being dadny merchant, they played a very important role in the company's commodity supply chain.

We find the earliest reference of the Seths in the English records in the year 1706. In a resolution on Seths' Garden in 1707 the names of Janardan Seth, Gopal Seth, Jadu Seth, Baranashi Seth and Jaikrishna *Seth* are mentioned. Of these five Seths Janardan and Baranashi were brothers. They were practically rulers in the Company's field of commerce in Bengal in the first quarter of the 18th century as brokers. Janardan Seth was appointed as the Company's broker on the 18th October 1706. After his death on 9th February 1712, Baranashi Seth succeeded this post.⁴⁰ Their family traditionally held the post of broker. The great commercial influence of this family reduced the Company's textile merchants in Kolkata to a 'closed corporation'. Even the Court of Directors in London was aware of the importance of and services rendered by the Seth family and wrote to Kolkata appreciating the Seths' assistance in the Company's business.⁴¹ At this time they were the only persons who could serve best the interest of the company, as economic and social leaders of the weavers' community in Bengal. As broker they continued to exercise autocratic control over the Investment policy of the Company.

39 Benoy Ghose, *Banglar Samasik Itihaser Dhara 1800-1900 (Trend of Social History in Bengal)*, 2nd Edition, Book Clab, Dhaka, 2003, p. 57-58.

40 Benoy Ghose, 'Some Old Family', p. 45.

41 Sushil Chaudhuri, 'Merchants, Companies', p. 80.

In the first half of the eighteenth century Seths were very powerful among the Company's 'native servants'. For example, in April 1709 when the English in Kolkata received notice that Mir Muhammad Raza, Commissioner of the Prince's Treasury, was in a few days expected to pass through Hugli, they resolved to send Janardan Seth, their broker, to wait on him and present him with a gift to the value of Rs. 500/- which they promised him last year for 'accommodating affairs' between them and the Hugli Government. Janardan was received very kindly by Muhammad Reza, who promised to do all he could do for the Company. The broker's representation of the Company's case was unexpectedly fruitful, so much so that Mir Muhammad informed the council in a letter that 'he will make the Company's business his own'.⁴² The Company also refer to the Seths in significant terms, 'The Seats [Seth's] family who are indeed our most secure merchants and yearly take great share of our Dadney (advance); that we judge it our interest to encourage all persons that bring in the best cloth and they (the Setts) are generally those who have most influence over the weavers, which must be men of substance and credit.'⁴³

The Basaks who were closely related to the Seths through inter-marriage experienced similar stress and strain. A list of merchants trading with the East India Company in the early eighteenth century shows the preponderance of the Seths, but it also mentions the names of a number of Basaks. The details of Sobharam Basak estates indicate the variety of business activities of the Basak family until the middle of the eighteenth century. They had business of cotton-piece goods and spices, the former presumably for the European market. They also traded opium for the Chinese market and other commodities for Coastal Middle East and Persian Gulf countries.⁴⁴

42 Benoy Ghose, 'Some Old Family', p. 45.

43 Atis Dasgupta and Subhas Ranjan Chakraborti, 'The Growth of Calcutta: A Profile of Social Dislocations in the Early Colonial Period', *Social Scientist*, Vol. 20, No. 3/4 (Mar-Apr 1992), p. 38.

44 *Ibid.*

Some of the prominent members of the Basak like Radhakishen Basak, Cashinath Basak, Ramsoonder Basak, Radhamohon Basak were prominent in their business arena.



European trader and Bengali Banian

In 1717, the East India Company received *farman* from Farrukh Siyar. Under this farman the English Company was entitled to trade in Bengal without paying the normal customs duty. Based on the right derived from the imperial farman, the company used to issue *dastaks* (permit) authorising their agents to trade customs-free within the province of Bengal.⁴⁵ This farman is regarded as the

⁴⁵ Farrukh Siyar's Farman of 1717 relating to the Subah of Bengal included the privileges listed below: (1) That all the goods and necessities carried by the agents of the English company either by land or water would be free of custom-duties on payment of the yearly *peshkash* of Rs.3000; (2) If the goods of the company be stolen, every measure should be taken to recover the lost goods and punish the thief; (3) In their attempt to establish factories at any place, they should be provided with every assistance; (4) In the event of any native merchant or weaver becomes indebted to the company's factors (agents), the amount should be paid back; (5) Measures should be taken so that the boats owned or hired by them are not molested by anyone; (6) That the villages bought by the company remain in their possession and the *Diwan* of the subah shall accord permission for renting of some adjoining villages; (7) If the silver coins minted at Madras be as good as the ones coined in the port of Surat, no discount should be demanded of them; (8) In case a servant of the company being debtor wants to escape, he be seized and handed over to the chief of the Factory; (9) If the company's goods are lost in shipwrecks, special care should be taken of the belongings of the company. In addition to the above important privileges

Magna Carta of the English trade in India.⁴⁶ With main provisions there was also other provisions that all goods and necessities which their factors of the Subahships carry or transport either by land or water, are custom free. It also meant that they may buy or sell at their pleasure.⁴⁷ This right, which the *farman* conferred to the company was not to be exercised by the company's private traders. But in practice, the private traders of the company generally abused the free trade right by producing the *dastak* to the *chowkies* of the government. The *chowkidars* had reasons to believe that most of the *dastaks* produced by company traders were produced just to cover their own private trade. The company sold *dastaks* at high price not only to European private traders but also to native merchants. Banians took advantage by using Company's *dastak* to their own trade. It was very profitable for them. No other merchants, regardless of native or foreign, enjoyed the privileges of the *dastak*. The East India Company, as such, was greatly responsible for the abuses of the *dastaks*.

It is evident from the discussion made so far that in the first half of the 18th century banians collaborated the Europeans in several ways, they (1) helped to establish connection with the local marketing system, (2) Organised *dadny* merchants for procuring export items, (3) Promoted and expanded business applying their own knowledge and intelligence, (4) Provided capital and (5) Misused the *dastak*. Thus banians became very important to the company officials for their business. However, exceptionally a few English officials were very much critical about the role and performance of banians. They raised

granted by the *farman* of the emperor, the *hasb al-hukum* issued by the prime minister, contained some additional privileges such as (a) Issuing of *dastak* (pass) by the chief of the factory, which would ensure the free passage of goods under the name of the English company without being checked at the customhouses; (b) The coining of the company's gold and silver in the Murshidabad mint may be allowed for three days a week if it is not against the interest of the nawab; (c) The possession of the villages with zamindari rights in and around Calcutta along with the permission of farming some other villages petitioned for should be allowed with the permission of the *diwan* of the Subah. For details see Banglapedia.

46 Sukumar Bhattacharya, *The East India Company and the Economy of Bengal: From 1704-1740*, Firma K.L Mukhopadhyay, Calcutta, 1969, p. 21.

47 *Ibid*.

question about the integrity of banians in the company's council meeting. Initially, the council members discussed the issue and opined in favor for appointing banians as they felt that the appointment was essential to protect the company's interest. In 1738 the council listed up the following reasons in favour of maintaining brokers office⁴⁸:

'First, A principal end in employing a broker is to secure the dadney by his being bound for the money advanced, his influence on them cannot stand in competition with the risque of bad debts nor of ill consequence while the President and Council do their duty.

'Secondly, The merchants have met with several such heavy and severe losses their real circumstances cannot be known though to appearance are men of fortune and credit.

'Thirdly, If the Company's orders take place they apprehend many party's will arise among the merchants to the Company's prejudice which ... may be suppressed by a man of fortune and figure being at the head supported by the President and Council.

'Fourthly, Though some few merchants have indisputable fortunes yet giving the investment to so few will be very prejudicial by their advancing the prices more than a greater number can, who are a check upon one another and some of them have reason to believe this is the design of several merchants who are desirous the office should be abolished.'

It is clear that there was a difference of opinion regarding the role of banians among the company officials. Reasons which made the role of banian debatable were—they had different view on the procedure of advance payment of dadan, their failure in meeting up the deadline of supplying goods and failure to maintain the quality and standard of goods etc. Banians, being very clever and tricky, had a mindset to settle any issue amicably to serve their own interest. On the other hand, company officials, having private and transferred business used to give indulgence to banians for earning more money. Banians could emerge as a stronger rich class in the society under the favour of Company's

48 Benoy Ghose, 'Some Old Family', p. 50.

servant. Because if Bengali Merchants found it convenient to become banians, it should not be assumed that they necessarily compromised their independence to any significant extent. According to P.J Marshal, 'In commercial matters the banian was his master's partner rather than his servant and there can be no doubt that in many partnerships it was the banian who was the senior partner, making the decisions and merely paying a commission for the use of his master's name and his *dastak*. A company servant was said to be able to get '20 to 25 percent by a trade in which he runs no risque and has no trouble merely for procuring to his banian permits or *dastaks*.'⁴⁹

The English Company introduced agency system or gomasta system⁵⁰ in 1753. By this a new phase of the Company's Investment began in Bengal. From that time, decline of the Seths family started. On the other hand new forms of banianship developed. After Palashi the value and volume of private business of Company officials increased manifold and with that the importance of the banians also enlarged. Ambitious Indians had been competing for the favour of the Governor and the Council members as they had competed for favour at the Nawab's Durbar. There were factions among the Company officials and their banians quickly learnt how to exploit the situation to fatten them. During this period almost every servant of the Company had his own banian. Clive had Nobkissen (Nabakrishna Dev) and Hastings Kanta Babu (Krishna Kanta Nandy). Nobkissen was the founder of Shovabazar Raj family and Kanta Babu was the founder of Kashimbazar Raj family. Kanta babu was the banian of Francis Sykes also.⁵¹ The princely fortune which Sykes made no doubt owed much to Kanta babu's skill. Hastings' skills in managing his own affairs were

49 P.J Marshal, 'Masters and Banians', p. 105.

50 The establishment of the 'agency system' meant the establishment of the monopoly of the Company over the entire sphere of internal and external trade. Under this system, producers were open to serious abuses as the gomastas backed by the increasing power and influence of the Company (particularly following the political changes of 1757) were in a position to dictate arbitrary terms and conditions to the producers. In that, the Residents and junior servants of the Company who were usually deeply engaged in private trade supported them.

51 An important member of Clive's Council and resident at Murshidabad.

very much inferior to those of the banian.⁵² Nobkissen and Kanta Babu both were very powerful in their times. They were also known as ‘political banian’ of the English Company. Some example of other important banians in second half of the eighteenth century were Gokul Ghoshal, Joynarayan Ghoshal, Naku Dhar, Joykrishna Sinha, Ganga Govinda Sinha, Kashinath Babu, Akrur Dutta, Ramdulal Dey and many others.

Profiles of a few leading Banians are discussed here to evaluate their importance in the Bengal trade and economy. The Englishmen considered Rutto Sircar (Ratan Sircar) as a very important banian during the mid 18th century. During the pre-Plassey era, he was financially very well off. According to his statement of wealth prepared in 1764, the value of his assets only in Kolkata was Rs. 71,318. He had 19 houses in Kolkata of which 8 were rented out to the Europeans; Eleven Europeans took a total loan of Rs. 70,000 from him.⁵³

Gokul Chandra Ghoshal as the banian of Henry Verelst, went to *Chittagong* in 1760. Verelst later became the Governor of Bengal. The interpersonal relationship between them was so deep that it helped Gokul a lot to achieve tremendous success. In 1761, Verelst was in charge of Chittagong, Gokul Chandra, being his close associate, was made the diwan of provincial council. He could earn and save a huge quantity of wealth exploiting his position and as well as the trader of salt, betel-nuts and tobacco. He was also granted a native estate called Bhu-kailash. His son Joynarayan, an employee of the Company, was posted at *Sandweep* as a *kanoongo*. As the diwan of Chittagong, Gokul Chandra was once sent to *Salimabad*, the largest pargana of *Bakerganj*, with an assignment to settle a conflict among local zaminders. Exploiting this opportunity he took over the estate (pargana) through suspicious transaction of money. He was a high caste Brahmin. The company government could

⁵² S.C. Nandy, *Life and Times*, p. 4.

⁵³ P.J Marshall, ‘Masters and Banians’, p. 195.

establish its command in Chittagong area through him. When Gokul Chandra died in 1779 as a top wealthy person, he had 13 zamindaris. His other leading establishments were estates in Dhaka and Chittagong and salt-beds in Sandweep. He developed another salt bed in Hugli, West Bengal, which went into huge production in the late 1760. He was owner of 24 houses in Kolkata and half of one of the largest parganas of Bengal situated in the west- central area. Its boundary covered whole of Bakerganj (*Barisal*) with its border stretching upto *Jessore* border.⁵⁴ The value of the assets of Gokul Goshal evaluated in 1783, was about five million dollar.⁵⁵

Another banian Laxmikanta Dhar, known as Naku Dhar, rescued the English from various dangerous situations by lending money. During the beginning of East India Company's rule in Bengal he played the role of financier as Jagat Seth did for the Nawabs of Murshidabad. Naku Dhar had no son. Therefore after his death, his grandson Sukhomoy Roy, inherited his maternal grandfathers' entire wealth and assets. Sukhomoy also acquired abundant wealth serving as the diwan of Sir Elija Impey. He was conferred the little 'Raja' (king) during the region of Lord Minto. Sukhomoy was the lone Bengali director of the Bank of Bengal. Biswambhor Sen, basically a local merchant, alone had served as the banian of 20 European traders houses (Kathi). At the time of his death, he had a bank balance of 200 thousand pound.⁵⁶ Other top contemporary banians include Ramdulal Misra, Kashinath Mukherjee, Gobindaram Mitra, Manahar Mukerjee, Hridoy Ram Benerjee and Madan Dutt.

Serving as a banian became increasingly attractive after 1757. Then the company had at their disposal more revenues than had ever been known to their mighty Queen Elizabeth; and after the long years of struggle with scanty capital, employed them, to their hearts content, in their investments.⁵⁷ Their

54 Nariaki Nakajato, *Purba Banglar Bhumi Baybasta 1870-1910 (The Land System of East Bengal)*, UPL, Dkaka, 2004, p. 140.

55 P.J Marshall, 'Masters and Banians', p. 197.

56 Benoy Ghose, *Banglar Nabajagriti*, Orient Longmen, Kolkata 1993, p. 59.

57 Bhola Nauth Chunder, *op.cit.*

servants got banians to find them money for their own business. During this period banian also discovered the British business methods. He was in a distinctly advantageous position because he could trade with his own capital. He knew market conditions, the country and its people very intimately.⁵⁸ The post of a banian then carried with it much prestige and power, in addition to profit. The prospect of sharing in his master's spoils from his office in the new administration was now dangled before the banian's eyes, but there were obvious advantages too for those who wished to prosper as merchants. Limitations on the goods covered by the *dastak* were quickly broken down, thus greatly enhancing its value as salt and other 'inland' commodities began to move custom- free. With Europeans beginning to assert their authority over more and more of Bengal, an apparent connection with one of the new rulers must have seemed increasingly desirable insurance for an Indian merchant to take out to protect his trade.

The importance of the occupation of banians got momentum after 1757, when the East India Company collected a large amount of revenue from Bengal. It may be mentioned that the company did its business with that money. They did not bring any bullion from England during 1757-1797. At that period they did their business by the revenue, which was collected from Bengal. Meanwhile from 1757 to 1765 the company collected a huge amount of money from the new state government in exchange of providing defense and political assistance. They utilised the surplus amount of the collection of purchasing exportable commodities from local markets. From 1765, the company started buying export items with the unspent amount of revenue after meeting up the administrative and military expenditure of Bengal. Banians extended their all-out support and operation during this period. Being the close associates of the company, banians collaborated them in implementing all their evil designs starting from the conspiracy against the Nawab to the oppressive tax and revenue collection from the farmers of Bengal. Because of their collaboration

58 N.K. Sinha, 'Indian Business enterprise: Its failure in Calcutta (1800-1848)', *Bengal past and present*, Vol.-86, No-1, 1967, p. 113

the company could overcome the crisis of capital required for investment. Banians extended their support to each of the policy adopted by the company to materialise their end.⁵⁹ In return the banian got share of the opportunities opened by the company in the field of trade and commerce following the defeat of the Nawab in 1757.

The English merchants expanded their business through their banians and gomastas from domestic (Bengal) and inter-provincial (India) markets to the international sector across Asia. Moreover, the Government of Bengal could realise a very small amount of revenue from them because of their evasive attitude. European merchants and local traders were better paymasters in this regard. The malpractice of tax evasion through dastak was regular phenomenon of the company officials. They were also very reluctant to pay any duty on salt production and other trades along the coastline. Beside their co-operation to all these misdeeds, banians' capital, intelligence and efforts were regarded as effective inputs. European merchants unusually got 20 to 25 percent of the total profit.⁶⁰ Local traders of Bengal had to suffer recurrent losses because of the extra opportunities and illegal practices enjoyed by the English. In 1762, Mir Kashim, in this context, wrote a letter to Governor Vansittart which read as follows: '...these were examples of behaviour of your gentlemen. They (Company staffs) created disturbance all over my country by looting wealth of the people, assaulting and dishonoring our staffs ... they sold and purchased many goods including salt, betel nuts, ghee, rice, bamboo, fish, gunny bags, ginger, sugar, tobacco and opium in every village, pargana and factory. I could mention names of many other things, but it's better to stop here unnecessarily. They snatched away various goods from the farmers and the local traders by paying only one fourth of their real price. Again by repressive steps, farmers compelled to buy goods from them paying five times higher than the real price. A taxpayer, who gave one hundred rupees as land revenue is insulted and

59 Bola Nath Chander, *op.cit.*

60 Subodh Kumar Mukhopadhyaya, *Prak Plassey*, p. 46.

arrested for the delayed payment of only five rupees. They prevented my staffs to exercise our authority. My staffs had been desisting from their duties in each district resulting in sharp fall of revenue collection. So my total annual loss of revenue now stands at 250 thousand rupees.’⁶¹ During that period personal business of the company officials, reached to its peak. It was learnt that four to five hundred factories were set up throughout Bengal under their ownership.⁶² These factories as well as the private trading of the company officials were run through local banians and gomastas.

After 1765, banians were more in request than ever, to screen the officers of government by means of ostensible agents, entrusted with their private concerns, acting as the principal. The company’s servants also tried to create new openings for themselves in their legal private trade. On the other hand after obtaining *diwani*, the Company used the banians like Ganga Gobinda Singh, Ratan Sarker, Jayram Tagore, Ramdulal Dey, Kaliprasad Dutta etc. The rise of these people to eminence represents the first generation of late 18th century indigenous parvenus who made fortunes through collaboration with the British.⁶³ Service with an influential European had much to offer to an astute banian. His master’s power and prestige were assets of great value to him. If his master’s made a fortune, so would he.⁶⁴ At that time the banians became very conspicuous in the judicial records as *benani* transaction were very numerous. Jmupey’s words were very characteristic- ‘they all do the act and say to the black man you are responsible.’ A banian best described the situation in the course of his evidence in the Mayor’s court: ‘Master was to manage in Calcutta and I was to manage at the aurng.’⁶⁵ The Mayor’s Court records from 1757 to 1774 indicate that after Plassey the high caste

61 Ramesh Chandra Dutta, *The Economic History of India*, Vol. 1. Delhi, 1960, p. 23.

62 Subodh Kumar Mukhopaddya, *Banglar Arthanaitic Itihas, Astadas Shatabdi*, p. 127.

63 Anil Acharya, ‘Cultures of a Metropolis’, *Economic and Political Weekly*, Vol. 25, No. 46 (Nov. 17, 1990), p. 2541.

64 S.C. Nandy, *Life and Times*, p. 3.

65 N.K. Sinha, *The Economic History*, Vol. I, pp. 85-86.

Hindus must have found this occupation very profitable. As private trade expanded, high caste Hindu banians became more and more numerous in judicial records. They threw themselves into this servitude so that they might rise by their degradations.⁶⁶ Practically for most banians personal service was primarily financial and commercial.

In the second half of the eighteenth century banians played miscellaneous roles. A company servant wrote in 1770, 'our buying and selling is carried on by the means of a banian i.e. a Bengal man who has acquired some knowledge of our language and accompts. He mentions the Price offered or demanded for any articles and when approved closes the sale with the black merchants. He is also cash keeper..... So that you trade sometimes without either seeing the cash or the goods you purchase. Your banians is only to keep the accompts in which you must be very exact or fall a sacrifice to the banian who misses no opportunity of benefiting by your folly or neglect'⁶⁷ During this period which almost untrammelled for scramble for wealth, the Bengali banians played a very important role in British private trade transactions. They knew all the ways, "all the little frauds, all the defensive armour, all the artifices and contrivances by which object slavery secures itself against the violence of power."⁶⁸ As a matter of fact that at this time the English Company's officials earned huge fortune to use their banian; they used their banian's name in private trade and banian used their master's name to abuse dastak. These made a strong business relation between banian and his master.

After taking over the stewardship of Bengal, the company reformed its land administration in 1772 to ease the revenue collection process. The step helped banians to achieve the highest ever target. So in reality, European merchants could make abundant wealth in this country through banians. During the period

⁶⁶ *Ibid*, p. 103.

⁶⁷ P.J. Marshall, 'Masters and Banians in Eighteenth Century Calcutta', p. 192.

⁶⁸ N.K. Sinha, *The Economic History*, Vol. I, p. 101.

from 1765 to the end of the 18th century, the company took away highest volume of economic wealth from the country in the name of export. Regarding this issue, Sirajul Islam thinks that the period, beginning from the year of obtaining diwani of Bengal to the year (1786) of Lord Cornwallis's assumption might be described undoubtedly as the 'era of naked exploitation.' The target of each Englishman and his collaborator banian in the period was to become a billionaire overnight. During this era of exploitation, most of the country's wealth was extracted by two classes- English administrators, and Banians. By 1790, the economic supremacy of banians reached to its peak.⁶⁹ The relationship between the Englishmen and their banians was so intimate that any native once extended help and co-operation to an Englishman, was called a banian. It was simply impossible to run private or personal trading of the company officers and the business of the company itself without banians.

European merchants took large support from banians in the second half of the eighteenth century Bengal. The young writer landed in Bengal without money but eager to acquire a fortune as quickly as possible. The banian took possession of him, got from him the ticket of an Englishman's name, the power which it conferred and in return supplied him the money he needed. In the case of Radhakisore Roy vs. Executors of John Grose deceased, supervisor at Rangpur in 1772, we find that the banian had made an advance upwards of 50,000 rupees for which there were no bond.⁷⁰ Europeans were in the habit of referring to almost any Indian who had been dealing with them in Bengal as a banian. In 1774, Warren Hastings told a newcomer to Bengal that he would have to appoint a banian, these are the people through whom very concern of whatever nature passes to their masters.⁷¹

Cornwallis introduced Permanent Settlement in 1793. After Permanent Settlement most of the banian invested their capital on land. One-third to one

69 Sirajul Islam, *Banglar Bhumi Byabasta*, p. 74.

70 N.K. Sinha, *The Economic History*, Vol. I, p. 101.

71 P.J Marshal. 'Masters and Banians', p. 192.

half of the zamindaris of Bengal were sold by the rigour of the Sale Law and they were mostly bought by rich parvenus, the banians from Kolkatta, who had amassed their fortunes in their transactions with the English, the French and the Dutch and by those who had made money by banking, contracts, inland trade and such other activities.⁷² The implementation of the sunset act under the new system became the root cause of ruining the enormous zamindar families of Bengal. As the effect of sunset law, ownership of about half of the total land scheduled in the revenue list of Bengal was transferred within the first 25 years.⁷³ Most of the new landowners came from Banian class. Some leading Banians who were involved in land management include: Ganga Gobinda Sinha, Pran Krishna Sinha, Manik Chand, Kanto Babu, Darpa Narayan Thakur, Gopi Mohan Thakur, Daneshmand Nitthyanon, Gokul Ghoshl and Joynarayan Ghosal etc. For example, it may be mentioned that the zamindari established by Prankrishana Sinha after the permanent settlement was very big stretching from Comilla to Benaras.⁷⁴

During the Mughal period Murshid Kuli Khan adopted a policy to form greater zamindari in each district integrating all small zamindaries there. But the British government on the contrary, took up a policy of disintegration on different grounds. The main reason behind this step was to ensure revenue collection consolidating the administrative control over the smaller units of zamindari. This type of zamindari is an evolution of the land policy of British administration and the banian is an evolution of its commercial policy. During that time there were four principal modes of investment known to the capitalists of the country- investment in zamindary, investment in Kolkata lander property, investment in Government securities or Bank shares and investment in banianship business. The last is almost the only way known of investment in the commercial way.

72 N.K. Sinha, *The Economic History*, Vol. I, p. 4.

73 Sirajul Islam, 'The Operation of the Sun-Set law and Social Changes in the Landed Society of the Dacca District, 1793-1817', *Journal of the Asiatic Society of Bangladesh*, vol. XIX, No. 1, April 1974, p. 52.

74 Sirajul Islam, 'Changes in Land Control Under the Early Operation of the Permanent Settlement', *Journal of the Asiatic Society of Bangladesh*, Vol. XVII, No. 3, 1972. p. 26.

In this period indigo, opium and coastal trade opened new avenues to the British private traders. The savings of the civil and military officials went into the agency houses which began to fund the private trader's commercial interests. The result was a relative decrease in the need for banian capital.⁷⁵ For the most of the eighteenth century Europeans had traded on their own, aided by their banians or in short-lived partnerships. The Mayor's Court records give ample evidence of the debts owed by the Company's servants or free merchants to Indians, like Huzuri Mal, Gokul Ghoshal, Nabakrishna Deb (Nobkissen), Krishna Kanta Nandi, Rutto Sircar and Prabhuram Mallik.⁷⁶

Eighteenth Century Banian & His Master's Name

Name of Banian	Name of Master's	Name of Banian	Name of Master's
Hazari Mal	Waren Hastings	Ramratan Tagor	James Alexzander, Richard Barwell
Nimchandra Mallic	James Alice	Krishna Chattapadhay	Waren Hastings
Shantiram sinha	Samuel Medelton	Kali Prashad Bose	Charls Stuert
Kashinath	Robert Clive, Edward Hardweek	Rambalah	James Alexzander
Ramlochon	John Helimi	Bhabani Mitra	Richard Barwell
Harikrishna Tagor	Richard Bebar	Lal Manik Chand	Goodland
Jagat Ram	Henri Vensitart	Ramhori Biswas	Harris
Darpanarayan Tagor	Huilar	Dattaram Gosh	James Kingly
Ramcharan Ray	Henri Vensitart, General Richard Smith	Krishna Kanta Nandy	Warren Hastings Francis Sykes

⁷⁵ Dilip Basu, 'The Banian and the British', p. 162.

⁷⁶ Amales Tripathi, *Trade and Finance in the Bengal Presidency, 1793-1833*, Oxford University Press, 1979, p. 9.

By the end of the eighteenth century European Agency Houses⁷⁷ became well established in Kolkata. The duties of their banias were to take charge of safety and security of goods and with all due care and diligence to keep all such goods, wares and merchandize of the firm. Goods were from time to time deposited with or entrusted to them to re-deliver when they shall be required or disposed of in like order or condition as deposited or entrusted, reasonable wear and tear excepted.⁷⁸ In 1804, the parliament opens the trade with India to private enterprise; and there was a rush of eager adventurers into the field. Men out of as well as in service now sought for banians with an equal avidity. There was no public Bank for accommodation in the country, until, the year 1824. The banians then were the only hope for all those adventurers who came without funds or any letter or credit.

In the early nineteenth century every planter, therefore, tried to secure a diwan, and every merchant a banian. To quote Baboo Kissen Mohun Mullick ‘soon after the abolition of the company’s monopoly, agents of certain respectable Liverpool Houses set up here with a view to take an active part in the import and export business of this country and successful as their operations proved, others followed them, and in a few years several houses were established in Kolkata, with London and Liverpool connections noted for their wealth and influence.’⁷⁹ But in spite of such wealthy and influential connections, the

77 Agency House was the authorised European merchant house trading in Bengal with licence from the East India Company. At first agency houses main work was buying and selling for others on a commission basis. Originally most of the agency houses had little to do with mercantile transaction on their own account. But latter on, especially after 1793, as their business expand, they were naturally tempted to take to independent trading, besides acting as agents for others. Few years latter some of the houses trespassed on the domain of banking; and gradually most of them started acting as bill-brokers, shipowners, freighters, insurance agents and purveyors. They soon found themselves in a position to advance money at high interest, and of course, acted as consignees of goods shipped from London. The agency houses had no capital of their own. They depended for the most part on the savings of the Company’s servants. Indian capitalists were also attracted by these houses of deposit. For detailed see S.B Singh, *European Agency House in Bengal (1783-1833)*, Firma K.L Mukhopadhyay, Calcutta, 1966.

78 N.K. Sinha, ‘Indian Business Enterprise’, p. 113

79 Bhola Nauth Chunder, *op.cit.*

agents out here could scarcely proceed with their boasted development of the resources of this country, without a banian at their back. The merchants wanted the banian for him to make payments in cash and the planters to obtain advances for their indigo and silk factories. Speaking comparatively, these were the days of somewhat shorn banianship without any of the looting and lording of the times which ushered the system into existence.

During 1814-1833, there was a large influx of private traders to Kolkata and the agency houses were unable to support their capital needs.⁸⁰ Because of the inflow Bengal saw more foreign manufactures, however there was not enough inflow of foreign capital. The banian, with his ready money and services, once again stepped in. After the opening of India trade to the private British merchants India was flooded with Manchester goods. This was known as consignment Trade Goods to stock. The surplus stock was shipped by merchants in Britain to agency houses to be sold on commission. So long as chambers of commerce did not develop the consignment system badly needed the service of banians.⁸¹ There was a time when some half a-dozen banians managed all the mercantile business of Kolkata and accumulated vast fortunes.

After the failure of the agency houses⁸² a second and a very different phase of Indo-British partnership began in the pursuit of commercial profit during

80 Dilip Basu, 'The Banian and the British', p. 162.

81 N.K. Sinha, 'Indian Business enterprise', p. 112.

82 The first Anglo-Burmese war affected agency house's money market adversely. At the end of the year 1826, money became scarce, and the agency houses were placed in a difficult situation. They had to borrow money at high interest, but even that was not available easily. Some of the minor agency houses failed in 1827, and there spread a panic in the money market. People began to doubt the solvency of the remaining houses. Many of their partners withdrew their capital. As confidence was shaken, no fresh capital flowed into their coffers in the same proportion as before. The economic depression in Great Britain at the time aggravated their distress. Within 1827 to 1833 Kolkata's big agency houses business came to an end. The failure of the principal houses of agency did not all at once bring an end to the system itself. The commerce of Bengal came into the hands of the junior establishments, of which some were liverpool firms that promised to be of considerable benefit to Bengal as well as to Great Britain; S.B. Singh, *op.cit*, p. 294.

the years 1834-1847. In the new agency houses after the crash of 1833, the banians were active partners; some had Europeans employed as their agents. A contemporary observer noticed a change of attitude in the new banian vis-a-vis the British: 'banian assumed airs which their more wealthy predecessors had never taken on themselves; they treated their European connections not only with contemptuous disregard, but often with much insolence. The Hindu star was in the ascendant....'⁸³ This time British and Bengali merchants invested together in companies associated with steam tugging, coal mining, indigo manufacturing, tea planting, river steamboat services and railroad building. In their heyday the Bengali banians also joined in the development of Kolkata's commercial infrastructure: chamber of commerce and commercial newspapers. On the whole, what these merchants achieved in the corporate field was in no way small compared to European enterprises of that period.⁸⁴ Three banians Dwarkanath Tagore, Rustamjee Quasjee and Motilal Sheal, pioneers of the new trade venture founded Car Tagore & Co. (1834), Rustamjee Turner & Co. (1827) and Oswald & co. (1840) respectively with their British partners. The nature of the business was mentioned as 'General Merchants and Agents'.⁸⁵ The roles of Bengal banians were equally important even after becoming partner of trade agency houses. Dwarkahath Tagore and Rustamejce Quasjee were directors of Union Bank, the largest banking organization set up by the joint venture of indo-British partners in the 19th century. The bank had a capital

Failure years of the great five agency houses of Kolkata

Name of the house	Failure year
Messrs Palmer & Co.	Jan. 1830
Messrs Alexander & Co.	Dec. 1832
Messrs Mackintosh & Co.	Jan 1833
Messrs Fergusson & Co.	Nov 1833
Cruttenden Mackillop & Co.	Jan 1834

83 Dilip Basu, 'The Banian and the British', p. 163.

84 Binayeik Sen, 'Industrial Entrepreneurship', Sirajul Islam (ed.), *History of Bangladesh (1704-1971)*, Asiatic Society of Bangladesh, Vol. II, 2007, p. 333.

85 N.K Sinha, 'Indian Business enterprise', p. 113.

of over one million pound. Dwarkanath Tagore took the initiative to establish Union Bank and it went into operation in 1829 with an initial capital of only one point six million rupees. Both the entrepreneurs were also pioneers of insurance with British partners. They were associated with Hope River insurance company and the Alliance Insurance Company. Dwarkanath Tagore was one of the founders of Bengal Coal & Co and the Calcutta Ducking Company.⁸⁶ British merchants and Bengal banians jointly started investing in projects like container ships, coalmines, indigo industries, tea gardens, steamers for inland waterways and railway construction. Leading banians of Kolkata, who invested their capital in various projects, were Tagore family, Radha Kanto Dev, Ashutosh Dey, Biswanath Motilal, Ganga Gobinda Sinha's family. These banians were emerged as the first generation entrepreneur and developed the industrial sector of Bengal.

By the end of 18th century, another opportunity opened up to banians, when American traders came to Bengal. The operation of American trading in Bengal started through two merchants Patick Jackosn and Henry Lee. The period which covers the French revolution and the Napoleonic war (1793-1815) is regarded as the golden age of American trade in this region. From 1800 to 1812, American merchants used to export goods from Bengal to their country as well as to Europe and South America. American dollars brought by the concerned merchants in this connection had a high demand in the backdrop of the then economic scenario.⁸⁷ The Americans used to purchase all commodities from Kolkata through Banians.⁸⁸ They took over the monopolistic control of Bengal's export market from the British merchants and became the important key player throughout the late 18th century and the early 19th century. Banians of Bengal contributed greatly for the success of the American merchants.

⁸⁶ *Ibid*, p. 118.

⁸⁷ Subodh Kumar Mukhopadday, *Banglar Arthanaiyic Itihas- Unabingsha Shatabdi (Economic History of Bengal- 19th Century)*, K.P Bagchi & Company, Kolkata, 1987, p.122.

⁸⁸ Sirajul Islam, 'Americans in Calcutta Bazaars in the Early Nineteenth Century: Images and Interpretations', *Journal of the Asiatic Society of Bangladesh*, Golden Jubilee Volume (1956-2005), 2005, p. 224.

The American traders preferred the native banians to the British agency houses, which cost 30 percent more for goods than the market rate.⁸⁹ In other words it is said that American goods in Kolkata would be purchased with the help of a banian. Disposing of the inward cargoes and procuring and packaging of the cargoes of the return voyage was also the job of the banian. Since the Americans had to depend on banians for the procurement of commercial goods, their banians took the responsibility properly.

Besides the procurement of exportable goods, Banians also collaborated with them to send the consignment by ships. Merchant ships, owned by Ramdulal Dey, a banian, were used to carry Bengal goods to Latin American ports for the buyers. Dey worked as the banian of Jackson, Lee and other British agency homes and American merchants. Beside the banian profession his shipping business helped him to be a very important partner of Anglo-American merchants. As a result, other contemporary local banians had to take all responsibilities from procurement and shipment to the delivery of goods to the destination ports for their American masters. In Kolkata, the most liked banians to American merchants were Ramchandra Mitter, Ramdhan Benerjee, Mada Dutta and Tilak Benerjee.⁹⁰ American merchants engaged banians instead of agency houses, because their services could be obtained at a much cheaper rate.

After the enforcement of permanent settlement by the end of 18th century, majority of Bengal banians became zamindars leaving their earlier profession. But a few of the rest depending on the operation of American merchants and the trading houses established in Kolkata developed over the years. They were in an advantageous position for having a sound knowledge about the nature of British trade. This is because; at this time the European merchants operated

⁸⁹ Sukumar Bhattacharya, *The East India Company*, p. 117.

⁹⁰ Sirajul Islam, 'Contributions of Asian Trade to the Early Transformation of the United States of America', President's inaugural lecture presented at the Asiatic Society of Bangladesh on 3 January 2009.

their business through agency houses. Banians were the source of both capital and commodities of these agency houses.

Profiles of some top Banians of the 19th century are discussed below.

One of the famous banians Rustamjee Quasjee was born in 1792. He arrived in Kolkata in 1821 from Bombay and worked as a banian for different European companies. Like Dwarakanath Tagore he was also a partner of British merchants engaged in Shipping, Banking, Insurance, docking business etc. He was the owner of *Khidirpur* Shipping Dock and a director of Bengal salt company.

Motilal Seal, having a limited proficiency in English language, started his business career as a dealer of bottlers and corks. Later he worked as the banian of about 20 European agencies. He was a partner and the banian of Osworld Seal & co. Among the contemporary banians, he secured the top position in export market. Motilal Seal used to export indigo, salt, sugar, niter and opium to many countries. Besides, he was involved in shipping business. Motilal seal's tag steamers were once seen plying along the coast of Bengal. Being the Banian of Osworld Seal and co. he used to realize only 5% interest from them instead of the market rate of 12%. In 1847, as a banian, he had a bank balance of 350 thousand rupees.⁹¹

Raghu Nath Goswami of Sree Rampur worked as a banian of Danish East India Company and Danish captains. He invested his capital to procure goods for the company and its staffs. Goshami worked as the banian of Palmer & co. for a short period. When his previous company suffered a financial set back, he took the banianship of Cockiral & co.

Ramdulal Dey (1752-1825) was first billionaire of Bengal. He worked as a banian for several American merchants. Ramdulal became an orphan in his childhood and being a penniless he had to struggle a lot for becoming a

91 N.K. Sinha, 'India Business Enterprise', p. 113.

successful and established person later. He began his career as a 'Dues Collector' of Madan Mohon Dutt, an investor with a monthly salary of only five rupees. He, on behalf of his master, bought a ship and earned a profit of one hundred thousand rupees by selling the scrap. Being very pleased over the good effort of Ramdulal, Madan Mohan Dutt donated the whole amount of profit to him. He also allowed him to run business independently with that amount besides the service. Then Ramdulal started shipping business with American merchants and earned a huge amount of profit. He became the agent of most of the shipping lines, operated in Kolkata port in 1800; he established his own clearing and forwarding agency in Kolkata. He was the first Bengali merchant and entrepreneur, whose performance and status were same as those of the Americans and the Europeans.

In the middle of the nineteenth century banians' capital and activities were badly affected by the fall of agency houses of Kolkata. They in particular appeared to be excited in an unprecedented degree, and it might be ascribed partly to their discontent and angry feelings towards Europeans arising from causes connected with the transaction of commerce.⁹² After that some prominent banians started their business with Europeans as joint venture. Again they were unsuccessful in 1848 by failure of the Union Bank. From this incident banians lost their faith on European business method entirely. Since then the Bengali banian businessmen practically withdrew themselves from any adventurous business activity in Kolkata. They totally engaged themselves in land and their successors never enjoyed such kind of works which was related to European business. On the other hand Marwari traders gained the position of Bengali banians.

With the failure of union Bank in 1848, the condition of Banians declined in all respect. They withdrew themselves from agency trading and export-import trade and invested their whole capital in landed property. However, they were playing important role in the American ventures till then. Banians were the driving force

92 S.B Singh, *op.cit*, p. 279.

of all commercial activities of Americans in Bengal. Kalidas Dutt, Rajendra Dutt, Girishchandra Dutt etc. were noted contemporary banians, who looked after American business in Bengal. Rajendra Dutt, Kalidas Dutt and others worked as banians of leading American shipping lines like George Aukland & co., Atkinson Tilton & co., Richard Lewis, Norman Brothers and Wheel Night & co. They also founded a shipping company, Dutts- Lintzy & co. jointly with American entrepreneur Lintzy. Moreover, they invested huge capital to some business concerns like Ganga's Pilot & co., Hugli Tag & co., Sree Rampur Spinning & Weaving Co. and Rishra Yarn & co. It is evident that banians were closely associated with the American business in Bengal throughout the second half of the nineteenth century.⁹³

Most of the builders of the great families of nineteenth century Kolkata and of Bengal were originally banians. Their wealth was used in building palaces in Kolkata and in their native villages, purchasing zamindaris after the Permanent Settlement, buying Company bonds and in social and religious ceremonies. Banian and their descendants laid the foundation of the culture of the Bengali elite. In the nineteenth century while banian enjoying new economic status, Hindu society broke up into the conservative Hindus and the Brahmo Society. Rammohan Roy with the help of Dwarkanath Tagore established the Brahmo Samaj. In their movements and bargains with the British rulers Bengali respectable classes moved towards the development of certain common standards of behaviours and certain cultural norms which were to mark them as *bhadraloks*.⁹⁴ This class began to move into more serious activity that was of enormous significance for the history and development of Kolkata. The impetus of this change also came from the British who from the beginning of the 19th century began to change their policies: to introduce Anglophone education in Bengal. The affluent Bengalis also welcomed the idea of

93 Shubhra Chakrabarti, 'The East India Company and the Indigenous Sloop Merchants of Bengal: Akrur Dutta and his Family', *Studies in History*, 2004, vol. 20, No. 1, p. 156.

94 Anil Acharya, 'Cultures of a Metropolis', p. 2542.

Anglophone education. This enthusiasm was manifested among those like Rammohun Roy, who believed that Hindu society needed to be reformed and purged of obscurantist beliefs and practices. Rammohun Roy was associated with the project of establishing Hindu College in 1817. This college, renamed Presidency College in 1855, became the learning centre of western education. On the other hand banians' descendants were different from their forefathers. This new English educated generation became respectable Hindus and soon acquired important places in the administration of government and also became politically conscious.

Chapter Two

European and Banian Connections

Banians were mostly involved with European merchants. Here we discuss how banians managed Europeans. European merchants in the seventeenth and much of the eighteenth century sought to establish themselves firmly in the complex world of Bengal trade. However, initially they lacked the power and other qualities which they needed to fulfill their aspiration. “They were forced to trade on Asian terms, not on their own. It was not until the early nineteenth century that the military power and accumulated wealth of the British were such that they could begin to dictate the terms of trade. Because of that in the long period banians were the essential intermediaries who enabled them to compete in alien conditions. Much as most Englishmen might abuse their banians, using epithets like ‘a race of vermin’ or ‘the dregs of the people’, they could hardly have done without them. There was a case records to the will of William Lambert, who was in succession military paymaster, chief of Dacca English Factory and chief of Dinajpur Provincial council of Revenue (1774)- ‘I give and bequeath unto my faithful banian Balluram Mazumdar, so faithful that words are insufficient to describe it, and to whom I am indebted for every rupee I have hitherto gained.’”¹

Firstly, banians’ responsibility was to arrange dadny merchant to collect goods and provide capital for European merchants. As more and more of Bengal came under the direct British control, banians were able to establish themselves as revenue farmers, zaminders, capital provider for agency houses and finally started business in joint venture with Europeans. In this chapter we explore the highly diversified and dynamic activities of the banians in the eighteenth and nineteenth centuries. The chapter attempts to explain how the banians were able to make their fortune as successful traders, revenue farmers and zaminders.

1 N.K. Sinha, *The Economic History of Bengal*, Vol. I, p. 102.

Goods Collector

In the beginning of the eighteenth century Bengal enjoyed an affluent foreign trade. The abundance of her agricultural products and the excellence of the manufactures left little scope for the import of articles from outside. The traffic of international trade was, therefore, rather one-sided. The excess of exports over imports had to be paid for by bullion, which flowed into Bengal in increasing quantities as her trade with foreign countries and with Europe grew in volume.² At that time foreigners were mostly guided by banians. Europeans were relied on the banians to purchase goods from different producing centers of Bengal. From the seventeenth to nineteenth century the banians helped the Europeans tremendously in this regard. Banians took major place not only to collect goods but also supervised European's goods marketing from dadny system to agency houses.

The fair price of products and high quality industrial products specially raw silk, textiles and food grains of late mediaeval Bengal attracted merchants of various countries of Asia over the overseas traders of Europe. European companies generally used to export various commodities from Bengal such as different types of textile fabrics, raw silk and salt-petre to European markets.³ For the procurement of goods, the European merchants had to depend on local traders who would collect goods utilizing their local knowledge and networks. During the 18th to the first half of the 19th century, banians were involved in collaborating with the European exporters. With the introduction of agency system in 1753, they were detached from the process for the time being. But again the servants of the East India Company used those banians for procuring exportable goods in many ways. In the 19th century, banians discharged the responsibility of supplying goods to the agency houses.

In the early 18th century, a monopolistic control of banians over the investment policy of the Company gained a firm footing. Financing money to gain profit from transactions, business and industries were regarded as investment. But in that sense, the official trading of the East India Company cannot be seen as investment at all. The practical

2 S. Bhattacharyya, *The East India Company*, p. 214.

3 Sushil Choudhury, 'European Companies in the 18th century', p. 176.

meaning of that investment was purchase of exportable goods. In reality the company used to establish the right to purchase all exportable goods even before the production through agreements. Therefore, in India, their purchase of commodities was termed as investment. Banians being the deposit of dadny traders and the job provider of workers enjoyed the right to fix the prices of goods during the purchase. The price fixed by them was regarded as highly justified and reasonable. But a trade record shows that a consignment of products purchased by 43 thousand pound from Kolkata could be sold out in France at higher rate of over 150 thousand pound.⁴ The record tells clearly that the collaboration of banians yielded how much profit for the company. Banians and dadny traders also earned huge amount of monetary benefit out of the trading with the Europeans. However, the list of items and the volume of each product were fixed earlier in Europe by the importers to be purchased by the company for export from Bengal. The company used to buy the commodities considering the demand and the trend of European markets. Major items they procured from Bengal during the first half of the 18th century include cotton fabrics, silk cloths and raw silk. As the volume of silk fabrics production went up in England during the second decade of the century, import of the same from Bengal was stopped instantly to protect their own national economy. However, the volume of export of raw silk to England increased simultaneously. The rate and volume of exportable goods originated from Bengal were determined after assessing the demand and price of respective goods in the markets of England.⁵ All the directives and advice to run the company's trade were sent from England according to the decisions taken at the company directors' meeting. Besides the Directors' meeting also used to issue order regarding the small business deals. If the directives and advises were not followed properly by the Company Council in Bengal, the company directors did not hesitate to dismiss the entire Council including the governor.⁶ The directors meeting, held annually in every January, were responsible to prepare the list of commodities, purchasable from India specifying the names of different exportable goods, quantity and required standard of quality. They used to send a revised list when the rates of export items are fluctuated in the London market. After receiving the list, sent by the Director meeting, the experience of local merchants and trade organisation of Bengal were consulted for the procurement. Banians led the merchants of Bengal.

4 Dilip Basu, 'The Banian and the British', p. 49.

5 K.N Chaudhuri, *The Trading World of Asia and the English East India Company 1660-1760*, Cambridge, 1978, p. 301.

6 *Ibid.*

Agreements between the local merchants and the leading factories, owned by the company were signed after bargaining and negotiation over pricing. Banians played the role of mediators between the company and the local merchants. In other words, the company appointed banian almost in every factory owned by it. Their primary tasks were to pay advance to the dadny traders and to deliver the consignment within the scheduled period. During the pre-Plassy era, Seths and Basaks had their own exclusive goods supply centers.⁷ During the period these two families were so influential that they had absolute control over the dadny traders, who run business under their shelter. Dadny traders, with the help of banians signed contract with the company on fixed terms and conditions. A specimen of such agreement signed in 1739 is given below⁸:

<i>List of Goods to be Provided in the Bay of Bengal for the Ships going out in the Year 1730.</i>			
	<i>Price</i>	<i>£</i>	<i>Sh.</i>
<i>Adornments of low Prices, Six thousand Pieces</i>	6000	2200	8 1/4
<i>Ditto Fine with gold Heads, Three thousand</i>	3000	1500	4 3/4
<i>Aliballies low Prices, Five hundred</i>	500	650	1 1/4
<i>Bastards of low Prices, Eighteen Yards long, Six thousand</i>	6000	1875	13 1/2
<i>Ditto very fine with gold Heads, Fifteen hundred</i>	1500	625	3 3/4
<i>Ditto Sugdea, of Twelve Yards long such as received by the Heathcote, Ten thousand</i>	10000	3625	18 3/4
<i>Bandanoes or Tuffa de Teelas, as by the Styles, Six thousand</i>	6000	3072	7 1/2
<i>Carriदारि very good, such as the Fine (Bale by the Heathcote, or (see note) One thousand</i>	1000	123	1 3/4
<i>Carriदारि common, One thousand</i>	1000	170	1 3/4
<i>Chillars of the same goodness as the finest that came by the Heathcote, Three thousand</i>	3000	750	5
<i>Cheritars of the low Price, set, as by the Heathcote, Four thousand</i>	4000	1060	6 3/4
<i>Coppees Two thousand</i>	2000	880	3 3/4
<i>Chints Patna, as directed last Year, Thirty thousand, and that Twenty thousand of them be glazed and the following Chints in proportion</i>	30000	12000	73 3/4
<i>Ditto Copseimbuzar, Ten thousand</i>	10000	812	11
<i>Ditto Calcutta, as ordered last Year, Six thousand</i>	6000	1254	6
<i>Buttanrees Allays Plain, well Covered and good variety of</i>			
<i>Stripes and Colours, One thousand</i>	1000	700	1 1/4
<i>Ditto Striped and Flowered, also well Covered, Two hundred</i>	500	500	3/4
<i>Coppees Fine, Yard and half broad, with gold Heads, at least as good as those by the Heathcote, Four thousand</i>	4000	7000	10
<i>Ditto of an inferior Sort, better than the Heathcote, Six thousand</i>	6000	6000	15
<i>Ditto Fine, Yard and three eighths broad with gold heads, better than the Heathcote, Two thousand</i>	2000	1000	5
<i>Ditto of an inferior Sort, Two thousand</i>	2000	1750	5
<i>Ditto Orua Yard and eighth to Yard and three sixteenths broad, Fifteen thousand</i>	15000	12750	37 1/2
<i>Ditto Yard broad, of the lowest Prices, Eight thousand</i>	8000	1110	20
<i>Ditto Charpoote, Yard broad as by the Heathcote, Five thousand</i>	2000	4000	5
<i>Ditto of the same Fabric of a lower Sort, Five thousand</i>	2000	2500	5
<i>Coppees Jerry</i>			

7 Dilip Basu, 'The Banian and the British', p. 161.

8 BL: OIOC: E/3/5, f. 97, 1730.

In fact banians worked as middlemen between dadny merchants and the Company. We can understand the terms and conditions of their transactions from the following contract signed in 1739:

‘I ... do hereby contract with the President and Council at Fort William on behalf of the Hon’ble United Company of Merchant Trading to the East Indies for pieces of sundry goods the particulars as under written amounting to ... current Rupees and are calculated at the medium price of the whole; In consideration whereof I do acknowledge to have received ... Rupees in part thereof and is sixty-eight per cent on the Gurrals, sixty on Photates and Romalls and fifty per cent on all other goods. I do also hereby oblige myself to deliver into the Company’s factory the whole quantity of these goods so contracted for before the expiration of the month of December next at the farthest and I do agree that the fine goods shall be sorted into five sortment and the middle piece of the three so drawn shall be the piece on which the price shall be made of the whole sortment and if the said piece should prove wrose than the muster contracted for then an abatement shall be made thereon in proportion to the said muster and I do further consent and agree that in case the amount: of this contract being Rupees ... calculated at the medium price as aforesaid should not be delivered into the Company’s Factory in the particular species contracted for within the month of December according to the tenor hereof then I do allow a premium of ten per cent to be paid to the Company on the deficiency that may happen thereupon and it is also agreed that on the arrival of the shipping expected from Europe there shall be another payment made to me of seventeen per cent of the Gurrahs, twenty-five per cent on the Photates and Romals and thirty-five per cent on other goods shall be delivered in as aforesaid and the several accounts made up and adjusted then I am to receive whatever balance shall appear due to me thereon. Dated in Fort William this ... day of March 1738/9’.⁹

In 1745, the Council accepted six or seven Sets for the security of the Company’s dadny.¹⁰ In 1748 the Kolkata Council persuaded the merchants to sign contract for dadny and ready money goods worth about 30 lakh rupees.¹¹ Here we find full details

9 S. Bhattacharyya, *The East India Company*, p. 157.

10 Sushil Chaudhuri, ‘Merchants, Companies’, p. 80.

11 N.K. Sinha, *The Economic History*, Vol. I, p. 6.

of East India Company's Investment in 1751-52 on the eve of the abandonment of the policy of investment through dadny merchants¹².

Dadny Contracts	.....	.....	1,053,756
Ready money Goods	.....	.....	352,054
Account Saltpetre	.....	.....	265,670
Subordinate Factories			
Cossimbazar	.....	.....	568,400
Dacca	.....	.....	840,390
Jugdea	.....	.....	252,880
Bullamgery	.....	.....	32,900
			Total = 3,366,050

After 1753 the Company employed gomasta to collect goods. But they did not serve their duty properly. At one stage gomasta and banian, the both class, worked for Europeans for supplying goods. We can find the instance of such kind of supplying of commodities from the following case.¹³

'No.4 Translate of Lokenaut Nundee's Contract for Raw Silk dated 9 June 1774.

'I, Lokenaut Nandee do hereby agree and contract with the Hon'ble Company for the delivery of the Raw Silk to be provided at the Cossimbazar Factory agreeable to the quantity and price hereunder specified and I will supply them with a further quantity and price hereunder specified and I will supply them with a further quantity if possible; but to enable me to perform my agreement with the Company, I require that all the naccas which are at present employed by them in the Mufussul be delivered to me together with the use of their several naccad-connah rent free and that I be furnished with Rewannahs, Dustucks etc. necessary for conducting the business and advances to be made (to) me as follows:

12 *Ibid.*

13 Lokenath Nandy was Krishna Kanta Nandy's son. Kantababu used the name of his son, Luckonaut Nundee or Lokenath Nandy in 1768-69. Then Lokenath was four years old. Thus Lokenath Nandee launched his career as a salt merchant. The trade of Lokenath with the Company is recorded in detail in the Proceedings of the Board of Trade from March 1775. The Board of Trade received a petition from him giving a proposal for the regular supply of silk goods; Proceedings of the Board of Trade (Commercial) of 3rd March 1775, p. 416.

On the beginning of the contract	... 8 annas
Two months after the date of the contract	... 4 annas
When I begin to make my deliveries of Silk into the Warehouse	... 2 annas
The remaining at the finishing of the contract and settling my accounts	... 2 annas= 16 annas

‘The contract to finish by the 1 March 1775, at the expiration of which time, should any balance remain in my hand from a neglect or non-performance of the contract, I promise to pay after the rate of 15 per cent for all such sums as penalty, but should the Company not make me Advances agreeable to the times hereinbefore stipulated I shall in the same proportion of course fall short in my deliveries of silk’

Particulars of Silk Contract

Bauleah	6 Lettered wound-	200 Maunds	@ Rs. 11- 8- 0 per seer
-do-	5 „ „	400 „	@ Rs. 11- 0- 0 „ „
Factory Wound	5 „ „	600 „	@ Rs. 11- 0- 0 „ „
Commercolly	4 „ „	300 „	@ Rs. 9-10-0 „ „
Rungpur	5 „ „	300 „	@ Rs. 8- 8- 0 „ „
-do-	3 „ „	100 „	@ Rs. 8-12-0 „ „
Jungeepore	5 „ „	200 „	@ Rs. 10- 3- 0 „ „
72 Sicca weight to seer		2100 Maunds	

‘No. 2 Translate of Lokenaut Nundee’s and Prankissen Singhees Contract for Silk piece goods dated 9 June 1774.

‘We, Lokenaut Nandee and Prankissen Singhees do hereby agree and contract with the Hon’ble Company for the delivery of the Silk piece goods to be provided at the Cossimbazar Factory agreeable to the quantity and price hereunder specified, but to enable us to perform our agreement with the Company, we desire leave to purchase our own Tannah with ready money at the places where it is produce without being hindered and molested and that all the Weavers which are at present employed by the

Company may be immediately delivered over to us and further that the advances are made to us as follows:

On the beginning of the contract	.. 12 annas
When we begin to make our deliveries of	
piece goods into the Warehouse	.. 2 annas
The remaining at the finishing of the	
contract and settling our accounts	.. 2 annas = 16 annas

‘The contract to finish by the 1 March 1775, at the expiration of which time, should any balance remain in our hand, we promise to pay after the rate of 15 per cent for all such sums as penalty, but should the Company not make me Advances agreeable to the times hereinbefore stipulated we shall in the same proportion of course fall short in our deliveries of silk piece goods:

Bandannoes Fine	5,000 pieces @ Rs.	4- 6- 0 per piece
-do- Ordinary	6,250 „ @ „	7-13-0 „ „
Chhappah bordered Bandannoes Fine	3,500 „ @ „	4- 6- 0 „ „
-do- Ordinary	6,200 „ @ „	7-13-0 „ „
Pomray Bandannoes	624 „ @ „	9-12- 0 „ „
Lungee Romalls	5,250 „ @ „	12-12-0 „ „
Muggee Romalls	2,00 „ @ „	12-12-0 „ „
Pullicat Romalls	3,750 „ @ „	13- 0- 0 „ „
Red Taffaties	2,974 „ @ „	14-12-0 „ „
Balck -do-	1,876 „ @ „	14-12-0 „ „
Plain -do-	8,000 „ @ „	14- 8-0 „ „
Stripped Taffaties	1,700 „ @ „	14- 8-0 „ „
-do-	250 „ @ „	15- 0-0 „ „
Corah Taffaties	576 „ @ „	13- 7-0 „ „
50,000 pieces’		

The Board of Trade on receiving the communication, ‘Ordered to William Aldersey, Chief of Cossimbazar.

We have receive your letter of 10th instant and desire you will finally adjust the accounts of the last years Contractors agreeably to the tenor of their engagements and as speedily as you can¹⁴

These two contracts showed that Lokenat Nandy was a commodity supplier of the Company. At that time he was addressed by the Company as contractor. We could give another example where Lokenath Nandy's connection with the company was evident. The following accounts give a clear view of how the silk trade was conducted by the Company:

Statement of Advances Account Contract with Lokenath Nundy

<u>Dr.</u>			<u>Cr.</u>
To Advance made a follows viz:		By Amount to be Advanced as per contract viz	
In January 1776	Rs. 50,000-0-0	On signing ½	Rs. 2,91,582-12-0
„ February „	Rs. 1,62,424-13-2	On delivering half ¼	Rs. 1,45,791-6-0
	2,12,424-13-2		
 To Balance to be advanced	 Rs. 3,70,740-10-10	 On close of contract ¼	 Rs. 1,45,791-6-0
Sicca	Rs. 5,83,165-8-0	Sicca	Rs. 5,83,165-8-0
Examined by- P. Speaker Accountant.		Cossimbazar 30th March 1775 ¹⁵	
P. Thomas Lane'			

At the end of the eighteenth century there were many agency houses to serve the European demand. Banians played an important role there. N.K Sinha wrote that Raghunath Goswami was the banian of Palmer & Co. When Palmer & Co. became insolvent he became banian to Cockerell & Co. He deposited as Security Company's Paper valued one lakh rupees for which Cockerell & Co. promised to pay an interest at the rate of 7 percent. His duties were thus described: 'A banian is a person by whom all purchases and all sales of goods, merchandize and produce are made and through whom all shipments are made on account and on behalf of the merchants or mercantile firm in whose establishment he is a banian. Such a banian is therefore responsible for the quality' and quantity of the goods,

14 Proceedings of the Board of Trade (Commercial) of 28th March, 1775, pp. 551-555.

15 Appendices of the Proceedings of the Board of Trade (Commercial) of 17 May 1776, Vols. I, p. 164.

merchandize, produce and shipments made through him or his *sircars* or servants whom he employs. He has to make good any deficiency in weight or quality, to make compensation for any fraud in shipments of such goods or produce. The banian receives a dustoree or a percentage of the sales and merchandize.’¹⁶ According to this paper we could easily realize that what kind of duties banians performed in those years.

Raghunath worked in Cockerell & co. for three years. Purchases and sales made during this period through him were valued at 2 crores. Motilal Seal was the banian and broker of Oswald Seal & co. for some time and was in the habit of assisting the firm with pecuniary advances charging shroffly rate of interest of 6 p.c. instead of the bazaar rate of interest of 12%. His account as banian was closed in November 1847 with a balance of Rs. 350,000.¹⁷

In the following document, dated April 1, 1847, some functions and role of the early nineteenth century banians in Agency Houses are spelled out clearly¹⁸,

‘I the undersigned do hereby agree to the following stipulations on condition of being appointed Banian to W P Ewing Esq.

1. I shall find good and sufficient security for my own conduct.
2. I agree to find Boats, Manjees, Peons, Hackeries, Cossids & co, and all that may be necessary for the transaction of the Boat and Insurance Business.
3. I shall obtain good and sufficient security from the Manjees, Peons, &c, and shall be held responsible for their conduct and honesty; I shall by all lawful ways and means recover the amount of such Security in the event of their deserting the boats or otherwise misconducting themselves.
4. In the event of any Boat, Hackery, or Cossid, or the same plurally expressed, & being delayed in their dispatch after my having accepted the order, I shall pay the usual demurrage for all such delays.
5. I shall appoint Sircars, and all such person or persons as shall be actually required for carving on the Boat and Insurance Business inland and shall be responsible for their good conduct.
6. All Money/Monies that may accrue from the Boat business shall be placed in my hands, and all receipts and outstanding claims shall be

16 N.K Sinha, ‘Indian Business Enterprise’, p. 113.

17 *Ibid.*

18 Dipesh Chakrabarty and Ranajit Dasgupta, ‘Functions of the Nineteenth-Century Banian: A Document’, *Economic and Political Weekly*, Vol. 9, No. 35 (Aug. 31, 1974), pp. M73.

realised by me and shall be deposited in my charge, and no disbursements whatsoever shall be made by me without the consent of the Secretary or Secretaries for the time being.

7. I shall be allowed the usual dustoory from Manjees, Peons
8. I shall be allowed Sixteen Rupees (Rs 16) per month as wages for supplying of one Cashkeeper and one Sircar for whose conduct I shall be responsible, to commence from the date of the dispatch of the first Boat.
9. That I shall receive ore Quarter or Four annas share of the Boat business alone, after all office and other charges having been defrayed, and shall bear my proportionate loss.
10. That all Boats shall be insured during the rainy and stormy seasons.

[Sd] Ramnarain Sein

Witnessed by [Two illegible signatures]

Calcutta

April First, 1847.

Name of some banians and the respective Agency Houses, where they were engaged are as follows:

Name of Banian	Related Agency Houses
Asutosh De	Charls Cantor & Co., Rally Brothers J.E.M.B, Charls Forester, J.H Adams
Bimalcharan Dev	Malcom & Co., Beg Dunlop & Co. E. Prostwich Midleton & Co. Kruck, Gre & Co.
Gorachand Datta	Kruck, Gre & Co.
Garucharan Sen	Kalvin Ancil Cawe & Co. Church Junior & Co. Livingstone Winners & Co. Kruck, Gre & Co.
Harish Chandra Basu	Alan Defel & Co. Wood Olif & Co. J. Oxford & Co. J,B Rabitayars, Samual & Sans, Samvo Feyali & Co.
Khetramohon Das	E. Sheyarin & Co. Penington & Co. G Tail & Co. Williamsan Brothers
Avoycharan Guha	Turner Kedogan & Co. Kawrel & Co. A.L Turayal
Pran Krishna Laha	Hendarsan Warles & Co. Keli & Co. Rabinsan Bafur & Co. May Picford & Co. John. Eliot & Co. Smith Ferari & Co. Charls & Janstan
Shambhunath Mallik	Smith Greenstreet & Co.
Rajkrishna Mitra	A.Stivence & Co. Huitny & Young
Ramnath Banerjee	Larpent, Sanders & Co.
Ramnath Gosai	Martin Pillars & Co. Larpent, Sanders & Co.
Shamcharan Gosh	Grifiths Hey & Co., Lonlayes & Co.
Jaynarayan Basu	Datta Linge & Co.
Kalicharan Chayterjee	Brunet & Kuilet

These documents suggest that banians from seventeenth to nineteenth centuries were closely connected for purchasing the goods for the Europeans. However, their mode of activities was changed frequently for various reasons.

Revenue Farmer

Banians also served as revenue farmers during the mid eighteenth century. After the Plassey the English took over possession of the 24 Parganas in July 1757. Initially they collected the revenue themselves for sixteen months; Frankland was the Collector in charge. In 1759 the new land revenue system was introduced, under which old zamindars and their subordinate farmers were displaced by company's servant and twelve Kolkata banians. This farming was not an improvement because the farmers were speculators who oppressed the *ryots*. But the new farmers, who were company's servant and banians from Kolkata, were intent only upon acquiring large advantages. Such type of experiment was done in Burdwan also. In this farming system banians and their dependents were found in possession of the most profitable farms. They made the large deal of profit; their masters took the share from them.¹⁹

As more areas of Bengal were brought under the direct control of British, banians consolidated their position as revenue farmers, or temporary collectors of revenue over these vast areas. After the assumption of Dewani in 1765, the East India Company started experiments on the land revenue systems of Bengal. First they took up the Five Years Farming system and then the Ten Years. By this the main drive of the English East India Company was to maximise the land revenue of Bengal. Enhancement of land revenue was primarily needed for financing one-way export trading of the Company which was euphemistically described as investment. Surplus revenue was used to buy goods from Bengal, often at arbitrarily low rate, for export to England and other parts of Europe.

19 N.K. Sinha, *The Economic History of Bengal*, Vol. II, p. 24.

Before the battle of Plassey, the Company's public purchases for export amounted to about 3 million current rupees.²⁰ The Company then used to import bullion for investment. During the fifty years before the battle of Plassey, the Company's imports in Bengal averaged over £180,000 annually, of which 74 per cent consisted of bullion.²¹ The decennial estimates of this trade in pounds sterling are shown in the table bellow:

Period	Bullion	Goods	Total for Bengal	Total for India	Bengal's Share
1707-17	772,520	159,619	932,139	3,858,049	24.2%
1718-27	1,331,529	227,163	1,558,692	4,613,984	33.7%
1728-37	1,063,447	511,347	1,574,794	4,599,866	34.2%
1738-47	1,702,908	643,478	2,346,386	5,854,746	40.0%
1748-57	1,835,629	826,825	2,662,454	7,760,813	34.3%
1707-57	6,706,033	2,368,432	9,074,465	26,687,458	---
Average	134,121	47,369	181,489	533,749	34.0%

The import of bullion, which previously came to Bengal in vast quantities, was stopped after 1757. The other European nations too followed the English example. After the assumption of dewani, the surplus revenue was more than sufficient for such investment which rose to 6 million current rupees in 1767. It was 10 million in 1777.²² The Council in Kolkata wrote to the Court of Directors on the 13th September 1768: 'Foreign Nations who were accustomed to import such large quantities of bullion for the purchase of their cargoes for Europe are no longer under that necessity since by bills from and drafts on Europe they obtain an ample sufficiency for all their occasions.'²³ The other imported articles remained very much the same as before. These were generally woolen goods, lead, copper, iron, steel, gunpowder, small arms, Madeira wine and Vidonia wine.²⁴

20 Atis Dasgupta and Subhas Ranjan Chakraborti, 'The Growth of Calcutta', p. 1.

21 Brijen Kishore Gupta, Sirajuddaullah and the East India Company, 1756-1757: Background to the Foundation of British Power in India, the University of California, 1966, p. 14

22 Atis Dasgupta and Subhas Ranjan Chakraborti, 'The Growth of Calcutta', p. 2.

23 K.K Datta, 'India's Trade with Europe and America in the Eighteenth Century,' *Journal of the Economic and Social History of the Orient*, Vol. 2, No. 3, Dec. 1959, p. 318.

24 *Ibid.*

It is clear that Bengali banians helped British merchants to accumulate enough capital at that time. Increase in land revenue, as already indicated, was most phenomenal. To collect revenue Mir Kasim relied mostly on the old zamindars of Murshid Kuli Khan's time. But after 1765, the situation was changed dramatically. Opportunities for moneyed men to buy land or invest in revenue farming had existed under the nawabs, but there was much more scope for them under the British especially after 1772, when the company systematically let out land to the highest bidders. During 1772-1777 East India Company introduced Five years farming system. The banian underlings of the company's servants held some of the principal farms. But the real farmers were their masters who derived much profit from them. At this time the banian of a powerful European was extremely well placed to acquire land, revenue, farms or contracts with the company.²⁵ Under this five years farming system of East India Company, forty-two parganas of Midnapore were given to Krishna Kanta Nandy of Cossimbazar, governor's banian and two to Kasinath Babu, a Kolkata banian. In Purnea Huzuri Mal and Madan Datta, two very substantial Kolkata banians, became farmers. The *jumma* (deposit) for the year 1772 was Rs. 11,22,643. There was to be an annual increase and the settlement was made for five years. They thought that the district had yielded Rs. 10,91,117 in 1771-1772²⁶ and they thought that they would be able to pay the company's revenues and make some profit for themselves. There was a rumor that after 1772 a third of Bengal's revenue was being collected by Kolkata banians.²⁷ Compulsion of collecting the largest amount of money in the quickest possible time forced a logical gravitation towards accepting the farmers of revenue in preference to the old zamindars. As early as in 1775, the Court of Directors of the Company in their Minute of 15 September remarked: 'We have reason to believe that not less than one-third of the Company's land are or have lately been held by the banians of English gentlemen. The Governor's banian stands foremost by the enormous amount of his farms and contracts.'²⁸ Between 1765 and 1777 lands were let in general too high and to find out the real value of the lands, the most probable method was to let them to the highest bidders and also to dispose of the farmers by public auction²⁹. They were mostly banians. With the help of these banians collection of land revenue was increased from

25 P.J. Marshal, '*Masters and Banians*', p. 193.

26 N.K. Sinha, *The Economic History of Bengal*, Vol. II, p. 80.

27 *Ibid*, p. 26.

28 Atis Dasgupta and Subhas Ranjan Chakraborti, '*The Growth of Calcutta*', p. 2.

29 *Ibid*.

Rs. 6.5 million of Mir Kasim's time to Rs. 26 million in 1784.³⁰ The following record shows the names of the persons, selected to become the revenue farmers which was placed in the proceedings of Bengal Secret and Military Consultations of 4th November 1766³¹:

'Agreed the following list be selected from the great number of petitioners as persons most responsible and whose character and service merit consideration.

- | | |
|--------------------------------------|------------------------------|
| 1. Nabkissen | 22. Goculchund Sett |
| 2. Gocul Goshal | 23. Govind Chund Sett |
| 3. Nundram Sein | 24. Soberem Bysack |
| 4. Bushun Churn ³² | 25. Radakissen Sircar |
| 5. Ramneedy Tagore | 26. Radoo Toy |
| 6. Panchoo Tagore | 27. Suppleram |
| 7. Doorgaram Chuckerbarty | 28. Kerparam Mitre |
| 8. Monohor Muccajee | 29. Chund Holder |
| 9. Ganganarain Chatterjee | 30. Dearam Chatterjee |
| 10. Diaram Muccajee | 31. Cossinaut |
| 11. Bisnaram Chickerbuty | 32. Bohrin Taraffdar |
| 12. Nilmony Tagore | 33. Chooramoney Dutt |
| 13. Petambar sett | 34. Sam Bose |
| 14. Rashberry sett | 35. Choocoo Dutt |
| 15. Modun sett | And six old zemindars namely |
| 16. Kishenchuren Mitre | Sukteram Roy |
| 17. Durgachurun Mitre | Luckenarain Roy |
| 18. Bulram Biswas | Santose Roy |
| 19. Manick Gose | Rojeram Roy |
| 20. Otterm Bose | Deelychurun Roy and |
| 21. Annunderam Doss | Dullol Dutt. |

In this list persons in bold marker were banians.

30 *Ibid.*

31 Somendra Chandra Nandy, *Life and Times*, p. 569.

32 This name was that of Bushun Churn of Baisab Churn, nephew of Kantababu. As usual, the cautious Kantababu did not use his own or his son's name in this new project. Yet he fully secured his position as a farmer by using the name of Baisab Churn, his loyal nephew.

After 1772, banians became very powerful as they generally used their master's name indiscriminately. Anyone who tried to get revenue farms and maintained Zamindari he must be well connected with banian. Because banians looked after these affairs on behalf of their master. Sometimes they played a critical role by using their master's name. According to 'Raja Ramkrishna of Rajshahi, an adopted son of Rani Bhowani, reported to the Majority of the Council that he had to pay Rs 40,432 to Kantababu, Rs. 47,000 to Santiram Sinha (Middleton's banian) and Rs. 34,400 to Bhowani Mitra (Graham's Diwan) to maintain his Zamindari. The exactions amounted to a total of Rs. 4,40,001. Clavering comment is particularly important here: 'It is but too well known how many farmers who took farms from the Committee of circuit have been ruined by such extortions and balances, I am afraid for ever lost to the company.'³³ The following documents- a petition of Ramkissen and a minute of Clavering also tell the same story, 'An account of exactions by the Under-mentioned persons from Ramkissen the Rajah of Rejeshye pergunnah & C.

1179

Ashin 8 th	- By cantoo Baboo, and received thro' the hands of Morulley and sodanund poddars	14,000	
	deduct returned.		13,991
Jait 10 th	- Ditto Ditto Ditto thro' Hatto Biswas and Morully poddar.		5,000
	- 13 th - Ditto Ditto Ditto thro' Morully poddar		1,000
Ashar 19 th	- Ditto Ditto Ditto Ditto	5,461	
	Ditto Ditto Ditto by a Deduction from the rent of Purgunaah shaw Ujial due by Cantoo to the Rajah.	15,000	20,452
1180	Ditto Ditto Ditto By a bill on mothur Aid (sic)		20,000
Jait 12 th	- Banker.		60,452

33 N.K. Sinha, *The Economic History of Bengal*, Vol-II, p. 81.

N.B.- There are in the whole rupees 1,25,001 exacted by cantoo Baboo of which the Particulars Rupees 60,452 have been received as above, and an account of the remainder Rupees 64,549 shall be given when received from Purgunnah Bahurband.

1179	- By Santeram Singee and received thro' the hands of	
Ashin 30 th	Jugal Wokeel and Roop Poddar	40,000
Kartick 2 nd	- Dotto Ditto Ditto thro' Jogul Wokeel	2,000
Oghun 10 th	- Dotto Ditto Ditto thro' Morulley Poddar	3,000
Poish 25 th	- Dotto Ditto Ditto thro' Jogul wokeel	5,000
29 th	- Dotto Ditto Ditto thro' Morulley Podar	30,000
1180	- Dotto Ditto Ditto by a deduction from the Rent of	
Chey 27 th	Purgunnah Islampoor & ca. due by santeram to the Rajah.	20,000
Jayt 10 th	- Dotto Ditto Ditto from the Factory of Juggut seat being the amount sales of the Rajah's Jewels and plate.	1,00,000
		2,00,000
1179	- By Bobhanny Metre, and recived thro' the hands of	
Ashin 5 th	Noyan and Morulley Podars... ..	34,944
6 th	- Dotto Ditto Ditto thro' Ramkissene and Morulley Poddar	14,590
12 th	- Dotto Ditto Ditto thro' morulley and Akil Podars	6,066
Kartick 11 th	Dotto Ditto Ditto thro' Andunderam wakeel by a paut or Draught of Motichnand Banker.	3,400
17 th	- Dotto Ditto Ditto by a Draught on Purgunnath Nurrullah thro' Durpnarain Wakeel & Ca. at Dacca.	5,000
Poish 1 st	- Dotto Ditto Ditto thro' Ramkissen and Morulley Poddar.	10,000
2 nd	- Dotto Ditto Ditto thro' sadanund & the asistant of Morulley Podars.	15,000
Maug 7 th	- Dotto Ditto Ditto thro' Anunderaw Wakeel and Porickkhet Morer.	26,000
		1,15,000
		Rupees
		3,75,452

N.B. - The above sum	3,75,452
The amount exacted by contoo Baboo as above set forth the particulars of which are not yet come to hand	64,549
The whole exactions Rupees.....	4,40,001

Calcutta
9th May, 1775,

The Signature of Rajah
Ramkissen.³⁴

The most of the farmers succeeded in getting their farms on payment of substantial *darbarKharch* (Douceur). In Dacca, Sylhet, Monghyr and other districts at some distance from Kolkata the collectors took farms for themselves, fictitious Indian names being entered in the records as farmers. As it created an opening for intrigue, the banians did thriving business. Dacres, Lawrell and Graham completed the settlement of Dacca, Dinajepore and Murshidabad. Aldersey, Barwell and other members of the Kolkata council made the settlement of Hooghly, Hijli, Midnapore, Birbhum etc. The money which other gentleman received for these settlements has been estimated at 42 lakhs. The Majority of the council wrote on 15th September, 1775: 'when we affirm that farms to the amount of 13 lakhs and a half per annum and contracts for providing the company's investment of 16 lakhs more could not have been heaped upon the Governor's banian or his son or his brother entirely for their own profit we do not pretend to give the gross and palpable proof of a communication of interests between the master and his servant... our opinion of Mr. Hastings will not suffer us to think that a participation of profits with his servant would have been repugnant to his principles.'³⁵ Practically the new farming system (1772-77) appeared to have been 'designed for the benefit of top men in East India Company's service and their banians. There was flagrant corruption. The Court of Directors wrote in 1786 that very strong declarations were made in the House of Commons that the last settlement of five years was absolutely sold by our servants then employed in it.'³⁶

34 *Ibid*, pp. 96-97.

35 N.K. Sinha, *The Economic History of Bengal*, Vol-II, p. 82.

36 *Ibid*, p. 83.

Here we are citing an example from which one can find a nature of banian's activities during the five-year farming system. Thackery was the Company's Collector in Sylhet in 1772. In Sylhet he found that the prospect of gain from private trade was disappointing. He found that the district was to be given in farm for five years. As no one seemed inclined to take the farm he welcomed the opportunity for himself. He delivered proposals in the name of 'blackmen', which were accepted. When he was accused of this unlawful transaction he informed the Governor-General in council- 'I had then served the company for upwards of ten years without having made the least progress towards acquiring an independency'.³⁷ His argument was that if 'blackmen' had been allowed to farm, the company would not be benefited. But Thackeray increased the assessment much beyond the old *jumma*. His banian was Reghu Mullick who was entrusted with the power of collecting the rent. He was also accused of compelling people to buy bad salt. It is relevant to note that Thackeray secured the recall of his Diwan in order to make things easy for his banian.³⁸ Nathaniel Bateman, Collector of Monghyr, held the farms of the parganas of Kharakpur and Monghyr in the fictitious name of Kriparam Roy. Monhar Mukherjee, banian of Bateman was the security. Monhar Mukherjee paid Rs. 10,000 to Edward Baber, Chief of the Provincial Council of Murshidabad, for this privilege. Bateman acknowledged that he was the farmer of those districts in 1773-74. He again took the farming in 1775. He, however, added that he acknowledged himself as the farmer of Kharakpur and Monghyr to the collector who succeeded him as also the provincial council.

In the five years farming system banians were successful, but on the other hand the country entered into a ruinous state. The farmer's agents had failed. Besides, in the course of collection of revenue, banians were in a conflict with each other. For example, Durga Charan Mitra, a Kolkata banian, became a partner of the Purnea farm of Huzuri Mal and Madan Datta. As he was going to Rangpure via Purnea he was asked to make new arrangements for revenue collection. He brought two hundred people with him from Kolkata to these parganas and dismissed the inferior and petty

³⁷ *Ibid*, p. 81

³⁸ *Ibid*.

servants collecting rents from the ryots. Not long after Madan Datta came to Purnea and he turned out Durgacharan's men. So there was an utter confusion. The ryots did not get their Pattas, they were cheated, and oppressed. At last the farmers of Purnea wrote, 'As by the desolate state of the district the payment of the revenue appears to be difficult we of our own free will relinquish the said farm and we request you will be pleased to admit of it.'³⁹

The lists of farms of Kantababu as provided by Warren Hastings are as follows

Farms	1178 B.S		1179 B.S	
	Jumma	Collection	Jumma	Collection
Tahurpur	10,485- 1-12-0	10,425- 1-12-0	10,585- 1-12-0	10,585- 1-12-0
Cashepur	11,765- 8- 4-2	11,765- 8- 4-2	9,365- 8- 4-2	9,365- 8- 5-0
Mankore	13,896- 2- 6-1	13,896- 2- 6-1	10,622- 1-14-3	10,602-11- 4-0
Jehanhuttee	5,723- 7- 7-2	5,723- 3- 72	5,723- 7- 9-2	5,525- 2-10-0
Cantoanagar	34,876-11-11-3	34,876-11-11-3	41,066-10-15-3	41,066- 9-15-0
Shomosk-Khanee	4,473- 9- 5-1	3,864-12- 5-1	4,473- 2- 5-1	4,236-13- 0-0
Jehangirpoor	1,65,857-12-17-3	1,65,857-12- 0-0	1,70,857-12-17-3	1,60,256- 3-11-0
Coolberia	24,737-13- 6-3	24,737-13- 3-3	21,952- 3- 6-2	21,660- 0-17-0
Amberabad	33,127- 6- 0-0	33,127- 6- 0-0	36,127- 6- 0-0	36,127- 6- 0-0
Chunk-Kullee	25,147- 3- 6-2	20,266-12-14-0	22,047- 3- 6-2	20,572- 5-13-0
Baharbund	1,28,327- 6- 5-0	1,28,327- 6- 5-0	97,802- 8- 0-0	91,843- 9- 3-0
Shaul Sykah	59,029-13- 2-0	59,029-13- 2-0	41,798- 4- 0-0	41,789- 4- 0-0
Kuttendah	39,852- 1-14-3	39,852- 1-14-3	40,852- 1-14-3	37,496- 5- 0-3
	Rs. 5,57,299-10- 2-0	5,51,810- 8- 6-3	5,13,273- 7- 7-1	4,81,075- 5-5-0(g)

Source: *Proceedings of the Comptrolling Council of Revenue of 26 April 1771*, p. 195.

Between 1765 and 1769, as the banian of Sykes, Kantababu's investments reached the high water mark of Rs. 40,197-9-0-0. 'After Mr. Becher's enquiry into his properties in 1771, Kantababu became extremely cautious. In 1771-1772 the investment in

³⁹ *Ibid*, p. 75-76.

property did not exceed Rs. 5,282. The total investment in land therefore shows that Kantababu invested a total of Rupees 58,006-8-15 between 1742-1772. Of this sum Rs. 24,474-0-15 was invested in Katababu's own name, Rs. 30,758 in the name of his only son and heir Lokenath Nandy and Rs. 2,774-8 in benami transactions. Former benami transactions were set right by repurchase thus leaving only a couple of thousands or about 4³/₄% of his investments as benami by the end of 1772-73.⁴⁰ The classified details of information are given below:

Investment in Properties 1742-1772

Chart I – Murshidabad Properties

In the Name of	1742-1763 Rs.	1765-1769 Rs.	1770-1772 Rs.	Total Rs.
1. Krishna Kanta Nandy	4,790- 7-15	9,391- 9- 0	3,478- 0- 0	17,660- 0-15
2. Lokenath Nandy	-	7,191- 0- 0	1,063- 0- 0	8,254- 0- 0
3. Benami	7,335- 8- 0	1,111- 0- 0	716- 0- 0	9,162- 8- 0
Rs.	12,125-15-15	17,693- 9- 0	5,257- 0- 0	35,076- 8-15

Chat II- Burdwan and Dinajpur Properties

In the Name of	1742-1763 Rs.	1765-1769 Rs.	1770-1772 Rs.	Total Rs.
1. Krishna Kanta Nandy	-	-	25- 0- 0	25- 0- 0
2. Lokenath Nandy	-	22,504- 0- 0	-	22,504- 0- 0
3. Benami	401- 0- 0	-	-	401- 0- 0
	401- 0- 0	22,504- 0- 0	25- 0- 0	22,930- 0- 0
Total of Chart I & II	12,526-15-15	40,197- 9- 0	5,282- 0- 0	58,006- 8-15

During 1772-73 Kantababu collected Rs. 5,51,810 on a jumma of Rs. 5,57,299 and Rs. 4,81,075 on a jumma of Rs. 5,13,273 respectively by revenue farming.⁴¹ A collection

40 Somendra Chandra Nandy, *Life and Times*, p. 44.

41 *Ibid*, p. 45.

from Kantanagar⁴² only amounting to Rs. 3,025-9-5, has been recorded in the proceedings of 26 April 1771.⁴³ In 1773-74 his total collection increased to Rs. 5,05,662-9-14-1, in 1774-75 total jumma was Rs. 5,37,916-7-7-7, in 1775-76 was Rs. 5,54,534-7-7-1 and in 1776-77 was 5,72,686-5-12-3.⁴⁴

In another case we can also see the relationship that existed between banians and their master's at that time. Verelst was appointed Resident of Burdwan in 1765. His farming in Burdwan was very different. He abolished the public sale and succeeded in engaging 'men of credit and substance' as revenue farmers on an assurance that they would not be easily displaced. Verelst distributed farms among his 'men of substance and character' on the basis of revenue yield on the previous year with progressive increase until the figure of 1761 was reached. After that they were subject to any general increase. Verelst's farmers of revenue were not insufficient renters. Gokul Ghosal, one of them, was the well-known banian of Verelst. He got the farm of Polospoy in 1769 for which he agreed to pay Rs. 4,11,321. In 1769 he got the farm of pargana Burdwan of Rs. 1,04,444. He also got the farm of Chandrokona from Graham who became resident of Burdwan in 1767. These farms were given to Gokul Ghosal for his services in Kolkata lands where his attention to public business had been one means of the neglect of his private affairs. The success of the Burdwan experiment of Verelst, which was more seeming than real, undoubtedly brought into land revenue all the evils which prevailed in 'native' commercial circles in Kolkata among banians of British officers and merchants. A flow of corruption in land-revenue administration swept away all existing barriers. Firminger speaks of a new landed aristocracy of revenue servants of the company and banians which came into existence during the year 1758-72.⁴⁵

42 Geographically, Kantanagar was not a homogeneous area but rather several well-defined blocks. The pargana had Cossimbazar in the middle of the largest block which spread westwards to include saidabad and Khagra Mouzas up to the river Ganges. Southwards it spread up to Chooapoor and Korreagachee and in the north right up to the river Padma. During the survey of 1832 the pargana had a recorded area of 18,997.1.2 acres.

43 *Proceedings of the Comptrolling Council of Revenue of 26 April 1771*, p. 214.

44 Somendra Chandra Nandy, *Life and Times*, p. 47.

45 N.K. Sinha, *The Economic History of Bengal*, Vol. II, p. 30-31.

From the above discussion we could easily say that under the quinquennial farming system Kolkata banians were very concerned to secure the most beneficial farms. Even for Hughli, Hijli, Mahisadal, Tamluk, Jessore, Mahmudshahi lands situated not very distant from Kolkata and the farmers were normally prominent Kolkata banians.⁴⁶ Beside this the *huzur* Zillas were farmed by Raja Goordas, Nobkissen, Kantu Babu, Santiram Sinha, Hari Krishna Tagore, Huzuri Mal and others. For the salt farm of Hijli the head-farmer was Kamaluddin with Sukdeb Mallik, Basant Roy, Kandarpa Das and some others interested either as under-farmer or security.⁴⁷ John Shore was of opinion that this new farming system was introduced with a view to securing for the banians the most beneficial farms. This was to some extent true. In the words of Francis, 'they strained the country in order to accumulate a rapid fortune and in the end perhaps obtaining remission in the very lands of which they were themselves farmers and collectors put those remissions into their pockets.'⁴⁸

Under the ten year settlement new zamindars or banian zamindars like Krishna Kanta Nandi of Cossimbazar or Ganga Gobind Sinha of Kandi and Paikpara were in a very different position than other bigger zamindars of Bengal. At this time Krishna Kanta Nandi owned vast property and was able to bear any loss from a temporary calamity in a part of his zamindari. Actually banian zamindars were creation and beneficiaries of British innovations and the old zamindars were the victims. This settlement did not exist long time. Few years later in 1793, the Company introduced Permanent Settlement and most of the Kolkata banians bought zamindari under this system. This system visualised Kolkata banians with their business-like habits displacing the happy-go-lucky old type landlords. These new landlords would clear waste lands and increase the value of landed property.

46 *Ibid*, p. 78.

47 *Ibid*, p. 95.

48 *Ibid*.

Aiding Private Business

In the second half of the eighteenth century banians provided service for their master and free European traders to continue their private trade. Initially the private trade was the most tempting inducement for the Englishman to come over to India as a servant of the East India Company. The low salary which the Company paid to its servants did, as a matter of necessity, compel them to look for other sources of income. Since the Company's servants were permitted to carry on private trade on their own account, they were not normally tempted to have recourse to the abuse of the dastak or other questionable means to enrich them quickly.⁴⁹ All categories of Company's servants sent their vast profits to home which they made from private trade. On 2 January 1729, Company's servants sent the following remittances to England, by means of bills of exchange sanctioned on one day:

Name	Rate per Rupee	Amount in Rupee	Amount in £ Sterling
Thos Braddyl	2s. 6d.	1,000- 0	125-0-0
Wm. Bruce	2s. 4d.	372-10-3	43-19-6
Richd. Bouchier	Do.	17,323-0-0	2021-0-4
John Deane	Do.	101,235-11-9	11,810-16-81
Do	2s. 6d.	1,200-0-0	150-0-0
William Barwell	Do.	6,800-0-0	650-0-0
John Bonkett	Do.	12,000-0-0	1,500-0-0
Ch. Hampton	Do.	16,000-0-0	2,000-0-0
Hugh Barker	Do.	400-0-0	50-0-0
William Weston	Do.	2,600-0-0	325-0-0
Matthew Wastel	Do.	60,000-0-0	7,500-0-0

Source: S. Bhattacharyya, *The East India Company and the Economy of Bengal*, Firma K.L. Mukhopadhyay, Calcutta, 1969, p. 135.

49 S. Bhattacharyya, *The East India Company*, p. 135.

As the Company acquired political power in India, restrictions were placed on the private activities of its servants. Then banians continued Company's officials business in their own names. Capital, business organization, idea, labour and expertness of banians were the main pillars of Europeans private trade.⁵⁰ At a time one banian worked for many Europeans. The Kolkata Mayor's Court records show that 'Europeans traded on the capital of their banian, that in many instances banians traded on their master's name and authority. When Europeans began to sink money in buildings and equipment part of it still seems to have been borrowed from banians. One well-documented example is that of James Keighley, Resident at the Company's silk filatures at Boalia, who also put up filatures of his own there. Keighley borrowed through his banian, Dattaram Ghose and had to agree to Dattaram Ghose's becoming the dewan or head sircar of the factory and participating in the advantages thereof.'⁵¹ Besides this 'other Indians could sometimes be persuaded to forego the extra interest obtainable from loans uncontrolled by the Supreme Court and to lend money to Europeans, either for the sake of greater security or for the political advantages to be gained from such loans. Maharaja Nabakrishna was one of those willing to make a young European, what he called a great man, as he said he had made others ... by lending him money. Nobkissen also had Rs. 8,000 invested at 10 per cent in the new Harbour scheme.'⁵²

Thus banian was always expected to provide his master with capital. It was not until the late eighteenth century that European trade came to be financed to any large extent from European funds. Most Europeans had to borrow extensively from Indians in order to carry on their trade. It was generally recognized to be the banian's duty to find the money himself or arrange loans from others. In 1774 a senior company servant replied to a request for a loan from another European by asking, 'Does not the man who serves you as banian furnish you with money? It is customary that this should be done.'⁵³ In another case, a banian called Ramdulal Mishra told a young company

50 Subod Kumer Mukapaddaya, *Banglar Arthik Itihas (Athara Shatabdi)*, Kolkata, 1985, p. 123.

51 P.J Marshall, 'Private British Investment in Eighteenth Century Bengal', *Bengal past and present*, vol. 86, Calcutta, 1967, p. 55.

52 *Ibid.*

53 P.J. Marshal, 'Masters and Banians', p. 206.

servant that ‘very great advantages were to be made by trade in purchasing various sorts of goods, wares and merchandize in Calcutta..... and sending such up the country to various markets and aurungs. When the young man pointed out that he had no capital of his own for such a business, he was told that’ it was not material- he had only to execute and deliver his interest bond or bonds to him from time to time. Periodic reports came from Ramdulal Mishra about the dealings of a partnership to which the master had contributed nothing beyond putting his signature to various pieces of paper.’⁵⁴ So long as the agency houses did not develop, the banians played this kind of role for the East India Company’s servants and British free merchants.

Kantababu built up a great relationship with the Europeans. From the following list’s we will see that how many Europeans transacted with Kantababu during 1772-73. In fact all of them were the servants of the East India Company. The transactions were as follows⁵⁵:

Name	1180 Income	1179 Income	1180 Expenditure	1179 Expenditure
1. Hastings	85- 4-15	-	288-10- 0	29-10- 0
2. Middleton	542- 0- 0	-	542- 0- 0	-
3. Barwell	-	-	-	5,000- 0- 0
4. Redfearn	-	324-12- 0	61- 1- 0	33-10-15
5. Rooke	1,969- 3-15	-	-	-
6. Tomlinson	5,431- 0- 0	-	335- 0- 0	-
7. Purling	11,438-12-15	-	2-12- 0	-
8. Henchman	-	-	7- 8- 0	33,649-15- 5
9. Pitchet	-	-	-	667- 0- 0
10. Rider	-	-	109- 4-10	-
11. Becher	-	-	-	25- 0- 0
12. Redman	6,033- 0- 0	-	17,131- 8- 0	-
13. Ducarel	10,808-10- 0	-	10,848-13-10	3-0 -0
14. Fydell	58,037- 8- 0	8,982-10- 0	13,368- 2- 5	-
	Rs. 93,345- 7- 5	Rs. 9,307- 6- 0	Rs. 42,684- 11-5	Rs. 39,408- 4- 0

⁵⁴ *Ibid.*

⁵⁵ Somendra Chandra Nandy, *Life and Times*, p. 386.

With the help of banians the Company servants made their great fortune. Here we could give an example how much fortune was made by Warren Hastings. In January 1786 Sykes, Woodman and Waller gave Hastings a final statement of his property. 'Their statement showed that even through Hastings had remitted another £ 84,000 since 1780, his property was still only worth £ 102,649: £ 60,000 was lent on mortgage, and he owned India bills awaiting payment or acceptance worth approximately £ 30,000. Out of this total of £ 102, 649, his attorney's calculated that Hastings had to pay off debts of £ 37,335. For various reasons, the debts can be reduced by £ 9,600 and so it seems that Hastings began his retirement with a fortune of approximately £ 75,000.'⁵⁶

Inland trade was one of the profitable businesses for Europeans in the second half of the eighteenth century. This trade was some sort of a government monopoly during the Mughal period. But after 1757 to 1765 many Europeans were found to have entered salt business either directly or indirectly through banians. In 1765 Clive formed the society of trade and organised British participation in salt for the benefit of the superior officers of the Company. The Society of Trade was abolished in 1767 and in 1768 by a government declaration Europeans were forbidden to engage in the salt business. This prohibition was however, ineffective. This was because Company's servant and private traders continued to carry on salt business by the help of banians. Between 1768 and 1771 the salt trade of Bengal was largely in the hand of the Company's servants through their banians and gomastas.⁵⁷ At factories and residencies where the Company's servants were well established, such as in Dacca, Midnapur and Burdwan, they clearly had no intention of giving up this lucrative business. They continued to participate in it under banians' name.

In 1772 when Warren Hastings introduced the five year farming system, banians got a new opportunity. After Regulating Act of 1773 this opportunity increased even further.

56 P.J Marshall, 'The Personal Fortune of Warren Hastings', *The Economic History Review*, second series XVII, London, 1964, pp. 296-97.

57 Balai Barui, *The Salt Industry of Bengal 1757-1800*, K.P Bagchi and Company, Calcutta, 1985, p. 118.

This Act tried to stop Europeans from being concerned directly or indirectly with salt trade. But at this period the private traders participated extensively in the salt trade of Bengal. ‘Interestingly enough, it was recorded in the proceedings of the Calcutta Committee of Revenue that some Europeans purchased salt in 1774 and 1775 at the same time when Gokul Mitra, Madan Dutta, Baranasi Ghose, Kasinath sen and other Bangalee merchants were purchasing it. Mr. Dacres bought more than 32,000 maunds of salt, Mr. Charles Child also purchased above 31,000 maunds.’⁵⁸ Practically, the Europeans continued their salt business through the help of the banians. Sometimes banians managed this business in joint venture. As we saw that Kasinath Sen had two partners- Sovaram Basak of Kolutola and Madan Dutta of Bowbazar. Gokul Ghosal, Kasinath sen, Lokenath Nandi, Sridhar Saha, Darpanarain Tagore often worked together.⁵⁹

Ratnalekha Ray mentioned that ‘the farming experiment from 1772 to 1775 was simply a great loot in which not only the East India Company but also its senior most European officers and their native assistants participated for purposes of private gain in addition to the public objective of financing from Bengal revenues the investment, the territorial expansion, and the China trade of the Company. It was estimated by Maharaja Nabakrishna Deb, the former diwan of Clive, that Hastings, Barwell, Middleton, Vansittart and other senior officers who concluded the settlement received from the zamindars, taluqdars, and farmers cash presents to the amount of Rs 42 lakhs.’⁶⁰ Besides this ‘the following are the particulars supplied by Nabakrishna to Henry Strachey, though he could not produce any evidence to back his somewhat extravagant accusations: ‘An account of the Money received by Governor Hastings and other Gentlemen from the Zamindars, Talookdars and Farmers of the Subah of Bengal from his accession to the Government till the arrival of the General and other Gentlemen; exclusive of nuzzers (presents), pearls, jewels, cloths and complementary present.’⁶¹

58 *Ibid*, p. 120.

59 *Ibid*, p. 121.

60 Ratnalekha Ray, ‘The Bengal Zamindars: Local Magnates and the state before the Permanent Settlement’, *Indian Economic Social History Review*, 1975, 12, p. 285.

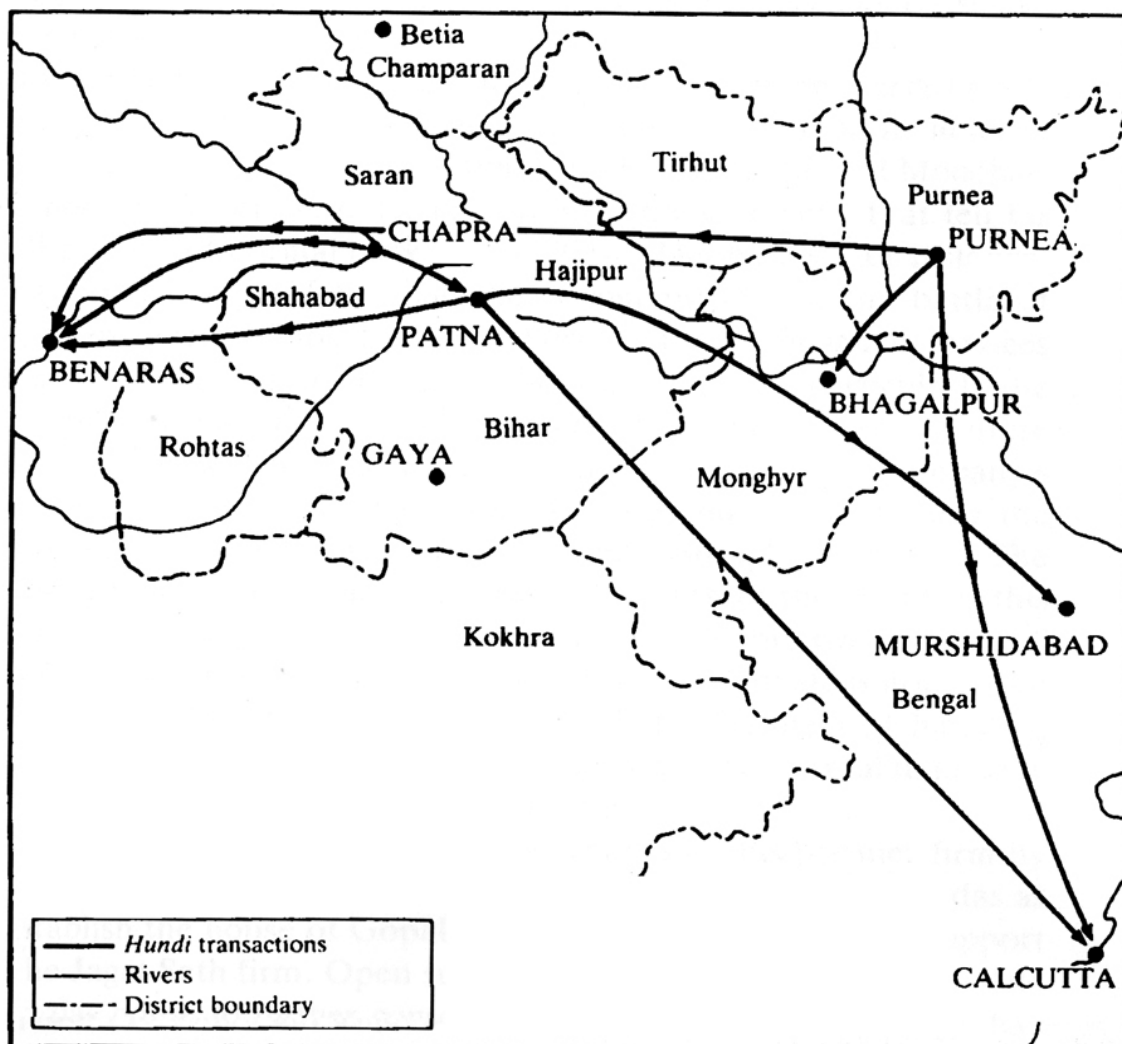
61 *Ibid*.

**Nabakrishna's Account of Presents taken by
Hastings and Others from Zamindars in the Suba of Bengal**

Dacca		Rs.
Ready money		500,00
Mr. Barwell		400,00
Rangpur, etc.		
Ready money	100,000	
Promissory	100,000	200,000
Murshidabad (exclusive of Middleton)		300,000
Dinajpur		200,000
Bhagalpur		150,000
Birbhum, Bishnupur, etc.		100,000
Midnapur		
Vansittart and other gentlemen		350,000
Raja Krishnachandra (?)		150,000
Burdwan (exclusive of Stewart)		
Through Diwan Brajakishor	200,000	
Pulbandi (embankment contract)	150,000	
Mandalghat salt contract	150,000	500,000
Hugli, Hijli, etc.		
Ready Money	100,000	
Settlement for salt mahals	600,000	700,000
Jessore, etc.		200,000
On account of salt of Raymangal, etc.		
Farmers of 24 Parganas		50,000
From Raja Huzuri Mal and Mudan Datta for relinquishing the farm of Purnia		100,000
Profit of batta (exchange), premium on bills, etc.		
from Raja Huzuri Mal and Dol Chaand		150,000
From servant wages		100,000
Total		4200,000

In the nineteenth century especially after 1813 Charter Act, the business door of Bengal opened for European free traders. At this time banians provided them capital,

which they did before. Now they advanced money to Europeans by bill of exchange, letter of credits, drafts, checks, promissory notes, hoondees which were payable on demand on an agreed date. 'The banian used these instruments to generate credit for him accepting them from local Bengalis. Sometimes the banian would act as a funnel for Bengalis who would like to invest in an Agency House with the instruments of credit. He would also accept these from British traders while advancing capital to them.'⁶² The following map shows the picture of the route of hoondes between West Bengal and its nearer areas:



Source: Kumkum Chatterjee, 'Collaboration and Conflict: Bankers and Early Colonial Rule in India', *Indian Economic and Social History Review*, 1993, p. 298.

62 Dilip Basu, 'The Banian and the British', p. 164.

Dilip Basu wrote: ‘The total amount of investment perhaps would never be known. After the Crash of 1833, the liabilities of six major agency houses alone were Rs. 1,530 lacks. According to Supreme Court records, the number of cases of complaint between natives against Europeans for non-payment of borrowed monies between Rs. 7,000 to Rs. 10,000 increased from 197 during 1800-1813 to 265 during 1814-1834 to 546 during 1835-1850.’⁶³ These figures show a vague approximation of Bengali investment in European enterprises. The Total Bengali investment was perhaps much higher. Dwarkanath Tagore’s loan to Europeans gave similar idea:

List of persons who received loans from Dwarkanath Tagore

Name	Date of Loan Maturity	Amount (Rs.)
Richardson, Bengal C.S	1826	21,032
John Brereton Birch, Indigo Planter	1829	20,000
Thomas Barfoot	1833	4,000
R.C Jenkins, Merchant	1834	3,000
Ronald McDonald, indigo planter	1835	10,000
John Armstrong Currie, Shipbuilder	1835	1,00,000
John Baird	1837	1,00,000
John Freeman	1837	1,20,000
Archibald Bryce, Indigo Planter	1838	25,000
Hay Tweedale Stewart	1841	1,50,000
James Smith, Indigo Planter	1842	52,557
Maurice Chardon, Indigo Planter	1846	1,20,000
William Storm	1849	2,00,000

Source: BB Kling, *Partner in empire: Dwarkanath Tagore and the age of enterprise in eastern India*, University of California Press, 1976, p. 40.

⁶³ *Ibid.*

Europeans continued to depend on banian capital for many years. In the meantime, however, European funds became much more plentiful. From the 1780's most officials were forbidden to invest their money directly in trade. For these reasons the necessity of banians equally existed in the first half of the nineteenth century.

Sloop Merchant

European and American merchants did their business in Bengal by using sea route and ship was the only vehicle for transportation. Till the late eighteenth century the ships which plied between Bengal and London were either built in the chief presidencies or their subordinate factories and registered as freight ships for Europe or were built in foreign settlements in India or in territories belonging to the native states. These were then brought to the Company's settlement and registered. After registration, these ships were considered British property and they sailed under British colours and protection.⁶⁴ According to an Act of British Parliament, the ships built in Bengal enjoyed the rights and privileges of foreign ships. Rice, cotton, sugar, salt and silk were carried to London by these ships.⁶⁵ They were also used in the country trade. Akrur Dutta carted these commodities in his sloops to the ships. On their return, his sloops brought back Madeira, iron, lead, copper, small pipes, bundles, large bellows and large guns to the import warehouses.

Sloops were used as feeder vessel to load and unload waiting ships, anchored in deep water, as those could not move through the creeks and canals of Bengal. The sloops navigated easily through shallow water and brought export goods from inland marts and factories to the ship. When a ship touched the port, it was in sloops that the cargo was brought to the warehouses. The business in sloops must have been very profitable in the eighteenth century when charges for hiring boats were substantial and the wages of the crew was rather higher than the average income of the common people.⁶⁶ Sloops

64 Shubhra Chakrabarti, *The East India Company and the Indigenous Sloop Merchants of Bengal: Akrur Dutta and his Family, 1757-1857*, *Studies in History*, 2004, Vol. 20, No. 1, p. 137.

65 *Ibid.*

66 *Ibid.*

were engaged in collecting goods from distant factories and marts and depositing these at ports. They were entrusted with the additional responsibility of plying regularly between Diamond Harbour and Kolkata, where the major warehouses were located. In the beginning of the nineteenth century sloops also had begun to carry grain and troops for the Company. Akrur Dutta stepped in as the sole sloop contractor of the Company during the period.

In the mid-eighteenth century Bengal, there was no dearth of indigenous sloop contractors to supply provisions to the Company. At that time Akrur Dutta took sloop business and he was very successful. It is also reasonable to speculate that with the increase in the volume of exports, the business in sloops became more attractive to him. Because of this from the 1780s, at any rate, the Company records began to mention Akrur Dutta as the most important sloop contractor in Bengal.

Akrur Dutta was Company's important sloop merchant during this period. He was a creditable native, an owner of sloop with whose conduct the Board had much reason to be satisfied. He carried regularly packages sent to Europe and imported from Europe between Kolkata and Dimond Creek. Below is shown a transaction which shows Medium of Packages sent to Europe for 3 Years by Akrur Dutta:⁶⁷

Bales	Boxes	Chests	Pipes	Bags
$8798 \frac{1}{2}$	2004	299	$18 \frac{1}{3}$	35685
				Cosks
Imported $572 \frac{1}{3}$	35	1802	$217 \frac{1}{3}$	100

The Company invited tenders to select sloop contractors. Contractors wrote to the Board of Trade stating their terms. The general practice was that the master attendant

⁶⁷ N.K. Sinha, *The Economic History*, Vol. 1, p. 34.

of the storehouse examined the sloops and ‘an agreement was reached between the Company and the contractors before the sloops received the cargo. According to the terms of the agreement, the Company could hire other sloops in case of any neglect on the part of the contractor. At the same time, the Company was responsible for damage of the sloops in the river. The *sarang* of each sloop was given a receipt for all cargoes he received from the warehouse, and when he delivered the cargoes on board of any ship, the officer was to give him a receipt for such cargoes again. When this receipt was delivered to the warehouse- keeper, the *sarang* was acquitted of his charge. At the time of loading the sloops the contractor had to take possession of the key of the warehouse. If the sloops were retained for more than three days at the time of loading or unloading a ship, demurrage was to be paid at a rate agreed by both parties. The freight was to be paid in sicca rupees.’⁶⁸

Here we could show an example. ‘In 1797 we find three contractors-Joseph Cooper, Fuckeerchund Dutta and Akrur Dutta submitting proposals to the Board for freight contract. On 3 June 1797, in response to the Company’s advertisement in the Kolkata Gazette, Joseph Cooper and Fuckeerchund Dutta quoted their rates for each export and import item to be transported in their sloops from Kolkata to Diamond Harbour, Kedgerree and Cox’s Island. In his letter dated 5 June 1797, Akrur Dutta also submitted his proposal for a freight contract for sloops for a period of three years.’⁶⁹ Rate of their proposals was as follows:

68 Shubhra Chakrabarti, *op.cit*, p. 138.

69 *Ibid*.

**Comparative Rates Furnished by
Akrur Dutta, Fuckeerchund and Joseph Cooper**

a. Akrur Dutta

	Export Freight									Import Freight												
	Calcutta to			Calcutta to			Calcutta to			Kedgerie to Calcutta						Diamond to Calcutta						
	Cox's Inland			Diamond			Kedgerie			Full Freight			Return Freight			Full Freight			Return Freight			
	SR	a	p	SR	a	p	SR	a	p	SR	a	p	SR	a	p	SR	a	p	SR	a	p	
Bales	1	-	-	-	-	-	-	-	-	-	10	-	-	6	-	-	-	-	-	-	-	Bales
Sugar & Saltpeter bags	1	3	-	-	-	6	-	10	-	-	6	-	-	3	9	-	8	-	-	5	3	Chests & boxes
Boxes & chests	1	8	-	-	-	-	-	2	3	2	3	-	-	1	6	-	4	-	-	2	6	Weighable goods p. cwt
Madeira & pipes	3	-	-	-	1	-	-	2.4	-	2	4	-	-	1	8	-	1	6	-	1	-	Madeira & pipes each
Rum casks	3	-	-	-	1	-	-	2.4	-	-	13	-	-	9	-	1	8	-	1	-	-	Large guns p. cwt
Weighable goods per factory maund	3	1	6	6	-	9	-	1	1	-	-	-	-	-	-	-	9	-	-	6	-	Tar & pitch iron mongery p. cask
Redwood, large guns tar & pitch casks	-	-	-	-	-	-	-	-	-	-	--	-	-	-	-	-	-	-	-	-	-	For the same goods returned half the charge

b. Fuckerchund Dutta

	Export									Import						
	Calcutta to			Calcutta to			Calcutta to			Diamond Harbour to Calcutta						
	Cox's Inland			Diamond			Kedgerree			Full Freight			Return Freight			
	SR	a	p	SR	a	p	SR	a	p	SR	a	p	SR	a	p	
Bales	-	9	-	-	-	-	-	-	-	-	9	-	-	6	-	Bales each
Sugar & Saltpeter each bag 2 factory maunds	-	1	9	-	11	-	-	1	1	-	5	6	-	3	6	Chests & boxes each
Boxes & chests	-	5	6	-	2	3	-	1	3	-	1	9	-	1	3	Weighable goods p. cwt
Madeira & pipes	-	1	8	-	7	3	-	1	9	1	8	5	1	2	-	Madeira & pipes
Rum casks	-	-	-	2	-	-	-	2	12	-	9	-	-	7	-	Large guns p. cwt
Weighable goods per factory	-	-	-	-	-	-	-	-	2	-	5	-	-	4	-	Tar & pitch
Redwood	-		1	-	1	6	-	-	-	-	5	-	-	4	-	Iron mongery
large guns per cwt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Tar & Pitch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Casks each	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

c. Jooseph Cooper

	Export									Import						
	Calcutta to			Calcutta to			Calcutta to			Diamond Harbour to Calcutta						
	Cox’s Inland			Diamond			Kedgerree			Full Freight			Return Freight			
	SR	a	p	SR	a	p	SR	a	p	SR	a	p	SR	a	p	
Bales	-	-	-	-	-	-	-	-	-	-	-	-	-	6	-	Bales each
Sugar & Saltpeter each bag 2 factory maunds	-	1	-	-	11	-	1	2	-	-	-	-	-	3	4	Chests & boxes each
Boxes & chests	-	5	9	-	2	3	1	3	-	-	-	-	-	1	3	Weighable goods p. cwt
Madeira & pipes	-	1	6	-	7	3	-	9	-	-	-	-	-	7	-	Madeira & pipes
Rum casks	-	1	8	2	4	-	3	-	-	-	-	-	-	5	-	Large guns p. cwt
Weighable goods per factory	-	1	9	1	2	3	-	-	3	-	-	-	-	3	6	Tar & pitch
Redwood	-	1	9	-	1	6	-	-	2	-	-	-	-	-	-	Iron mongery
large guns per cwt	-	9	-	-	11	-	-	-	14	-	-	-	-	-	-	
Tar & Pitch	-	7	-	-	9	-	-	-	12	-	-	-	-	-	-	
Casks each	-	5	6	-	7	-	-	-	-	-	-	-	-	-	-	

‘Along with his quotation, Akrur Dutta declared that as was the custom, his sloops should be surveyed by the Master Attendant and that he would deliver these in twenty-four hours. In case he failed to comply, the Company was at liberty to hire vessels on the best terms in its power and the excess would be paid by the contractor. If his sloops were detained beyond five days, a demurrage of 1 sicca rupee per day for each 100 bags should be given to him. Freight on goods of individuals going to Europe as ‘Privilege’ was to be charged at the bazaar rate. He insisted on freight being paid for in cash at the end of every month for all the businesses done. Finally, he agreed to pay a security of 10,000 rupees in Company papers.’⁷⁰ After examining all these proposals, the Board decided that Akrur Dutta’s quotation was the most advantageous. The Company’s attorney prepared the necessary deeds of contract, after which the Governor-General and his Council were apprised of it.

Akrur Dutta was engaged by the Company and remained its major sloop contractor for nearly three decades until his death in 1809. However, the Company became less dependent on indigenous merchants after the 1820s and began to prefer English sloop owners to Rammohun Dutta, the son of Akrur Dutta. In this period several categories of indigenous merchants, such as the pykars, gomastahs, banians and shroffs, began to lose their former importance in the Company’s scheme of things and were gradually edged out of business.⁷¹

Towards Zamindari

In the last decade of the eighteenth century banians withdrew from commercial enterprises and became owners of Kolkata house property and landowners in rural areas. The Permanent Settlement gave them opportunity to invest their

⁷⁰ *Ibid*, p. 139.

⁷¹ *Ibid*, p. 141.

capital in land. By introducing this settlement Cornwallis succeeded in diverting native Capital to land.⁷² Under the rules of the Permanent Settlement the zamindars were declared the absolute proprietors of land, and as proprietors they were made legally entitled to use their land as they pleased. But the property right was severely limited by a set of restrictive rules and regulations. The safety and security of the zamindari estate was hazarded by the regulation which says that the proprietors would have no right to claim for suspension or remission of revenue on account of drought, inundation, or other natural calamities. However, in the event of any proprietor's failing in the punctual discharge of the public revenue, a sale of the whole of the land of the defaulter, or such portion of them as might be sufficient to make good the arrears would positively and invariably take place.⁷³ Under the Permanent Settlement system the landed property as an institution was surely permanent, but not so its owners whose right in land was made dependent on the punctual payment of government demand.

Big zamindars of Bengal lost their lands within the first decade of the operation of the Permanent Settlement. The old landed aristocracy undoubtedly greatly suffered from the enforcement of the sale laws. A number of old families in Bengal, Bihar, and Orissa were wiped out. In Bengal, Rajshahi, Dinajpur, Nadia, Bishnupur, Birbhum zamindars suffered the worst.⁷⁴ Between 1820, half of the Bengal zamindaris were sold by the operation of sun-set law's.⁷⁵ The following table will give us a quantitative picture:

⁷² N.K. Sinha, *The Economic History of Bengal*, Vol-II, p. 95.

⁷³ Sirajul Islam, 'Permanent Settlement and Peasant Economy', p. 162.

⁷⁴ Binay Bhushan Chaudhuri, 'Land Market in Eastern India, 1793-1940 Part II: The Changing Composition of the Landed Society', *Indian Economic Social History Review*, 1975, 12, p. 133.

⁷⁵ Sirajul Islam, *The Permanent Settlement in Bengal: A Study of its Operations 1790-1819*, Dacca 1979, p. 157.

Statement of zamindari lands sold at public auctions.

All figures are round up to nearest one hundred

Year	Public Jama of Lands sold (Rs.)	Amount realised from sale (Rs.)
1794-95	2100	N/A
1795-96	26400	66300
1796-97	19000	43200
1797-98	10000	21000
1798-99	76000	90300
1799-1800	215000	51000
1800-01	189000	N/A
1801-02	262000	N/A
1802-03	181900	14700
1803-04	8100	14600
1804-05	3000	3700
1805-06	3000	5400
1806-07	1500	4500
1807-08	2100	1500
1808-09	900	3800
1809-10	17700	9600
1810-11	700	600
1811-12	3200	13500
1812-13	2700	13500
1813-14	1500	4800
1814-15	3600	9100
1815-16	1900	4400
1816-17	2600	12700
1794-1817	10,33,900	3,88,000

Source: Sirajul Islam, 'The Operation of the Sun-Set law and Social Changes in the Landed Society of the Dacca District', 1793-1817, *Journal of the Asiatic Society of Bangladesh*, vol. XIX, No. 1, April 1974, p. 55.

In 1795-96 lands were bought at revenue sales at more than 15 years' purchase. But as a consequence of the rise of the rate of interest in the two years following for various reasons land values fell to 12-13 years 'purchase' in 1797 to 9 ½ year's purchase.⁷⁶ There was a further fall in the purchase price of Zamindaris. But as interest rates fell and new powers of distraint were given to Zamindars, banian capitalist began to invest more and more in land. There was no appearance of entrepreneurs willing to risk their capital in small industrial enterprises. Their trading capital was diverted to land and to rural money-lending.⁷⁷ The leading banian families were the Debs, Mallicks, Nandis, Tagores, and many others.

Binay Bhushan wrote, "Regarding the characterization of the newcomers there are two principal views. According to the more widely known one, the land market was dominated by urban elements, by persons connected with the new economy of which Calcutta was the centre. Mill thus presented the more or less popular contemporary view: 'In one generation the ancient families had ceased to exist, and other families, mostly the descendants of Calcutta moneylenders, now occupy their place, and live as useless drones upon the soil'. The view went long unchallenged. Marx repeated it in his Notes on Indian History: 'The greater part of the province's landholdings fell rapidly into the hands of a few city capitalists who had spare capital and readily invested in land'. Such a view also seems to have considerably influenced at one time the thinking in regard to the alleged 'de-industrialization' in India. The security and other relative advantages of landed property, it was argued, lured capital from the non-agrarian sectors."⁷⁸

Banians mostly made their fortunes through connections with European traders and the new administration of the Company. After the Permanent Settlement

76 Amares Tripathi, *Trade and Finance in the Bengal Presidency 1793-1833*, Oxford University press, 1979, pp. 80-81.

77 N.K. Sinha, *The Economic History of Bengal*, Vol-II, pp. 223-224.

78 Binay Bhushan Chaudhuri, 'Land Market in Eastern India', p. 136.

they subsequently turned into landed magnates. Features of some of the leading banian families are given here just to show their influence on contemporary socio-economic and cultural conditions:

The Tagore Family: This family had two branches. One branch was established by Darpanarayan Tagore another by Nilmoni Tagore. Among them Darpanarayan amassed a fortune as banian for French East India Company at Chandernagore and augmented his wealth by purchasing *zamindaris* or real estates auctioned for arrears of revenue, including the Natore Raj, an estate of 249 square miles situated in Rajshahi District. This branch owned the largest estates in the district of Bakarganj with the purchase of two of the biggest parganas, Idilpur in 1812 and Nazirpur in 1819.

Nilmoni Tagore was the younger brother of Darpanarain. Nilmoni supplemented his inherited wealth by his earnings as an employee of a district collectorate and the real connections of his family with Kolkata started from his time. Dwarakanath Tagore was his grandson. It was in fact Dwarakanath who built up the fortunes of the family, including the extensive landed property scattered in different parts of Bengal and Orissa—such as Rajshahi, Pabna, Rangpur, Burdwan, Jessore and Cuttack. Dwarakanath was first associated with one of the major agency houses of Kolkata, Mackintosh & Company. He was neither a partner nor an employee of that agency house, though he may have been considered a banian. His specialty was not trade but finance that is arranging of capital and credit to meet up the firm's obligations.⁷⁹ The management of his ancestral property created in him a taste for real property law; and he soon made a reputation as a law agent for many noted zamindari families of Bengal.

⁷⁹ B. Blair King, *op.cit*, p. 41.



Dwarkanath Tagore

He not only earned a lot from this profession, but also the knowledge he thus came to acquire about the intricacies of the land system of Bengal later stood him in good stead, when he decided to invest part of his fortunes in the purchase of landed estates. Gradually, however, he made contacts with the European mercantile community and provided funds from time to time indigo and silk sections. During the short-lived indigo boom of 1822-24, he decided to establish some indigo factories and later some silk factories. Even then, however, his main profession was his job as a subordinate to the Collector and Salt Agent of 24-Parganas for six years, from 1823 to 1828 and from 1829 to 1834 as the Dewan to the Board of Customs, Salt and Opium. From 1829 onwards, however, his connections with trade, banking

and finance provided him with a large income, though this was sharply depleted during periods of trade depression. Of the total capital of 16 lacs of the Union Bank established in 1829 he provided the largest part. Unperturbed by the crash of the commercial houses of Kolkata between 1830 and 1835, he established in 1835 the firm of Carr and Tagore, which was for all practical purposes Dwarkanath's concern.⁸⁰ He became an honorable member of the Kolkata Chamber of Commerce, when it was founded in 1834. From the following document we could get an idea about Dwarkanath's establishments throughout Bengal:

Will of Dwarkanath Tagore⁸¹

Dwarkanath's will (O.W. 15736): An inventory of his estate and effects

1. Real, Junglemahals, Tipperah, Faridpur, Hooghly (Mention of two Patni taluks) Izara mahals in Cuttack and Jessore.
2. Indigo factories in six places.
3. Kumarkhali silk Filature.
4. Salt works.
5. Hauts, Bazars and lands-
 - (a) Dwelling house at Jorasanko.
 - (b) Belgatchia Garden.
 - (c) Three storied Mansion at 41, Chowringhee.
 - (d) Two other pieces of land at the same place.
 - (e) Upper roomed house at Ballygunge.
 - (f) Three houses at Jorasanko.

House and buildings at Jorasanko, godown at Tallah, Houses, buildings, tanks in Beliaghata, Bhowanipore, Entally, Tangra, and estate in 24 Paraganas, land at Barangore, Tangra & other places.

⁸⁰ Binay Bhushan Chaudhuri, 'Land Market in Eastern India', Part-2, p. 139.

⁸¹ N.K Sinha, 'Indian Business Enterprise', p. 121.

- 51 Union Bank shares
- 11 Share in oriental life Assurance co.
- 10 Shares in steam Navigation co.
- 3 Shares in Calcutta steam tug Association.
- 3 Shares in Assam co.
- 1 Share in Bombay Bank.

I Dwarakanath Tagore have placed at the disposal of the said firm of Carr Tagore & Co. as a loan to the said firm and for Capital stock of the said co-partnership business the sum of company rupee one million.’

The Kandi family: Hara Krishna Singh was the first notable member of the family. He succeeded in building up a considerable business in silk. The Maratha invasions (1741-1751) caused a setback and the family migrated to the east side of the Bhagirathi. Ganga Govind Singh was the descendent of this family. He was one of four sons of Bihari Singh, settled at Kandi near Murshidabad. Members of his family were engaged in trade and revenue administration under the nawabs of Bengal. Ganga Govind Singh was adopted by his uncle Gouranga Singh. He and his elder brother Radhakanta were brought up as *kanungos*, keepers of revenue records. He wielded great power and influence under Warren Hastings, accumulating in the process a huge fortune which enabled his descendants to become one of the most notable families in nineteenth-century Bengal.

After the acquisition of the Diwani in 1765, the East India Company needed the expertise of men like Ganga Govind Singh. He knew all the intricacies of the land system. This knowledge of the intricate land system impressed Hastings and other influential members of the government. Thus he was appointed as Diwan to the new Committee of Revenue (1772). He played a vital role in the making of the new ‘farming’ arrangement (1772-77). By then Warren Hastings appointed him to a commission (1778) to survey the revenue

resources of Bengal and in 1781 made him diwan to a committee responsible for the revenue of the whole province. The next four years, until Hastings left Bengal in 1785, were the apogee of Ganga Govind Singh's career.

Ganga Govind Singh built up an enormous fortune, estimated at over £3 million by 1785, and acquired much land.⁸² Hastings paid both public and private tributes to his 'fidelity, diligence, and ability' and to his faithful support of the governor-general. His enemy Philip Francis called Ganga Govind Singh 'prime minister to Mr. Hastings and I believe the only man he really trusts'.⁸³ It was said that he 'was looked upon by the natives as the second person in the government, if not the first'.⁸⁴ All the great zamindars in Bengal felt obliged to deal with the government through him and it is clear that they had to pay heavily for his favour. He was also made Jamanavis, an important official in the revenue department, by Cornwallis. His influence, perhaps, made the English to appoint his grandson, Krishna Chandra Singh, as Sheristadar (keeper of records) at the Burdwan collectorate and later as Diwan of Orissa when it was annexed.⁸⁵

Santiram Singh was the son of Ganga Govind Singh. He was also active in revenue business and as banian of prominent Europeans, predeceased him. Ganga Govind Singh then adopted Santiram's son Prankrishna Singh, who also became a *kanungo* and acted as his adopted father's deputy. Ganga Govind Singh's descendants came to be known as the Paikpara family, the name of their great house in Kolkata.

The Kasimbazar Nandy family: Kasimbazar was one of the main centres of English trade in Bengal. Krishna Kanta Nandy (1720-1795) was the founder of

82 P. J. Marshall, 'Ganga Govind Singh (fl. 1750–1795)', *Oxford Dictionary of National Biography*, Oxford University Press, 2004; online edn, Jan 2008

[<http://www.oxforddnb.com/view/article/63549>, accessed 7 Nov 2013]

83 *Ibid.*

84 *Ibid.*

85 Binay Bhushan Chaudhuri, 'Land Market in Eastern India', Part-2, p. 139.

the Kasimbazar Raj family. He was popularly known as Kantoo Babu, and he served as banian of Warren Hastings and Francis Sykes. He purchased plenty of landed property, took lease of large firms from the Company and was involved himself directly in salt and various other business including silk. Initially his monthly salary was from 15 to 20 rupees. His father was a dadny merchant of the Company.

Kanta Babu belonged to the administrative establishment of the Kasimbazar Factory, holding a more or less clerical job of a writer. Undoubtedly his skill in testing the quality of silk goods and also perhaps the commercial credit lie occasionally provided to Hastings in his capacity as a private trader influenced Hastings' decision, when he was the Commercial Resident at Kasimbazar, to employ him as a writer. His growing intimacy with Hastings was eventually to change the whole course of his career. The new 'farming' arrangement of Hastings (1772-77), resulting in the partial supersession of the old zamindars of Bengal, enabled Hastings to distribute favours among his favourites, including Kanta Babu. Kanta Babu managed to 'farm' some of the very valuable estates, including the rich Baharband pargana of Rangpur, which was in fact the first estate in Bengal to be permanently settled with a very low land revenue demand. The spoils of the farming system and the profits from the Baharband estate and also from a jagir at Ghazipur constitute the main means which enabled the family to make the first purchases after the Permanent Settlement.⁸⁶ Eight years after the death of Kanta Babu and twelve years after the Permanent settlement, Maharaja Lokenath Nandy held the following properties⁸⁷ in 1801-1802:

⁸⁶ *Ibid*, p. 140.

⁸⁷ Somendra Chandra Nandy, *Life and Times*, Voll. 2, p. 231-32.

District	Properties	Approx. annual income
1. Rungpur	Pargana Baharbund Pargana Bhitribund do Gaibari	Rs. 2,00,000
2. Dinajpore	Pargana Kantanagar including Taraf Raghunathpore	
3. Birbhum or Jungle Mahal	Pargana Kantanagar including Taraf Belliapur and Chati	
4. Bhagalpur	Pargana Dashazaree	
5. Natore (later called Rajshahi)	Parganas Parwari, Amrool including Tarafs Gachinda, Kamargaon, Durgapur and Dihi Brajapur & Bhagsundar etc.	
6. Burdwan	Kismat Jabagram, Pargana Mahalandi etc.	
7. Faridpur	Jalalpur Mahal, Taraf Habaspur	
8. Nadia	Parganas Lokenathnagar, Sajadpur, Lokenathpur, Plassey including Dihi Meherpur, Mangalpara, Sarbangapur, Dihi Hazipur, Nabatbati and Rajpur, Kusthia etc.	Rs. 2,00,000
9. Murshidabad	Parganas Kantanagar, Chunakhali, Azimnagar, Naopara etc., including Tarafs Bhadoor, Khidirpur, Giridharpur, Hanspur, Methia, Purandarpur, Gopalpur, Kulberia, Pargopjan; Hoods Patharghata, Babatbati and Kashba, Kismat Saidabad, hat Sripur, Tarafs Mamoodpur-Gajdarpara, Bhatpara, Tarafs Mitrapur, Katlamari, Bodha, Ramapur, Kaochapa, Khayra, Bhabanandapur, Ghaneepur, Jote Sarbojoy, Hooda Seean, Tarafs Rashidpur, Raghobpur, Mahtranbati, Shorgunge, Jankarbanbandri (?), Dihis Harishbati and Bratabati, Tarafs Janmahammadpur, Punrandarpur, Mahespur, Pitgaon, Manetaga, Bhudhar, Kantadeya, Jote Mengpoya, Chak Brindabanpur, Khhairamari (P. Islampur), Mathabhanga, Tarafs Baniapur, Dhamipur, Makhadpur, Mouza Andiram etc.	Rs. 3,00,000
Religious Trust and Debuttar Properties:-		
Uttar Pradesh	Tarafs Duhabebara	
Murshidabad	Tarafs Andiran Katlamari Purandarpur	
Natore	Tarafs Rajpur	
Nadia	Tarafs Naogaon in Dihi Meherpur	
Dinajpore	Tarafs Jobeesha	
Burdwan	Tarafs Sijna	Rs. 1,00,000
		Rs. 6,00,000 (minimum)
		Rs. 8,00,000 (maximum)

The Ghoshal family of Bhukhailash: Gokul Chandra Ghoshal was The founder of the Bhukhailash family. He was a considerable trader in salt in the second half of the eighteenth century. Ghoshal was the banian of Verelst. He accompanied Verelst to Chittagong. At this time Chittagong being an important centre of salt production. Gokul was the Company's first Diwan there between 1761 and 1764. He made the most of his first official position as Diwan in Chittagong mainly for enlarging his salt trade.⁸⁸ Basically this position enabled him to increase his trade in salt, betelnut, and tobacco, and his role in the new land revenue settlement of the district provided him with further opportunities for making money. Much larger opportunities arrived when he was supervising the revision of the land revenue settlement in the big island of Sandwip adjacent to the district. There Gokul served as Wahadadar-an officer in the revenue department. He monopolized the salt trade; gradually expropriate most other traders in the commodity. A report made by Duncan (1779) exposed the means by which Gokul built up his wealth, such as the monopolization of the salt trade, the dispossession of many local zamindars and the eventual appropriation by him of their estates.⁸⁹ The acquisition for his nephew Joynarain Ghoshal of the extensive waste land in Chittagong at a nominal revenue was as much a result of frauds as of the family's influence with the English administration.

The beginning of the family's hold in Selimabad, one of the largest parganas of Bakarganj, was also done through a fraud. The original zamindar, Sheo Narain, 'lost it to a powerful claimant in one of those clashes between its proprietors and adventurers, which convulsed the pargana from time to time before the British took over. The Provincial Council of Chittagong, of which Gokul was the Diwan, intervened and restored the property to Sheo Narain. It was, however, a shady deal. Gokul

⁸⁸ Tapan Raychaudhuri, Irfan Habib, Dharma Kumar (ed.), *The Cambridge Economic History of India*, Volume 2, CUP Archive, 1983, p. 112.

⁸⁹ *Ibid.*

exacted a heavy price from Sheo Narain, acquiring half of his restored property. The hold of the Ghosal family in the pargana which was thus acquired was consolidated by subsequent purchases.’⁹⁰

The Shobhabazar family: Raja Nabakrishna, the founder of the Shobhabazar family, was closely associated with the administration of Clive and Verelst. He had his share in the ‘loot of Plassey’⁹¹ and already by the time of the Diwani (1765) acquired an important position in the administration, in which his knowledge of Persian greatly helped him. He was first associated with the East India Company in 1756 as its Persian secretary. His father was an officer of revenue department. The story about his appointment in the company’s job is quite interesting. One day in 1756, when he was walking on a street of Kolkata, a staff of the company requested him to read out and interpret a letter written in Persian. The letter was sent to the then governor of Kolkata Drek from a group of anit-nawab people from Murshidabad. Since the content of the letter was confidential, the Company administration considered it too risky to review it by a Muslim clerk. In the crucial days of 1756-57, he rendered useful service to the English by collecting military intelligence and arranging for the supply of provisions to the beleaguered British during the sack of Kolkata. Young Nabab Krishna later known as Nabab Kishan performed the assignment so well that he was appointed in the Company instantly. Later he became a powerful banian of Lord Clive who conferred upon him the title of ‘Maharaja’ the great king in 1766. He was one of the close associates of Clive who helped the Lord ousting Nawab Sirajuddoula. Till 1759, when Clive left India, Nabakrishan worked as his banian and later did the same job under Major Adams till the return of Clive to Bengal in 1765. Naba Kishan again got the same assignment under him and continued the job even under Clive’s successor Verelst.

90 Binay Bhushan Chaudhuri, ‘Land Market in Eastern India’, Part-2, p. 141.

91 Pradip Sinha, *Calcutta in Urban History*, Calcutta, 1978, p. 70.

In 1767 Nabakishan was appointed ‘political banian’ to the Company.⁹² He earned huge wealth exploiting his position in the company. Nabakishan figured as the most prominent Indian in the proceedings of the Kolkata Committee of Revenue, especially with reference to new property rights acquired by him inside Kolkata. In 1774 he obtained the unusual right of holding the farm of Sobhabazar in perpetuity⁹³, in 1778 he was awarded the taluk of Suttanuti by the Company, which amounted to an exclusive right to collect the ground rent and grant *pattas* or leases in the greater part of northern Kolkata.⁹⁴



Sovabazar-Rajbari

In a contemporary judicial document Nabakrishan appeared as a leader of money seeking to redeem a mortgage bond from Gobinda Charan Seth of the declining merchant family. Gobinda Charan had mortgaged his portion of 21 houses and gardens in Kolkata for Rs. 21,000 and failed to pay off.⁹⁵ Revenue

⁹² Atis Dasgupta and Subhas Ranjan Chakraborti, ‘The Growth of Calcutta’, p. 39.

⁹³ *Ibid.*

⁹⁴ Pradip Sinha, *op.cit*, p. 68.

⁹⁵ *Ibid*, p. 68-69.

records revealed Nabakrishan in the role of operator in salt business as well as in the tax collection of the rich Bengal District of Burdwan.⁹⁶ His success as a fortune-maker was a phenomenon of the changing times. Nabakrishan turned out to be one of the most successful intermediaries in a new society of banianism totally subservient to the economic and political interest of the East India Company in late eighteenth century Bengal.

The Datta family of Calcutta: Mudan Mohan Datta was the most conspicuous member of the family. He was a banian and ship-owner. He invested in the purchase of land which was derived from trade and industry (mostly silk and indigo), the most notable was the Midnapur Zamindari.

Partner in Business

In the second half of the eighteenth century banians started a new relationship with the Europeans and that was partnership in business. Actually, during this time the Europeans-banians relationship became very close. Banians used their European masters' name and money; on the other hand Europeans used their banians' talent in do successful business in Bengal. Though the East India Company did not gain profit after Plassey, its servants' private trade was very successful. Because of the cooperation between Company's servant and banians they made a great fortune. Their private fortunes were made at the expense of the Company and of the country. Indigenous industries and husbandry, declined gradually. Famines and scarcities, which became endemic from 1769 onwards, decimated the population and consequently cultivation shrank. It was officially estimated in 1790 that one-third of the cultivable lands of Bengal were thrown out of plough and turned into jungles infested by wild animals.⁹⁷

⁹⁶ *Ibid.*

⁹⁷ F.D Ascoli, *Early Revenue History of Bengal and Fifth Report*, Oxford, 1917, p. 102.

From the 1780's most officials were forbidden to use their money directly in trade. Then they earned huge profit through banian. That was the beginning of the banian-European partnerships. Second phase of this partnership got momentum between 1800 and 1850, when banians entered into joint ventures with the Europeans. In their productive investments banians joined with the British capital in promoting joint stock enterprises in the spheres of commerce, docking, warehousing, real estate business and banking. After 1834, British and Bengali merchants invested together in companies associated with steam tugging, coal mining, indigo manufacturing, tea planting, river steamboat services and railroad building. Between 1834 and 1847, Bengalis and Englishmen started a host of partnership venture jointly. It was entirely a new phenomenon in Indian business life- of which several companies like Carr Tagore, Union Bank, Oswald Seal and Rustomji Turner were the more prominent ones.⁹⁸ During their prime time the Bengali banians participated in the development of Kolkata's commercial infrastructure, a chamber of commerce and commercial newspapers. As a whole, the achievement of the local merchants in the corporate field was similar to European enterprises of that period. From the following list we could know the name of some enterprises where Bengali merchant and banians were engaged with the Europeans.

Sectorial Distribution of Enterprises on Modern Lines in Bengal, 1817-50

Sector / Name		Year Founded / Existed
A.	Shipping:	
	1. Bengal Bonded Warehouse Association	Kolkata (1838)
	2. Kolkata Docking Company	Kolkata (1830)
	3. Steam Tug Association	Kolkata (1837)
	4. Union Steam Tug Association	Kolkata (1850)
	5. Eastern Steam Navigation Co.	Kolkata (1848)

⁹⁸ Dwijendra Tripathi, 'Indian Entrepreneurship in Historical Perspective: A Re-Interpretation', *Economic and Political Weekly*, Vol. 6, No. 22, 1971, 62.

	6. Benares & Mirzapore Steam Co.	Kolkata (1847)
	7. Kolkata Steam Ferry Bridge Co.	Kolkata (1839)
	8. India Gen. Steam Nav. Co.	Kolkata (1844)
B.	Coal:	
	9. Bengal Coal Company	Kolkata (1820)
	10. Sylhet Coal Company	Sylhet (1847)
C.	Indigo:	
	11. Bengal Indigo Company	Kolkata (1848)
D.	Plantations:	
	12. Assam Company	Kolkata (1839)
E.	Cotton Mills:	
	13. Bowreah Cotton Mills	Kolkata (1817-18)
	14. New Fort Gloster Mills Co.	Kolkata (1830)
F.	Miscellaneous	
	15. Bengal Salt Company	Kolkata (1838)

Source: R. S. Rungta, *The Rise of Business Corporations*, pp. 274-75.

It has already been mentioned that initially banians started their business activities as trade-intermediaries on behalf of the East India Company. They were important middlemen for the British private trade. In the eighteenth century the Bengali banian was valued for his knowledge of internal markets and sources of supply. Growth of the Bengali merchants actually began after the introduction of free-trade charter of 1813. At this time a new set of young Englishmen came from Britain with little capital of their own. Indeed the available evidence suggests that the major Bengali contribution came in the field of promoting banking companies which provided money to the Kolkata agency houses for the international export trade. There was no

single banking company of any importance in Bengal which did not owe its existence partly to the enterprise and capital of this Bengali business class.⁹⁹ The most prominent business group of the Bengali merchant community in Kolkata during the first half of the nineteenth century was undoubtedly the house of the Tagores. The leading figure of this group was, of course, Dwarkanath Tagore who was the leading entrepreneur of the day.¹⁰⁰ He was the first high caste Hindu to enter business.¹⁰¹

Dwarkanath Tagore became a principal promoter and a large shareholder in the Union Bank (1829), the Steam Tug Association (1837), the Bengal Tea Association (1839), the Bengal Coal Company (1843) and the India General Steam Navigation Company (1844). The total capital of these companies ran into many millions of rupees in 1845. Before the formation of the East India Railway Company, he had promised to raise one-third of the required capital for the Kolkata-Raniganj line. It may be noted that, most of the companies established by Dwarkanath were joint-ventures with the European capital. This is not unexpected since by the fourth decade of the nineteenth century, the Bengali elite of Kolkata considered themselves potential partners with the British in commerce and industry. More importantly, the leading business groups cast their lots with the 'free traders' of the Metropolis and joined in their attack upon the restrictive policies of the East India Company. Dwarkanath advocated for the growth of export-oriented sectors and greater integration with the world market which would have stimulated the import of British capital, technology and skill leading to the acceleration of economic development and the rise of enlightened and reform-minded middle class.¹⁰² Apart from the house of the Tagores, there were other influential banian

99 R.S Rungta, *The Rise of Business Corporation in India, 1851-1900*, Cambridge University Press, 1970, p. 19.

100 Vinayek Sen, *op.cit*, pp. 364-407.

101 James W. Ferrell, *The Tagore Family- a Memoir*, Calcutta, 1982, p. 12.

102 Venayek Sen, *op.cit*.

business families in Kolkata during that period like Ramdulal De, Rustamjee Cowasjee, Motilal Seal, Ashutosh Dey, Ganga Govind Singh's family, the Mullick family and many others. Underlying this *daladali* of the first half of the nineteenth century was the rise of the *nouveau riches* who derived incomes from land as well as from trade and joint business ventures with the Europeans and who stood somewhere in between the old feudal aristocracy and the European society of Kolkata.¹⁰³

This Bengali entrepreneurship developed modern power-operated industries that competed for capital with export-industries. It even appeared that Kolkata in the 1840s was on the threshold of a small-scale industrial revolution. In the use of steam power, Bengal was leading all other colonies and dependencies of Great Britain during that period. Steam engines were used in the sea and river steamers, tugs, sugar refineries, docks, collieries, flour and rice mills, silk-reeling, paper mills, and in the spinning, weaving and printing of cotton, all in the neighbourhood of Kolkata. Before the mid nineteenth century manufacturing activity had expanded north-ward along the right bank of the Hughli River into the suburbs of Hughli, Howrah, Sibpur, Sulkea, etc. with a number of sugar factories, rum distilleries, cotton screws, biscuit factories, flour mills, mustard oil mills, team-operated iron foundries, paper factories, etc.

103 *Ibid.*

Chapter Three

American Merchants and Banians

This chapter presents the relationship between banians and American Merchants in Bengal. The United States of America developed direct commercial relationship with India after getting the independence. They received encouragement from Great Britain. An apprehended clash started between Great Britain and America on the interference of the passage with foreign trade after the outbreak of the Anglo-French wars in 1793. That was prevented by the Anglo-American treaty of 1794. By this treaty the Americans got the right to trade between their own country and all the seaports and harbours of the British territories in the East Indies.

The first American ship to enter the Bay of Bengal was named the *United States*. It was the merchant ship and mastered by Thomas Bell. The ship was cleared from Philadelphia and entered the Bay of Bengal waters in December 1784. But it did not sail up to the Bengal coast. The first ship to arrive at Kolkata for trade and commerce was the *Hydra*. John Haggy commanded it. From Rhode Island the *Hydra* arrived in 1785.¹ English and American merchants jointly owned the *Hydra*. The next American entrant into Kolkata was the *Chesapeake* of Baltimore.² Despite its dubious states, having an Irish owner and a British crew, the *Chesapeake* was welcomed by Lord Cornwallis. Cornwallis determined that permitting Americans, who brought silver specie to trade, was advantageous and declared that the vessels belonging to the citizens

1 Sirajul Islam, 'American's Maritime contact with Bengal 1785-1870 Commerce, Competition, Knowledge', *Journal of the Asiatic Society of Bangladesh, Golden Jubilee volume*, April, 2005, p.153.

2 Holden Furber, 'The Beginnings of American Trade with India, 1784-1812', *The New England Quarterly*, June 1938, p. 236.

of the United States of America, shall be admitted and hospitably received in all the sea ports and harbours of the British territories in the East Indies. Cornwallis gave orders that American vessels should be treated at the Company's settlements in all respects as the most favored foreigners, and the *Chesapeake* was exempted by the Supreme Council of Bengal from paying duty on its cargo.³ American's trade with British India began to grow very fast and extensively from 1790. America sent 30 to 50 ships annually to Kolkata only. The outward cargo is chiefly Dollars, iron, lead, Brandy, Madiera and other wines, variety of Europeans articles, tar, large and small spars. On the other hand they took Bengal goods. In 1806 Jacob Crowninshield⁴ informed Madison:, 'It is estimated that we have imported in some years at least three millions of dollars' worth of goods from Kolkata.'⁵

Americans formed a small community in Bengal. Mostly the merchant houses of Boston, Salem, Beverly, Philadelphia, Providence, Marblehead, Yankee and New York sent their ships regularly to buy Bengal goods. Every house had its own banians stationed in Kolkata. Unlike the Europeans who had settlements in Bengal and who came here as employees of the mercantilist companies, the Americans came as individual adventurers and they had no settlement to receive and look after them. Their trade was carried on by a large number of independent businessmen rather than a single trading company, as was the practice in Europe. By the 1840s, family firms whose connections with India spanned two or three generations included the Cabots and the Lees, with their ties to Newburyport, Beverly and Boston; the Mackays and Coolidges of Boston; and the Rogerses,

3 Amales Tripathi, *Trade and Finance in the Bengal Presidency*, Oxford University Press, Calcutta, 1979, p. 30.

4 American Secretary of State James Madison, engaged in treaty negotiations with Great Britain in the summer of 1806, asked Congressman Jacob Crowninshield of Salem, Massachusetts, to send him his views on trade with the British possessions. Crowninshield was well qualified to make such a report because he had literally grown up at sea. Of his thirty-Six years, the last twenty had been spent working up the ranks through supercargo, ship captain, to leadership in one of Salem's most prominent merchant firms. Moreover, he had become a member of the House of Representatives in 1803.

5 John H. Reinohl, 'Some Remarks on the American Trade', *The William and Mary Quarterly*, Third Series, Vol. 16, No. 1, January 1959, p. 110.

Peabodys, Stones, Pickmans and Silsbees in Salem and Boston. Besides the principals of such firms, there were hundreds of men who had taken part in the trade as mariners or merchants. At this time Kolkata was as familiar a place in maritime New England as many of the cities of Europe. The ships that sailed there and the men who voyaged in them continued to be the principal conduits for encounters between India and United States.⁶ Besides this as all ships had provisions to carry passengers, many visitors also came to see the Orient. The captains and supercargoes and other seamen of American ships lived in Kolkata mostly in the native part of the city. Bengali banians helped them out to do their business and all kind of necessary works. They were specialized in the American market belonged to their region's elite. When American merchants started their business in Bengal the banians at Kolkata were already reputed professionals. They spoke English and sometimes other European languages. They were familiar with European markets- British, French, Danish, Dutch and Portuguese. They knew how to locate and purchase suitable commodities and how to find buyers for imported cargoes. They knew something of the business practices and social mores of foreigners. They made it possible to connect buyers and sellers and accommodate local and foreign expectations for transacting business. Most of them were Kayasthas or Brahmins whose more traditional callings, as administrators, priests and teachers, required the kind of education and language study that suited them for positions as translators and business agents in colonial Kolkata. Many such families had succeeded as middlemen for the East India Company or for British private merchants and some had prospered by concentrating on the needs of American merchant mariners stopping at Kolkata.

When Americans started their business with Bengal, it was not a seller's market for them. Mostly the European population in Kolkata were interested in American products. The Merchants of Salem, Boston, New York and Philadelphia brought

6 Susan S. Bean, *Yankee India: American Commercial and Cultural Encounters with India in the age of Sail, 1784-1860*, Peabody Essex Museum 2001, p. 215.

rum, fish, spermaceti candles, Madeira wine, mackerel, beef, beer, ice etc. On their voyage homeward the Americans took tea, sugar, silk, cotton, linseed, saltpeter and gunny bags.⁷ Basically the American merchants who came to India came largely to Kolkata. Kolkata was the most active Indian port for their commerce. To run their business Americans in India never established a commercial house as they did in China. Nor did they use the European agency houses. Instead they made use of the services of the Indian brokers who were willing to work on two or two and a half percent commission.⁸ Unlike the British, whose trade was dominated by the monopolistic East India Company and the large agency houses, the Americans traded as individuals or members of family firms. Captains, supercargoes and sometimes other members of their crews handled numerous large and small investments on behalf of owners, relatives and friends. Of all their associations during their stay in Kolkata, the relationship with their banian was the most important. For the Americans banian was essential, because he spoke in English, he knew the market conditions, he knew where to procure commodities and sell imports and sometimes he supplied capital as well.

From the banians point of view, the Americans were, in some ways, just another type of British merchants. On the other hand they found a new demand for their services with the coming of the Americans. In Kolkata, the largest and most active port in India during the late eighteenth and early nineteenth centuries, a class had arisen of these new men who made their fortunes as intermediaries for the British East India Company. These men and their families became the elite of nineteenth-century Kolkata. As the founders of Indian modernity, they blended the Western with the indigenous, creating new cultural forms. When American vessels appeared on the scene in the late 1780s, some of these banians turned their attention to the needs of the newcomers and made the American market a speciality. The American's distinctive way of doing business created a special

7 Ranjan Chakrabarti, 'The Brown ships in the Indian ocean: The American Merchants and the Bengali Banians 1790-1880', in Chittabrata Palit and Preanjal Kumar Bhattacharya (Ed.), *Business history of India*, Kalpaz, Delhi, 2006, p.222.

8 *Ibid*, p. 223.

niche in the business community of Kolkata. A small number of banians took advantages of the opportunity and became specialists in the American trade.⁹ Ramdulal Dey, Asutosh Dey and Promathanath Dey, Rajindra Datta, Kalidas Datta, Rajkrishna and Radhakrishana Mitra, Ramchandra Banarjee, Kalisankar and Durgaprasad Ghose were some of the early Kolkata banians who carried on big business with the Americans. Among them Ramdulal was the first and most famous banian connected with the American trade. He started out as a poor and orphaned kayastha, who eventually, by a combination of good fortune and sound business instincts, became one of the fabulously wealthy natives of Kolkata.



Gopaul Kissen



Raj Kissen Mitre

The Americans generally handled their business through employed banians. Through them they made all their purchases. They were paid by the persons of whom the goods were purchased at least nominally.¹⁰ Besides this, the American

9 Susan S. Bean, 'Calcutta Banians for the American Trade: Portraits of Early Nineteenth-Century Bengali Merchants in the Collections of the Peabody Museum, Salem and Essex Institute', in Pratapaditta Pal (ed.), *changing Visions, lookings, Images: Calcutta through 300 years*, Bombay 1990, p. 69.

10 Sirajul Islam, 'Americans in Calcutta bazzars in the early nineteenth century: Images and interpretations,' *Journal of the Asiatic society of Bangladesh*, Golden Jubilee Volume, 2005, p. 236.

merchants borrowed money from their banians at negotiated terms at varying rates of interests, negotiated personally. The merchants borrowed from them in one trip with the written undertaking of paying it back in another. Sometimes they were frequently indebted to their banians for a considerable proportion of the capital they invested for which they were paid interest- the usual rate of which is twelve percent per annum.¹¹ Moreover, in the last decade of eighteenth century, an important source of capital borrowing came from the banians to exporters. In the competition for attracting banian capital, the American excelled all other competitors. They transacted their inward and outward cargoes through their banians. In the local banians, they found not only credit at cheaper rate of interest, but also service at much lower rate than that of the Anglo-Indian agency houses. The American merchants reaped rich dividends from their closest contact with the native banian. A craze developed among the banians to invest their capital with the American merchants.¹² They extended credit to their clients, which made it possible for cargoes to be purchased when resources were limited. In Kolkata American sea captains and supercargoes were often in debt to their native agents. Banians, because they knew good business depended on good personal relations, sometimes befriended their American clients and entertained them, inviting them to domestic celebrations and religious festivals.

Here is the example that how American merchants were depended on banians. Henry Lee¹³ who came from Boston, was one of the most tenacious practitioners of the India trade. He arrived at Kolkata on 12 May 1812 and stayed there for three years. He became highly depended on his banians to do his everyday business. Ramdon and Tillock Bonerjiia were his two banians. Lee knew that they needed the business and wanted to attract more clients. He reasoned that their own interest would be served in being reliable and economical in their dealings with

11 Susan S. Bean, *Yankee India*, p. 112.

12 Sirajul Islam, 'America's Maritime Contact', p. 157.

13 Henry Lee passed up Harvard College, where his brothers had been educated, to join the countinghouse of Marston Watson in Boston as an apprentice. At the time, college was considered optional for someone entering business, and Lee began his business education right out of Phillips Andover Academy. After a few years, Lee was given the opportunity to sail as supercargo on a vessel bound for Kolkata, owned by his brother Joseph and commanded by his brother George. In 1804 Lee entered into a partnership with brother Joseph. See detailed Porter, Kenneth, *The Jacksons and the Lees*, Harvard University Press, 1937.

him. He was very satisfied with his choice. Not only this, he also recommended his banians to his brothers: 'by all means direct your agent to employ Ramdon & Tillock Bonerjia, who are doing my business, it is to them I owe my success in getting so cheap a cargo.... I mentioned these things that my banians may have some little credit for their fidelity to me and your interest.'¹⁴ Such type of relationship developed between Kolkata banians and American merchants till the first half of the nineteenth century. From Lee's writings, we could find many important views about Bengali banians. During his years in Kolkata, Lee came to know each of the American banians' particular skills and faults. He wrote 'If you buy in the bazar you can either employ Ramshander Mitre or Ram Kissen Dey, the former is I believe the best judge of qualities.... I am pretty well convinced that no one can serve you or will serve you so well as Ramdon & Goluck [Chunder Dey] & Kissen. I am the more convinced of this by comparing the goods I purchased through them with all the cargoes shipped since the peace and particulaly Dullolls [Ramdulal Dey] and Ruggo Rams which in general are 10% to 15% higher than Ramshander Meties.'¹⁵

Banians helped to develop an exclusive distinct American market for Indian textiles. After the end of the American War of Independence in 1783, a brisk trade in Indian cloth developed and continued to flourish until Congress enacted a prohibitive tariff in 1816 to protect the nascent U.S. textile manufacturing industry. During the period of 1795-1805, U.S. trade with India well exceeded the trade with all European nations combined for all commodities.¹⁶ Cloth was the centerpiece of this trade: the piece goods imported in 1804-05, for instance, were about three times the value of all other goods from India, chiefly sugar, indigo, ginger, and a variety of spices and drugs.¹⁷ Ironically, this trade was doomed before it began by the rapid growth and spread of the industrial revolution. After centuries of supplying the world with cotton textiles, India was soon to become an

14 Susan S. Bean, *Yankee India*, p. 129.

15 Kenneth Porter, *The Jacksons and the Lees*, Harvard University Press, 1937, p. 1203, 1266.

16 Holden Furber, 'The Beginnings of American Trade', p. 258.

17 G. Bhagat, *Americans in India (1784-1860)*, New York University Press, 1970, p. 42.

importer of cloth manufactured in the West. Information in merchants' papers, newspaper advertisements of the period and collections in historical societies and museums permit a preliminary view of the range and types of Indian cloth that were provided for the American market. The enumeration of cloth types in American merchants' letters is very detailed. Henry Lee's correspondence, for example, contains references to more than fifty kinds of Indian textiles, and many of these were differentiated further according to the place of manufacture. The merchants, of course, had a deeper knowledge of this vast array of textiles than the ordinary consumer had. Many advertisements included lists of Indian terms such as *bafta*, *gurrah*, *mamoody*, and *bandanna* as well as names of the towns, including *Alliabad*, *Dacca*, *Gaurypore*, etc., where the cloths were made.¹⁸ Many American consumers must have been familiar with Indian cloth types and the reputations of various weaving centers. Of all the textiles exported to America, white cotton goods were by far the most common, although printed and dyed cottons, silk goods, especially handkerchiefs, mixed silk and cotton goods, and woollen shawls were also important. Textiles containing silk and wool, which were exempt from the high tariff levied in 1816, took on a new significance in the later years of the trade. In India Bengal was the primary source; Madras, secondary; and all other places, only incidental.¹⁹

The Kotkata port authority began to record the quantum of country wise annual imports and exports from 1795. About the scale and variety of imports and exports made by the Americans, the officials noticed some extraordinary features which drew their attention for analysis. The Board of Customs remarked that whereas, the average import of the preceding years made by the Americans was only Sicca Rupee 13,10,151 the import to Kolkata by them shot up to sicca Rs. 35,24,614 in the year 1800.²⁰ In the French Revolutionary and Napoleonic war, America chose to remain neutral. Through her neutrality, America could maintain the flow of

18 Susan S. Bean, 'The American Market for Indian Textiles, 1785-1820: In the Twilight of Traditional Cloth Manufacture', Peabody Museum of Salem, 1990, p. 45.

19 *Ibid.*

20 Sirajul Islam, 'The Yankee Maritime Merchants in India trade: Their contributions to American Industrial Revolution 1790-1830', Presidential lecture, 29 December 2011, Asiatic Society of Bangladesh, p. 7.

imports to and exports from Kolkata in spite of almost constant warfare between the European colonial powers in the Indian Ocean and Atlantic Waters in the late eighteenth and early nineteenth centuries.²¹ For neutral position of America, the French Revolutionary and Napolonic wars offered an opportunity to make windfall profits from Kolkata and China trade.²² Henceforth there was rapid progress in America's trade with Bengal. In 1800 the value of American imports into Bengal was about 4,975,800 rupees and that of exports from Bengal increased from, 1,949,319 rupees in 1795 to above 6,100,000 in 1800. Thus, the total American trade for the ten-year period beginning from 1795/6 exceeded by about one forth that carried on under the flags of all overseas partners including European nations.²³

American trade with Bengal from 1795/6 to 1811-12

Year	Imports (Rs.)	Exports (Rs.)
1795-06	843118	1949319
1796-07	1549773	2560267
1797-08	1040108	2025602
1798-09	1340572	1189542
1799-00	3524614	3787937
1800-01	4975700	6106700
1801-02	5136039	4862147
1802-03	4512640	6760058
1803-04	3923317	3340593
1804-05	6767910	6278055
1805-06	10992970	9027472
1806-07	5829063	7113281
1807-08	Embargo	Embargo
1808-09	6992565	6802489
1809-10	7189467	6836365
1810-11	585434	1595374
1811-12	617391	1094609

Source: Sirajul Islam, 'The Yankee Maritime', p. 43.

21 Holden Furber, 'The Beginnings of American', p. 259.

22 Sirajul Islam, 'The Yankee Maritime', p. 10.

23 Holden Furber, *op.cit*, p. 258.

In terms of import and export America thus emerged just next to the English East India Company in the Bay of Bengal in 1803-04.²⁴ In the year 1804-05, America stood first in the volume of trade among the competing Bay of Bengal partners. In the following year, 1805-06, America made further progress both in import and export. In this period America made an import of goods valued Sicca Rs. 60,67,910 and export of Sicca Rs. 62,78,055. Bulk of exports by them were piece goods amounting Sicca Rs. 47,63,132. Citing the extraordinary role played by America in the following year, 1806-07 *Government's Report on the external commerce of Bengal* expressed its surprise at America's most audacious advance in the Bengal trade. It remarked, 'A trade which seven year ago did not exceed sicca Rs. 67,18,992 had advanced to the enormous sum of sicca Rs. 2,00,20,432 exceeding in the sum of Sicca Rs. 45,04,142 the total amount of our private trade with Great Britain.' The report did not however, mention that America's import and export trade in Bengal surpassed all other competitors in the Bay of Bengal and stood just next to the English East India company, in the volume of trade in the region and staggering profit very consistently and without taking the profits, from carrying and remittance trade.²⁵

On the East India Company's side the only real hope of removing baneful American competition in the East India trade under war conditions lay in an alteration of Article XIII of Jay's Treaty. As the treaty was to run for only twelve years, the court of Directors of the East India Company laid a strong case for revision before Lords Holland and Auckland, who were negotiating with Monroe and Pinkney in the Autumn of 1806. It is not therefore, astonishing to find in the instrument signed by Monroe and Pinkney on December 31, 1806, a stipulation for direct voyages both to and from British East Indian ports.²⁶ Secretary of State James Madison objected to the East India

24 Sirajul Islam, 'The Yankee Maritime', p. 50.

25 *Ibid.*

26 Timothy Pitkin, *Statistical View of the Commerce of the United States of America*, London, 1817, p. 208.

article because it denied the indirect trade, but he was willing to omit it and depended on 'most favored nation' treatment and British self-interest.²⁷ Unfortunately for the East India Directors, the new treaty was not ratified by the United States Senate, and the fight to keep the Americans from carrying East India goods to Europe and the British colonies proceeded in the old blundering, ineffective manner, until the war of 1812.

After the imposition of Jefferson's embargo in 1807, the disputes concerning American trade with India were largely a war of words, carried on with little bearing upon the situation, which remained essentially the same. Article XIII of the Jay Treaty was kept alive by Parliamentary sanction until the end of the session of 1808.²⁸ As a result of the Embargo and the Napoleonic decrees, American foreign export trade of Bengal dropped from almost a crore of rupees in 1807/8 to 53/4 lacs in 1808/9.²⁹ After the war of 1812, the effects of the Jay Treaty were not entirely destroyed. Article XIII of the commercial convention of 1815 imposed double duties but not direct voyages. It made no changes in Article XIII of Jay's Treaty except to place Americans on a 'most favored nation' basis as to duties and confine their trade within the Company's territories to the ports of Kolkata, Madras, Bombay and Penang.

Because of the Embargo Act, Anglo American war (1812) and many subsequent restrictions, America could have little trade in Bengal from 1808 to 1815 with its very adverse effect on the Bengal economy. Bengal witnessed a serious recession in business during the absence of the Americans from Bengal foreign trade. Commerce between Bengal and America began again in the wake of a new 'Convention of Commerce between Great Britain and the United states of America' signed at London on 3 January 1815. America had to start afresh in an entirely new setting of international trade relation.

27 Holden Furber, 'The beginnings of America', p. 256.

28 *Ibid.* p. 257.

29 *Ibid.* p. 263.

There were many local merchants specializing in the American trade, in Kolkata, where Americans did most of their business. Ram Dulal Dey became such a valued expert. He had more than thirty American clients at a time. Another prominent banian was Durgapersaud. A comment in 1803-04 in the journal of Dudley Pickman, a prominent Salem merchant, indicates that the American market may even have had two segments. In describing the Kolkata firm of Durgapersaud and Kallisunker Ghose, he wrote that they ‘do some Southern (U.S.) business and more Northern business...’.³⁰ Boston merchant Henry Lee in a letter of 1817 to the members of his firm in Kolkata supports this conclusion, distinguishing among the Indian agents used by Northerners and Southerners: ‘The Southern ships will go to Ramduloll few to Ruggo Ram - the Salem and Boston to Ramshander Metie and Duggo Pesaud’.³¹ Basically, American merchants were fully depended on their banians for their whole business activities in Bengal at that time. Here we could give an example that along with other American merchants the Browns of Providence conducted their trade through the Bengali banians. Their supercargoes were assisted by Bengali banians in the loading and unloading of cargoes. The Providence firm of Brown and Ives had regular contact with Bengali banians like Ramdulal Dey, Ramdhan Ghosh, Ramchandra Mitter and others. Here we could see a letter from Ramchandra Mitter to the Browns of Providence in December 1819 by which anybody could measure that how much important was the Bengali banian for the American merchants: ‘I offered to advance them what they wanted on the same terms and advance Peabody and Tucker of Salem and Mr. Thorndike of Boston, for whom I have done business for many years. The very high character of your house in this place forbid my hesitating to advance guarantor which ever might promote the interest of the voyage’.³² In another case Ramtanu Das wrote the following to the Browns from Kolkata: ‘We have the pleasure of sending by captain Stanhope two *Kashmiri* Shawls of Gown piece one for Mrs. Brown and the other for Mrs. Ives. We hope that this poorly persent be acceptable to them.’³³

30 Susan S. Bean, ‘The American Market’, p. 45.

31 Porter, Kenneth, *The Jacksons*, p. 1267

32 Ranjan Chakrabarti, ‘The Brown ships’, p. 231.

33 *Ibid.*



Ramdulal Dey

To give a brief description about typical American banian, the name of Ramdulal Dey comes first. He became a household name among the contemporary American business houses. Ramdulal exhibited the greatest activity and fascination in alluring the trade of the America to the harbours of Bengal. He freely advanced money to American Captains, loaded their vessels with cargo judiciously selected, sold their imports for the highest profit. The gains from these transactions were so considerable that Ramdulal rapidly rose to wealth. On the other hand, the obscure Captains and Mates for whom he worked, for whom he selected the most profitable cargo, to whom he freely advanced money when they stood in need of it, retired to America wealthy men and became merchants in their turn. The bulk of American business thus passed through Ramdulal's hands. He came to be quoted as an authority in American commercial circles. So great was the confidence which his constituents in the new hemisphere reposed on his ability and his integrity, that for the first time in the history of Indian commerce, the merchants of America dispensed with European Agents in Bengal altogether, transacting direct with a native house, sending ships to its consignment and drafts to its credit for purchase of Indian commodities.³⁴

³⁴ Girish Chandra Ghose, *Ramdoolal Dey: A Lecture on the Life of the Bengali Millionaire*, Calcutta, 1868, p. 20.

The extent of Ramdual Dey's American connection may be imagined from the array of merchants of whom he was the sole agent in Bengal. The list found from the books of the period immediately following his death.

Boston Houses

G.R. Minot, G. Warren, J.Young, J.S. Amory, T. Wigglesworth, J.I. Coleridge, H. Irving, J.J. Bowditch, B.Rich and Son, E. Rhodes, F.W. Everitt, W. Godard, Mackie and coleridge, H.Lee, O. Godwin, Theuring and Perkins.

New York

Messrs. Lennox & sons, G.S. Higginson, Messrs. C & D. Skinner, Messrs. Singleton & Mezick, S. Austin Junior, W.C. Appleton, E.B. Crocker, E. Davies, J.J. Dixwell, W.A. Brown, A. Baker junior, G. Brown. T.C. Bacon, M. Curtis, Baring Brothers

Philadelphia

Messrs. Grant & Stone.

Salem

Pickering Dodge, W. London

Newberry Prot

The Hon'ble E.S. Rant, J.H. Telcombe.

Marvelhead.

J. Hooper.

So deep was the reverence attached to the very name of Ramdulal Dey in America, that a ship owner called a vessel after him, which was sent to Ramdulal's consignment three times during his life time.³⁵

Ramduall Dey's cooperation was also sought by all British agency houses. He also used to purchase large quantities of cotton piece goods, silk, cotton and indigo for and on account of various merchants and captains and supercargoes of American vessels coming to Kolkata port. A case was instituted by one of his assistants, after his death, claiming a share of the dustoree as he was in charge of one of the offices of Ramdulal Dey in Hannay Sahib's Kothee. He submitted in support of the claim,

³⁵ *Ibid*, p. 21.

a list of vessels which received supplies from Ramdulal Dey's office in Hannay Saheb's Kothee during the years 1797 to 1821.³⁶

1797-	8	Vessels	:	Cargo 19 Lakhs
1798-	4	„	:	„ 10 „
1799-	9	„	:	„ 13½ „
1800-	11	„	:	„ 31 „
1801-	4	„	:	„ 10½ „
1802-	8	„	:	„ 19 „
1803-	18	„	:	„ 39 „
1804-	8	„	:	„ 13.65 „
1805-	11	„	:	„ 16 „
1806-	7	„	:	„ 21 „
1807-	15	„	:	„ 51 „
1808-	1	„	:	„ 2 „
1809-	6	„	:	„ 23 „
1810-	11	„	:	„ 37 „
1812-	4	„	:	„ 10½ „
1814-	3	„	:	„ 13.80 „
1816-	20	„	:	„ 20½ „
1817-	5	„	:	„ 11.25 „
1818-	1	„	:	„ 2 „
1821-	1	„	:	„ 3½ „

Another feature of the American-banian relationship in Kolkata was the yielding of a new dimension to the cultural and commercial milieu of the city due to the growth of American trade. The American merchants carried on the bulk of their trade through banian. This way of conducting the business helped to foster some sort of cultural intercourse between Bengal and America. A group of nine portraits of Kolkata banians in the collections of the Peabody Museum, Salem and the Essex institute in Massachusetts are potent survivors of such relationships. The subjects of all but one of the portraits are known, as are most of the recipients. Documentary evidence indicates that the portraits were commissioned by the banians for presentation to the Americans and that such gifts were often exchanged between the Kolkata banians and their Yankee

36 N.K Sinha, 'Indian Business Enterprise', p. 112.

business associates. By contrast, such gifts seem to have been rare or non-existent between the banians and their British business associates. The practice of commissioning and exchanging portraits is a tantalizing indication of cordial relationships as between equals.

The first portrait known to have been exchanged is a life-sized oil on canvas of George Washington, by William Winstanley in the style of Gilbert Stuart. In 1801 twenty-two American merchants in gratitude presented the Washington's portrait to their banian Ramdulal Dey, under whose guidance they had all prospered in the Bengal trade.³⁷ The grateful American merchants gave him that picture in appreciation of his services. The Washington and Lee universities still have a Ramdulal society to cherish his memory. An American ship owner named a Vessel after him.³⁸

Another seven portraits in the collections depict members of the family of Radha Kissen Mitter, who was married to one of Ramdulal Dey's daughter, and who might have entered the American trade under his father-in-law's tutelage. As the firm of Radha Kissen and Raj Kissen Mitter, the family was active in the American trade. Five of these portraits belonged to John T. Morse of Boston, a merchant who did business with the Mitter firm in the 1840's.

Among the Kolkata's American banians, Rajinder Dutt was very intellectual. He was Charles Norton's banian. The firm of Rajinder Dutt was well known to American merchant in the mid-nineteenth century. One chronicler of the time wrote, 'In Calcutta a rich family is widely known for the display of statuary, pictures and ornamental works, on the Rash (festival). Every American merchant engaged in the Kolkata trade knows that family, of which Baboo Rajendro Narain Dutt is the head ... the most celebrated Rash ... is held in Khordah ... but it is not so expensive, so finished, so showy, as that of the Dutt

37 Susan S. Bean, 'Calcutta Banians', p. 70.

38 Ranjan Chakrabarti, 'The Brown ships', p. 230.

family.’³⁹ Rajinder and his nephew Kalidas were like the Ramdulal Dey and Mitter families. According to Norton, Rajinder was his only intelligent and intellectual friend among the Indians. He found in Rajinder Dutt the greatest mind among the natives he could ever see in Kolkata.⁴⁰



Rajinder Dutt

Rajinder Dutt presented his portrait to William Story Bullard of the Boston firm, Bullard and Lee in the 1850's. Rajinder who, in addition to being a merchant, was a practicing physician had treated Bullard in 1852. A group of Rajinder Dutt's letters, written to Charles Eliot Norton in the 1850's preserved at Harvard university's Houghton library, reveals the depth of intellectual exchange that could grow out of the trade between New England and Bengal. Norton, a supercargo merchant later turned academician, and Dutt became friends during Norton's Stay at Kolkata in 1852.

39 Susan S. Bean, 'Calcutta Banians', p. 72.

40 Sirajul Islam, 'Americans in Calcutta Bazaars', p. 245.

Along with economic activities the banians worked as a cross-cultural broker between the India and the West. This social interaction had produced important inter-cultural results. Through their banians, Americans collected books and manuscripts dealing with the Indian civilization. Banians presented their American partners with Indian curiosities, including their own portraits, Jewelry, Shawls, Muslin products, musical instruments, and so on. The mariners themselves had collected what they liked to show to their countrymen, such as palanquin, furniture, dresses, hookah etc. Many of these curiosities were later donated to the East India Marine Society and Museum and other local museums and archives for conservation and display.

The accession records of the Peabody Museum document showed several donations to the collection by Kolkata banians. In 1803 Durgapersaud Ghose became the first foreign donor to the Peabody Museum. In that year five Salem Merchants together purchased a palanquin to be placed on exhibition at the museum in Salem and it was also demonstrated in processions in the town. To outfit the palanquin, Durgapersaud Ghose gave a *Kittishall*, an umbrella that was carried to shade the palanquin. In the same year, Ghose also presented the Museum with two musical instruments a drum (dhol) and a *tambur*. Some other Kolkata banians presented gifts in this Museum.

Chapter Four

The Influence of Banians on the Society

In this chapter, we will focus on the banians' lifestyle and their influence on the Bengal society. Social order of any country is interrelated with its political and economic system. Social norms and most of the elements of life style of the people are controlled by the state. Before the emergence of state machinery, the most influential person was the political master of a particular geographical territory, who had enough power to drive the contemporary social system as per his own wish. Religion also played an important role in this regard; particularly the followers of the religion of the ruler had enjoyed more opportunities than other sects. This particular community had monopolistic control over the country trade and economy. The rulers in power always try to establish control and supremacy of his own religion and community. The British rules were exceptional as they set a new trend after taking over the political power of Bengal in the 18th century. They did not try to establish the supremacy of their own religion, although a relief of sigh started deepening among the members of Hindu community from 1757 with the transfer of state power of Bengal from the Muslim to the English. Muslim rulers had established their sole authority in Bengal in 1204 with the advent of Ikhtiar Uddin Muhammad bin Bakhtiar Khilji and continued to rule until the Plassey war of 1757. So, the Hindus of Bengal welcomed the English rulers and extended them all-out help and cooperation to make their administration sustainable. Through this collaborative role, the Hindus wanted to ensure the termination of Muslim rule in Bengal forever.¹ The Hindu banian community played the key role in this regard. They extended cooperation to the English not only in trade and commerce; rather they supported them in various social issues. Even they donated

1 Somendra Chandra Nandy, *Life and Times*, Vol. I, p. 145.

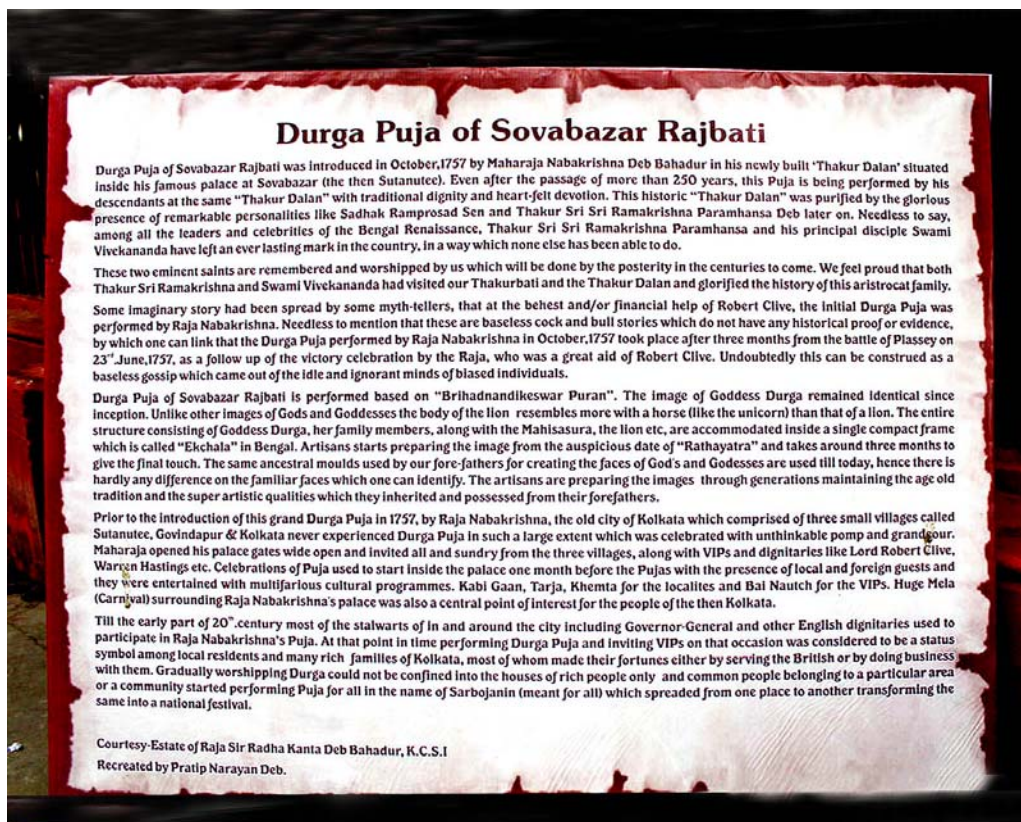
land for raising churches.² As a result, banians emerged as a very close ally of the English rulers. The impact of this relationship was reflected in the society in many ways; particularly the western ideology could penetrate in the social norms of Bengal through banians. They introduced the Babu culture in Kolkata after being influenced by European culture. A banian of East India Company Raja Ramohn Roy initiated the reform movement of Hindu religion during the Bengal renaissance era and led a faction of his community towards that end.³ The bilateral relationship developed and consolidated throughout the 18th and the 19th century between the English and the banian community of Bengal had a marked influence on the society of Bengal seriously.



In the Eighteenth Century the churches of the several communities of Christians all developed in areas having the majority of Hindu population. Raja Nabakrishna gifted the land for the famous St, John's Church in Kolkata.

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- 2 The Hindus considered church as sacred place of worship like temple. The difference between church and mosque, which they liked very much were free movement of women and no slaughtering of cow in churches. Moreover the religious rituals of Christians and Hindus were not so conflicting as it was between the Muslims and the Hindus.
 - 3 The new wave of consciousness awakened in Bengal in the 19th century following the influence of western ideology is termed as 'renaissance'. Since the extent of it was not stronger like the European renaissance, so it is better to term this movement as 'Nabajagaran'.

Almost all banians belonged to the Hindu religion. Throughout the entire 18th century and the first half of the 19th century only two Muslim banian were traced out; one was Jowdee and another was Golam Ally.⁴ During the pre-Plassey era, most of banians belonged to the Baisya caste of Hindu faith. After the battle of Plassey in 1757 the higher caste Hindus started taking banianship as their occupation. Regarding the shifting of profession, N. K Sinha wrote, 'The Mayor's Court records from 1757 to 1774 indicate that after Plassey the high cast Hindus must have found this occupation very profitable. As private trade expanded, high cast Hindu banians became more and more numerous in judicial records. They threw themselves into this servitude so that they might rise by their degradations.'⁵ In 1844 the Bengal Almanac published a list of local agents engaged as banians, of them, 4 were Brahmins, 17 Kayasthas and 18 Subarno Baniks. Outstanding banians of that period Ramdulal Dey, Dwarkanath Tagore and Motilal seal were Kayastha, Brahmin and Subarno Banik respectively.⁶



Raja Nabakishna introduce Durga Puja in Sovabazar

4 N.K Sinha, *The Economic History*, Vol. I, p. 103.

5 *Ibid.*

6 Dilip Basu, 'The Banian and the British', p. 160.

Banians' influence on the society began to increase from the mid-18th century. Even up to 1757, people including the employees of Mughal government considered them just dalals (agents) of the urban trading houses.⁷ But after the victory of Plassey war, Banians got the opportunity to become the most-favored community of the ruling British East India Company, which enhanced their socio-political position overnight. After 1757, the Nawab of Bengal virtually turned into a puppet of the East India Company. Banians exploited this opportunity to serve their own interest consolidating their relationship with the influential company officials. However, they emerged as a powerful group on the eve of 1757 war. It was proved from their role during the signing of 1756 treaty between Nawab Sirajuddowla and the English. The influence of banians on the throne, reflected in the treaty, was very much evident.⁸ After the Plassey battle, their relationship with the company officials improved so sharply that they started playing important role regarding the company's policy making. For example, banians like Krishna Kanta Nandy and Ganga Gobinda Sinha were key players behind the move to introduce the five-year farming system by Warren Hastings in 1772. Phillip Francis, a member of The Governor General's Council pointed out this issue saying the main objective to lease out profitable land to pro-Hastings banians. The plan was to exploit the country recklessly.⁹ The comment of Francis was justified, because, it was found from the records that Kanta Nandy alone managed allotment of vast tracts of land across different districts having an annual revenue of Fourteenth lac twelve thousand rupees in his own name and in the names of his son Loknath Nandy (only four years old) and three brothers.

Moreover, Hastings gave him Baharband Pargana, a huge zamindari under Rangpur district as a gift. The zamindari was so big that its annual revenue was one lac twenty four thousand rupees. Kanta Babu, being an influential person close

7 Sirajul Islam, *Bangladesher Bhumi Baybasta*, p. 69.

8 Sirajul Islam, *Banglar Itihas: Oponibesik Sashakatham* (*History of Bengal: Colonial Administrative System*), Dhaka, 2008, pp. 14-25.

9 Sirajul Islam, *Bangladesher Bhumi Baybasta*, p. 72.

to the company, used to collect millions of rupees in cash per year as *selami*, an irregular fee or presentation.¹⁰ It is not a fact that only banians got the opportunity to make money exploiting the English-banian relationship. It has been observed earlier that banians had extended their whole-hearted support to the experiments on land administration system of Bengal carried out by the East India Company after obtaining the Diwani in 1765. This experiment badly affected the solvent peasant families, their subjects, although the master banians used to realise good amount of money from them and deposited regularly to the exchequer of the company government. Banians were able to earn special favour of the Englishmen from then and the intimacy developed over the years. Equal opportunities for both the Muslim and the Hindu community were absent. During the Muslim rule, the disparity prevailed in the taxation system as the Hindus had to pay taxes at a higher rate than the Muslim citizens. The company administration equalised the rate of tax for all irrespective of religion and took up special security measures to ensure safe pilgrimage of Hindus to Puri.

Moreover, a tax called, 'Murda Jumma' imposed earlier by Muslim rulers on Hindus for the cremation of corpse was waived on 7 October 1773 by Warren Hastings. In return, the company administration could earn the trustworthiness of Hindus. As a result, a sense of security grew overnight among them regarding celebration of their religious festivals, services and rituals. Even the British and the American merchants started participating in these festivals, costs of which were generally borne by their concerned banians. They spent a lion share of the profit, earned from the joint deal with Anglo-American merchants to meet up the expenses of different Hindu religious festivals. The extent of expenses could be realised from the following account of expenditure for a single item, milk borne by the family of Kanta Babu for the festival held in a year during 1769-70. Milk is one of the most essential elements of religious festivals of Hindus.

¹⁰ *Ibid.*

The Milk Requirement:

13 Jaistha	paid for milk Rs. 38-0-0
24 Ashar	„ „ „ „ 30-8-0
11 Sravan	„ „ „ „ 80-0-0 Raghunathji Deity at Cossimbazar
10 Aswin	„ „ „ „ 50-0-0 Paid particularly for two months
29 Kartick	„ „ „ „ 50-0-0 Annaprasan ceremony
24 Agrahayana	„ „ „ „ 25-0-0 Normal
16 Pous	„ „ „ „ 25-0-0
7 Magh	„ „ „ „ 25-0-0
5 and 11 Falgoon	„ „ „ „ 30-0-0
4 and 16 Chaitra	„ „ „ „ 50-0-0 Festivals
7 Baisakh	„ Balance „ 25-0-0 Total Rs. 428-8-0 (L.p. 122)

Source: Somendra Chandra Nandy, *Life and times of Cantoobaboo (Krishna Kanta Nandy)*:

The banian of Warren Hastings, Allied Publishers, Bombay, 1978, vol.1, p. 515.

Banians used to exploit people of different classes of the society enmeshing their friendly ties with the administration. The well-to-do sections of the country including zamindars, Talukdars and traders knew very well that giving sufficient amount of bribe through banians was the only way to get favour of government officials. Banians of Hastings Krishna Kanta Nandy and Shantiram Sinha and banian of Richard Barwell Bhabani Mitra forcibly realised rupees 125 thousand, 260 thousand and 115 thousand respectively from Raja Ram Kishan adopted son of Rani Bhabani of Rajshahi as *selami*. But Ram Kishan could not protect his zamindari as another opportunist Dulal Roy got the right of Rajshahi Zamindari by giving higher amount of *selami* for four years from 1180 B.S. For getting the post of Diwan of Burdwan Zamindari, Brajakishore gave a bribe of 233 thousand rupees to Collector Graham and his banian Bhabani Charan Mitra. He also gave a selami of Rs. 500 to Krishna Kanta Nandy, banian of the governor general for the same purpose.¹¹ Raja Ram Kishan submitted complaints against banians to the Governor

¹¹ *Ibid*, p. 69.

General on 01 April 1775. His transaction with Krishna Kanta is stated in the following account:

Received by Cantoo Baboo

Ready Money	Rs. 1,25000-0-0	
From Ezarah or Farm Rent	„ 2,56140-9-1	Rs. 381141- 9-1
by Santiram Singh Ready Money	„ 2,00000-0-0	
From Ezarah or Farm Rent	„ 81232-6-2	„ 281231- 6-2
by Bhabani Churn Mitter		
Ready Money		„ 115000- 0-0
Raja Rajballav from 1174-1181		„ 223500- 0-0
From Ezarah or Farm Rent		
Delale Roy and Porun Bose		
From Ezarah or Farm Rent		„ 519296-14-6
		Rs. 15,20169-13-9

Source: Somendra Chandra Nandy, *Life and times of Cantoo Baboo (Krishna Kanta Nandy): The banian of Warren Hastings*, Allied Publishers, Bombay, 1978, vol. II, p. 24.

The banians not only collected money from affluent people but they realized huge amount of money as revenue from the farmers in the context of company's five-year and ten-year long settlement programs. Peasants were not spared from paying of revenue even for the occurrence of natural disasters and any other impediments.¹² Old zamindars and the farmers had to face a serious distressed condition during the company's rule. They were forced to pay fixed amount of taxes, having no relationship with the growth of assets or production. During the Mughal rule, the revenue was fixed on the growth of assets. Even the authority waived the taxes in case of natural calamities. But, the scenario changed radically during the company's rule. This time if anybody failed to pay the fixed revenue, the banian concerned took over the land under his own control. It has been observed earlier that the approach of revenue collection from the farmers under the five-year settlement plan by baninas of Kolkata was very much positive for the company itself. Recurrent famine of 1769-70,

¹² *Ibid.*

1786 and 1787 shattered the backbone of Bengal's farmers. The most severe one occurred in 1769-70, also known as the 'mannontar of chihattor', claimed about 10 million lives. Farmers could not harvest food grains in that year because of heavy downpour and devastating flooding. Even then the revenue collection of the British Government through banians did not decline in that year, rather it was much higher than the previous years. In 1768, the amount of revenue collected was 15.21 million rupees, whereas following the most severe famine of 1770 the revenue collection exceeded by 522 thousand rupees in 1771. The British Government had identified natural disaster as the lone cause behind the famine. Millions of people of Bengal died of starvation in 1770. But the banians led a lavished life at that time. For example, we can say that Kanta Babu maintained more than hundred servants at a time and spent huge amount of money for luxury during this period.¹³ Beside the regular staffs many more people were engaged there on contractual basis during festivals and other occasions. When people of the country were starving and dying, then such scenario and the indifferent role of local banians are really shocking and astonishing.

Banians of the 19th century were zamindars, moneylenders as well as merchants. They belonged to the top class urban society of Bengal. During the post Napoleonic era, various unprecedented opportunities were created with the expansion of trade and commercial activities all over the world. Then it was not a very hard task for a poor but intelligent and hardworking person to acquire huge assets by exploiting those opportunities. Similarly it was not impossible for a wealthy person to gain top status in the society. And as such the existing traditional aristocrat class of the 19th century's Bengal was downgraded and replaced by new rich aristocrats.¹⁴ That newly emerged class led by banians took up the leadership of economic sector easily. But to get the social leadership, they had to face challenges from traditional elites. Banians, as new zamindars wanted to be recognised in the society as elites, but initially they had no respect in the society; they were known as cheat-agents and traders. They were not

13 See Appendix No. 2. List of Domestic staffs engaged in the House of Krishna Kanta Nandy in 1770.

14 A.F Salahuddin Ahmed, *Social Ideas and Social Change in Bengal 1818-1835*, 2nd Edition, Calcutta, 1976, p. 19.

honoured as zamindars or choudhuri even after purchasing zamindari estates. Rather people used to describe them as auctioneers or bidders.¹⁵ The conflict between the traditional elites and the new rich aristocrats had several dimensions:

1. The source of power of old elite class was the Mughal government. Then they had control over the country's socio-economic as well as political and religious life.
2. The newly emerged rich class acquired money, power, assets and estates as they were favoured by the British rulers.
3. The old elite class was anti British and the new class was obedient to their English masters.

The clash between the new and the traditional aristocrats continued from the late 18th century to the first two decades of 19th century. Vivid description of the conflicting situation has been portrayed by Bhabani Charan Mukerjee in his write ups. He pointed out that banians took up many welfare ventures and implemented various social and religious programs spending millions of rupees as a part of their effort to be graduated as elites of the society. Their programs included cash donation, construction of temple and terminals along river bank, spending of innumerable money for holding worship, religious festivals, rituals like funeral, wedding ceremony, organising feasts for Brahmins and clergymen, and donation of revenue free land for religious institutions. Beside they were offered titles like Raja, Raja Bahadur, Roy Bahadur and Khan Bahadur by the British rulers to enhance their status in the society. They also followed the rich traditional life style of old aristocrats to become top elites of the society. Establishment of *Baganbari*, pleasure houses, patronisation of the programs of Hindustani *Baijee* dance and the musical soirees of maestro and hunting, all costly affairs, were status symbols of those rich people living in Kolkata. In terms of wealth and population, Kolkata grew up too fast at that time. From the European point of view, at that time Kolkata was equally rich like a western city in all respects.

15 Sirajul Islam, *Bangladesher Bhumi Baybasta*, p. 76.

Caste system was the main characteristic of the Hindu society of Bengal, started to disintegrate in the 19th century. Being influenced by the English people, banian's reshaped their mindset and attitude and those factors quickened process of social change. Banians purchased big buildings and palaces of Kolkata and by dint of their money power they claimed to be the front line leaders of Hindu community there. Only wealth and money power helped the banians to establish them as a new elite class of Hindu community in Kolkata. Family status did not work here as any important factor. For example, the name of Naba Krishna Dev, the banian of Lord Clive, may be mentioned here. By birth, he was a low caste shudra. Even then his grandson Radhakanta Dev, became the leader of Kayastha community, a higher caste living in Kolkata. By 1830 he became a recognised religious leader of Brahma Community.¹⁶ In fact, with the expansion of international trade during the early 19th century the western thoughts and ideas started influencing the society of Bengal. People at this stage became more aware about their rights on assets. Their thoughts infused dynamism in the caste-oriented society. As a result, in most of the cases newly emerged rich people took over the social leadership of Kolkata from the old traditional leaders belong to higher caste with the co-operation or blessing of the British ruler.

During the 19th century, banians could not establish psychological link with ordinary people, rather they used to live in isolation protecting their personal and group interest. Dwarkanath Tagore, Ramdulal Dey, Laha and Mullick families, Raja Sinha family of Paikpara and Dutts of Hatkhola and Rambagan- all these banians acquired huge zamindari estates both in rural and urban areas by purchasing those with their wealth and money earned from the joint business with their Anglo-American partners.¹⁷ It means both the volume and value of their assets had increased manifold. They bought assets in rural areas, although they had no relations with the respective rural society. So, they were termed as

16 A.F Salahuddin Ahmed, *Social Ideas*, p. 22.

17 Sirajul Islam, *Bangladesher Bhumi Baybasta*, p. 76.

‘Absentee Zamindars’ by local people. After the Permanent Settlement, the existing zamindari system experienced many ups and downs and the market price of land became very dear and competitive. Being the potential buyers, banians bought most of the zamindari estates and land without visiting the sites. The zamindaris were located in different places, so each of them required a centre to administer the concerned estates.¹⁸ And the centre was Kolkata, from where they used to run the estate through a group of intermediators.¹⁹ The emergence of this mediator class in between the zamindars and the farmers pushed the rural people towards a miserable situation. It may be mentioned that the intermediary class also existed during the Mughal rule. But during that time their image and role were not so distinctive as it was in the era of permanent settlement. In 1819, the act of intermediaries was recognised legally like zamindaris under the regulation no 8. From then on the network of intermediaries started to expand sharply. The government of Bengal in its report during the time of George Campbell (1872-73) mentioned about the expansion of intermediaries: ‘the number of intermediaries was per every piece of land of Bengal increased so much after 80 years of the introduction of Permanent Settlement that each zamindari estate had to divide into many small parts under auctioneers of different status. As a result the real zamindars could possess a small share of land’.²⁰

The intermediaries adopted a repressive policy for realising revenue from their subjects, mainly the farmers. They used to torture them physically. In a report *Sansbad Pravakor*, a newspaper in its Bhadra, 1259 BS issue wrote, ‘It was not considered, whether any farmer could grow and harvest grains well or not, they had to pay every penny of the fixed revenue. Moreover many intermediaries like leaseholders, lessees and sub-lessees forcibly took away the harvested grains from the farmer as their legitimate right leaving him in a serious distressed

18 Muntassir Mamoon (ed.), *Chirastaye Bandabasta & Bangalee Samaj (Permanent Settlement and Society of Bengal)*, Mowla Brothers, Dhaka 2002, p. 109.

19 Benay Ghose, ‘Gramma Samajer Paribartaner Gati’ (Changing way of Rural Society), Muntassir Mamoon (ed.), *Chirastaye Bandabasta & Bangalee Samaj*, Mowla Brothers, Dhaka 2002, p. 100.

20 *Ibid.*

condition....²¹ *The Tattwabadhini Patrika* also reported various techniques and strategies of sub-exploitation by the intermediaries of Bengal.²² Regarding leaseholder it wrote:

‘He was so greedy that he continued his allout repressive action to realise the last penny from the subject. The landlord considered their subjects as assets like land. So he never denied his right on land and even he took care of them so that they could not disown the land. But a leaseholder does not have any sympathy for the subject as he gets the right for a fixed period. Therefore he tries to realise the maximum amount of benefit and profit within the period through destructive plans and actions. The rate of revenue fixed by leaseholders is four times higher than the rate realised earlier by Zamindars. The rate of revenue, fixed for a particular land at one lac rupee earlier enhanced by 50 percent overnight. Such sudden rise of tax was enough to cause heart attack of farmers. After serving four greedy masters-Zaminders, leaseholders, auctioneer and sub auctioneer, how the farmers are surviving, this is unthinkable. However, it is a fact that their condition is so poor that can’t be described...’

After acquiring the ownership of land assets in both rural and urban areas, the zamindars were seen to be seized with eager desire to earn maximum amount of profit without any further investment. For leading more comfortable and luxurious life they used to spend most of their time in cities. Actually, they preferred to be urbanized not to enjoy luxury, but to take the opportunity of wider scope prevailing there for demonstrating their level of aristocracy before the urban society.²³ They never responded actively to the appeal for mitigating the sufferings of ordinary people. They also remained indifferent regarding materialisation of hopes and aspirations of commoners because of the pre-dominant influence of British people on them. The reasons behind that total isolation from the people were- the pride of newly claimed aristocracy and various elements of enjoyment procured out of easily earned abundant money.

21 Muntassir Mamoon (ed.), *Chirastaye Bandabasta* , p. 98.

22 *Ibid*, p. 99.

23 Benay Ghose, *Banglar Samajik Ittihaser Dhara 1800-1900*, Book Club, 2003, p. 22.



Raja Ram Mohan Roy

Banian zamindars spent their life in urban area amidst idleness, luxury and amusement. They wasted a huge amount of money for enjoyment and expended profusely for celebrating religious festivals like Durga Puja, social functions like wedding ceremony and funeral services, feast and parties. The Englishmen were also invited to join these programmes as guests and accorded special honour by presenting music and dance sessions and firework show. The severe trend of luxury and amusement introduced by the new Bengali nobles of Kolkata in the 18th century was practiced in full swing till the mid-19th century. Leading persons of the society and pioneer thinkers and pathfinders like Raja Ram Mohan Roy and Dwarkanath Tagore also followed the trend.²⁴ Once, a British lady got an opportunity to attend a

²⁴ *Ibid*, p. 199.

traditional marriage ceremony at the residence of Raja Ram Mohan Roy. Describing, the event she wrote in her dairy²⁵, “ May 1823, a few days back in one evening we went to the residence of Ram Mohan Roy, a Bengali babu. The vast lawn of the house was decorated with lights and a splendid firework show was presented there beside performance of singers and female dancers in the interior of the house. ... Their singing style was different, often the tune was delicately coming out through nasal channels; melody of some songs was highly attractive. Ladies who performed their included a famous Baijhee of the East Niki²⁶”.

Bengali banians, known as babu, regularly hosted such functions to entertain their European allies in different ways. It has already been mentioned that banians’ charter of duties included every aspects of everyday life of their masters. Organising programmes to entertain them was their prior responsibility. In this context Samantha Banerjee mentioned, ‘In the daily transactions of these people (banian), along with cotton, raw silk, saltpetre and other goods, the female flesh also became a purchaseable commodity-sometimes for direct consumption, sometimes for better exchange value through their transport to the brothels of Calcutta....’²⁷ The features of the life of banian babus are also depicted in the contemporary literature. Among those, ‘Nabababu Bilash’ (1825), ‘Dhoti Bilash’ (1825) and ‘Naba Bibi Bilash’ (1822) by Bhabanicharan Banerjee and ‘Alaler Ghorer Dulal’ by Pyari Chand Mitra were famous. Describing a zamindar babu in the book Naba Babu Bilash, the author wrote, “He who achieves success in the four ‘p’s will be a half-babu. The ‘p’s are: ‘pasha’ (game of dice); ‘paira’ (pigeon-fights, a game popular among Calcutta’s rich gentry in those days); ‘para-dar’ (liaison with another

25 A.F Salahuddin Ahmed, *Social Ideas*, p. 33.

26 By the end of the 18th century, many prostitute artistes had arrived in the rising metropolis Calcutta, seeking patronage among the new breed of Bengali landlords, banian and dewans. In early 19th century Niki was so popular among them. Her voice was compared to that of the famous Italian soprano Angelica Catalani (1780-1849) who at around the same time was enthralling listeners in Europe. In 1819, it learn from a newspaper report, Niki was being maintained by a rich Bengali on a monthly allowance of Rs. 1,000. Quoted in Brojendranath Bandyopadhyaya (ed.), *Sangbadpatrey Sekaler Katha*, Vo. II, Calcutta, 1377 (B.S), p. 121; Samachar Darpan reported on 22 November 1823 that on the occasion of the Rasa Lila festival in the house of one Ruplal Mallick, the guests included European Sahebs who attended the dance of a number of *tawaifs*: ‘They had stayed on for many hours and had left after 11 P.M., well pleased with their performance.’ in Ratnabali Chatterjee, ‘Prostitution in Nineteenth Century Bengal: Construction of Class and Gender’, *Social Scientist*, Vol. 21, Nos. 9-11, 1993.

27 Samanta Banerjee, ‘The Beshya and the Babu: Prostitute and her Clientele in 19th Century Bengal’, *Economic and Political Weekly*, Vol. 28, No. 45, 1993, p. 2462.

man's wife); and 'poshak' (dress). He who achieves success in both the four 'p's and four 'kh's will become a complete babu. The four 'kh's are: 'khushi' (pleasure); 'khanki' (whore); 'khana' (lavish meals); and 'khairat' (charity, the euphemism used to persuade the babu to spend all his wealth on his hangers-on!).²⁸ The profession of Baijee got a momentum in Kolkata and other towns of Bengal by the mid-19th century. In 1853, the population of Kolkata was around 400 thousand, of which the number of Baijee was 12,419. The number crossed 30 thousand in 1867. Kaliprashanna Singha, a contemporary novelist in 1862 wrote on Bengali babus, 'Because of these great men, the city of Calcutta has become the city of whores. There is not a single locality where you won't find at least ten houses of whores. Every year, instead of coming down, the number of whores in this city is going up.'²⁹ The successors of banian babus who became zamindars also enjoyed a relaxed life through pleasure and enjoyment. As a result, from the second decade of the 19th century the North Indian Marwari merchants started replacing the local banians from their positions in Bengal's trade and economy.



'Baijee Nach' in Sattayjit Roy's Film *Jalshaghar*

28 Samanta Banerjee, *op.cit.*

29 Kali Prashanna Singha, *Hutom Pyachar Naksha*, Kolkata 1384 (B.S), p. 89.

The children of banian families became habituated to live in luxury and spending money earned by their predecessors. For example, names of Satu Babu and Latu Babu two sons of leading banian Ramdulal Dey- can be mentioned. Both of them wasted millions of rupees earned by their father by sponsoring various entertaining programmes like dance and musical soirees, open-air folk songs, fights of bulbuli birds, pigeon flying, monkey's wedding, baijee dance, *khyamta* dance etc. Like Dwarkanath they had a 'Bagan Bari' (Pleasure-house) at Belgachia, where several hundred thousand rupees were spent for amusement. Two sons of Ramdulal used to organise functions at home during his lifetime. Bhabanicharan Banerjee described a scenario of entertainment programme participated by Bengali banian babus, who became new zamindars: " Everybody, Hindu, Mussalman and Beshyas ate many items including meat and wine together. Then betel-nut with spices and tobacco were served to the guests. Later many of them started smoking of tobacco, *ganja* and *churrus*. Somebody started dancing, someone began wailing. A few of them then started talking incoherently and copying dancers and musicians. Hingal Bibi and Basak Babu also took the full meal. Somebody get into rooms, somebody attended musical soiree. Somebody enjoyed sex with the prostitutes. Being fully satisfied another round the clock variety of physical and mental amusements, all the local new babus and guests started departing for their own destinations."³⁰ Although the description of lifestyle of the newly emerged rich people of Bengal seems vulgar, it was the real picture of their everyday life. They wasted a lion share of their income; they earned exploiting the favour of the Englishmen for such amusement. The post funeral feast of Ramdulal, organised by his sons spending his savings was more than a fairy tale. Seven to eight thousand Brahmin pundits from Bengal and other provinces like Kashi, Showrastra, Maharashtra and Kanyakunja attended the function as invited guests. Beside the guests, about one hundred thousand destitute were fed on the occasion. According to Girsih Chandra Ghose the budget of the sraddha was at least five hundred thousand rupees. But local newspaper of Kolkata 'Samachar Darpan' reported that, the amount of expenditure could not be estimated.³¹ About 150 thousand rupees were spent for the post funeral ritual of Ramdulal's wife.³² Not only the family of Ramdulal, most of

30 Sirajul Islam, *Bangladesher Bhumi Baybasta*, p. 133.

31 *Samachar Darpan*, 14 May 1825.

32 *Samachar Darpan*, 20 October 1838.

the banian families of 18th and 19th centuries used to demonstrate their extent of aristocracy through such social and religious programmes.

Although his sons spent a lot of money for enjoyment and luxury, Ramdulal himself led a simple life. However, as he was a pious person, he spent thousands of rupees for the promotional activities of his own religion. He constructed 13 Shiva temples in Benaras at a cost of about 222 thousand rupees.³³ He also donated cloth and food for five days among the destitute there. Ramdulal set a unique example of charity on this occasion. The weight of his wife was measured in a scale against bullion and gems worth over one hundred thousand rupees. The amount was distributed among the Brahmin pundits staying in Benaras.³⁴ Moreover, Ramdulal spent about 600 thousand rupees to meet up the expenditure of wedding ceremonies of his two sons. He invited the guests through advertisement published in the government gazette. The amount of expenditure, spent for two wedding ceremonies solemnised on 7 and 11 Falgun, 1226 (BS) was 600 thousand rupees of 1820 was respectively equivalent to present day's ten million rupees. On the occasion of marriage ceremonies, two exclusive dates were fixed to entertain the English guests, whereas four days were marked separately for the Hindu and the Muslim guests. English, Arabic, Mughlai and Hindu dishes were served according to the choice of guests.

Another Banian and zamindar of the 19th century Dwarkanath tagore had a good record of spending money for celebrating festivals and holding religious and social functions. Regarding donation, he was extremely generous. Every single respectable person belonged to the English, Indian or Bengali community, had visited his Belgachia *Baganbari* to enjoy the majestic feast and dance party. Everybody including the Europeans in those days considered participation in Belgachia Baganbari functions as a status symbol. When Tagore was in Britain, he led his life in absolute luxury. Even the Lords could not think of the extent of his expenditure and state of luxury. And for this reason, his son Debendranath became disappointed as he died leaving a

33 Benay Ghose, *Banglar Samajik Ittihaser*, p. 105.

34 *Ibid.*

huge amount of outstanding debt.³⁵ Thus the wealth, earned by banians through trade with European and American merchants in those days, became exhausted due to their imprudent spending.

Most of the earnings of banians of the 18th and the 19th centuries were spent to meet up their requirement for amusement and luxury. In addition to the already mentioned banians, there were three other banians who were remarkable for their extravagant expenditures. Nabakrishna spent 900 thousand rupees for the *sradda* of his mother, while Ganga Gobinda spent a record of 102 million rupees for the same and Gokul Ghosal used to provide meals to 1800 persons daily.³⁶ A huge amount of money was also spent for the promotion of religious services and virtuous activities like construction of temples and brick-built landing stairs on the bank of rivers to reduce troubles for taking bath. Then there were a very few wealthy persons, who never took any step for mitigating the sufferings of majority people. Rather they led their life in luxury. This reality compelled their subjects, the poor and repressed farmers to eventually raise a movement against zamindars.

Banians were not politically conscious at all, even when they turned into landlords. Because the elements and virtues like sound education and honest professional practice which sharpen a person's political consciousness, were totally absent among them. However, they got involved in political activities in support of the East India Company just to protect their community interest. They were basically the company's most obedient and reliable collaborators. Leading and noted landlords including Gauracharan Mullick, Nimai Charan Mullick, Ram Krishna Mullick, Gopimohan Tagore, Kali Charan Halder, Rasiklal Dutt and Gokul Charan Dutt in a meeting held on 21 August 1798 openly announced their allegiance to the British rulers.³⁷ Moreover, Dwarkanath Tagore in a meeting held at Kolkata Town Hall on 15 December 1829 gave a statement supporting the English drive in favor of indigo

³⁵ *Ibid*, p. 10.

³⁶ N.K Sinha, *The Economic History of Bengal*, Vol. II, p. 223.

³⁷ Swapan Basu, *Banglar Nabachetonar Itihash*, 3rd Edition, Pustak Biponi, Kolkata, 2000, p. 178.

cultivation. He said, 'I have some indigo cultivation posts in various districts. From that experience I have realised that the country as well as its people are being benefited in many ways following the arrival of Englishmen and their initiative for indigo cultivation.'³⁸ Dwarkanath Tagore, being the owner of six indigo posts at that time did not confine his fondness of indigo cultivation within the speech, he also influenced the Union Bank to grant unlimited amount of loan to the indigo cultivators. When the Union Bank was declared bankrupt in 1847 it was found that 90 percent of its loan was invested in indigo plantation sector alone.

Although banians are said to lack political consciousness, they however brought in some radical changes in the society utilising the experience they gathered from the association of Europeans. The reform movement initiated in the Hindu community of Bengal in the 19th century had three different trends- conservative, reformist and radical reformist. All these trends still exist in the society. During the period, banian families took up the leadership of both conservative and reformist groups. Although Radha Kanta Dev, a conservative Hindu leader was pioneer supporter of the expansion of education especially English education, he was totally against any religious and social reform. Radha Kanta Dev and his father Gopi Mohan Dev played a leading role for the expansion of education from 1816, when the Hindu College was formed in Kolkata. Radha Kanta discharged the responsibility as one of its directors for over 30 consecutive years. Moreover, he was a founder member of Kolkata Schoolbook Society.³⁹ He also played an important role for the expansion of primary education in Bengal with the co-operation of David Hare. Being a conservative social leader, Radha Kanta exceptionally supported the promotion of female education. He wrote a handbook on female education, entitled '*Stree Shikhsa Bidhayok*' in 1822, where he strongly pleaded for female education. However, he favoured privately in house teaching for girls instead of providing them education in schools.

38 *Ibid*, p. 183.

39 A.F Salahuddin Ahmed, *op.cit*, p. 40.

The social reform movement led by Ram Mohan Roy was targeted to change the existing social norms of the Hindu community. Born in an influential and wealthy Brahmin family, he worked as a banian of British officers. However, he also had a family business. Ram Mohan worked as the banian of Digby, a British civilian officer, posted at Rangpur from 1805 to 1814. He was a great scholar and highly knowledgeable person having good command over many languages including Arabic, Persian, Sanskrit and English. Ram Mohan wanted to reevaluate and reinterpret the religion of Hinduism from the viewpoint of modern knowledge and appreciation. He established himself as a pioneer thinker of liberal ideas in Bengal by the European influence. He took firm stand against idolatry of Hinduism to establish monotheism. So, beside religious reform, he took up various programmes to bring about changes in social and educational sectors founding the Brahma Samaj. He wrote a booklet both in Bengali and English in 1818 to build up public opinion against the practice of *Satidaha*- burning the widows alive along with the corpse of their respective husbands. The number of such cruel incidents raised alarmingly during the first half of the 19th century. The statistics incorporated in the document of British parliament indicate a dreadful situation.⁴⁰

Ram Mohan wrote another book published in 1820 on the same subject demanding the total ban on the practice. Following the movement, Lord Bentinck enacted a law in 1829 and imposed ban on the *Satidaha*. Earlier in 1822, Ram Mohan authored a booklet in English demanding the social justice for the Hindu women. Referring to the rights the Hindu women enjoyed in the ancient age, he stated that later they were deprived of all those rights unreasonably. In that booklet, Ram Mohan placed a demand to the British government to introduce a modern liberal

40 The cenario was,
Kolkata, Dhaka, Murshidabad, Patna, Bereli, Banaras

1817	707	1821	654
1818	893	1822	583
1819	650	1825	639
1820	597	1826	518

learning system in Bengal. In the same year, he founded ‘the Anglo-Hindu School’ in Kolkata as a part of his reform initiatives.



Satidaha

Apart from the reform movements of the 19th century, some banians made important contribution for the development of the society. Among those, the most remarkable contributors were: Durga Charon Mitra, Rajendra Dutt and Ramdulal Dey. Durga Chran was a former member of Kolkata Schoolbook Society, established in 1817. Rajendra Dutt was the founder of a private library of Kolkata. He also extended cooperation to establish the Hindu Metropolitan College in 1854 and donated old Sanskrit manuscripts to the Harvard University from his personal collection. He introduced Homeopathy treatment in Bengal and extended his assistance to form the India League in 1875.⁴¹ Ramdulal Dey turned into a living legend by virtue of his donation. Many educational institutions including the Hindu college and places of workshop were built from his money. He also donated a huge amount of grant for the

41 Shubhra Chakrabarti, *The East India Company*, p. 157.

expansion of education. He used to help the flood victims of Bakergonj (Barisal) district as he helped the famine stricken people of Madras and far flang area like Ireland by sending huge amount of cash money as relief.⁴²

The ideas and thoughts of two great revolutions, the American Revolution (1776) and the French Revolution (1789), occurred in the west during the 18th century were transmitted by Anglo-Americans in different countries. Among the Bengalis banians were the first who were influenced by the western ideas and thoughts. They introduced western norms and culture in the society. Strong business ties with the westerners influenced them to adopt new thoughts and life style quickly. Above all, this banian class became the chief patron for carrying out the reform programmes in Hindu society expanding English education in Bengal during the first half of the 19th century.

Banians engaged themselves to build up Kolkata as a 'City of Palaces'. In the late 18th and early 19th centuries British Officials built up 'White Town' in Kolkata, where English residents were dominant. Along with them banians built their mansions in other parts of north Kolkata named 'Black Town'. Among them the most remarkable banians were Raja Nabakrishna Deb, Nimai Charan Mullick, Madan Mohan Dutta, Ramkrishna Mullick, Raghu Mitra, Abhaya Charan Mitra, Ramlochan Ghosh, and Darpanarayan Tagore etc. Nabakrishna Deb took initiative to weed out the jungle of Sovabazar and built a palace which was known as 'Sovabazar Rajbari'. The other examples were Marble Palace, Chorbagan built by Raja Rajendra Mullik, Pathuriaghata & Jorabagan built by Ramlochan Ghose, Jorasanko Rajbari built by the Tagores etc. Thus banians contributed to the development of modern Kolkata.

42 Daily *Prothom Alo*, 30 September 2011.

Chapter Five

Decline

Here we will examine the causes of the decline of banian class. With the consolidation of administrative power by the English rulers in Bengal, their collaborator banians were emerging as a stronger influential class in the society. Their skill, expertise, knowledge and efficiency in business helped them to reach the peak of the trade and economic sectors. Being the favoured class of the rulers and their ideological followers, banians acquired huge wealth, although most of them were ordinary people. Most of the successful banians took initiative to form joint trading firms with the British merchants in the 19th century utilising those wealth as capital. But finally they could not achieve success. By the mid-19th century, their joint trade initiative came to an end as the cordial relationship they had with their masters suffered a setback. Shifting of the profession of banians further contributed to the decline of joint trade initiative.

It is assumed that the decline of banians began with the collapse of Agency Houses of Kolkata. However, there were a few exceptions- Dwarkanath Tagore, Motilal Sheal, Rustamji etc. took up fresh initiative and started business with the British merchants on partnership basis. But after the collapse of Union Bank and Car-Tagore Company on 27 December 1847 and 12 January 1848 respectively, banians completely withdrew themselves from trading and started investing their capital in land. It is a known and recognised fact. However, if anybody looks back to the past to review the trend of banians' careers would admit that the career of banians had to go through ups and downs from the 18th century. The History of the banians' included four phases during which their rise and fall took place from the 17th century to mid-19th century (1848). However, the nature and features of each step were quite different. Banians appeared in a new form in each different stage. The feature of first

stage of rise, the pre-1757 era, has already been discussed earlier. In this context a clear conclusion can be drawn on the relationship developed by Seths and Basaks with the European merchants, it came to a halt in 1753. But after the Plassey, banians reappeared on the scene with a new dimension. Professional banians emerged in the early 17th century and those reappeared after 1757 had many differences in terms of features and activities. Moreover, banians of those two different periods came from different families. So it is evident that the earliest class of banian was disappeared totally by 1753 for various reasons. Another new class of banian started to emerge after the battle of Plassey in 1757. According to formation and activities, the new banians were quite different from the earliest one. So it is evident that the decline of first generation banian took place in 1753 and they could not go like the second generation. In 1793, When Permanent settlement was introduced in Bengal, the second-generation banians started investing their capital in land instead of trade. As a result the British-banian relationship became cooler from that time, although the American-banians relationship was very much conducive and normal to run their joint business.

Banians reorganised themselves through agency houses in the 19th century. But their condition started declining in 1833 and they could not come back to business after the complete collapse in 1848. Regarding the issue, although researchers have the same view, we would like to differ with it slightly. In our opinion, banians who fell with the bankruptcy of Union Bank were mainly a class of traders, exclusively reared up and patronised by the British merchants. Those who were associated with the American traders could sustain in business for few more years. However, their number was very limited. For example, the case of Rajendra Dutt can be mentioned. Charles Norton, the representative of Boston House came to Kolkata in 1849. Rajendra Nath Dutt, as the banian of Norton, started business with the Americans from 1850. During his stay in Kolkata, Dutt was the overall supervisor of Norton affairs. To Norton, Rajendra Dutt was a highly intelligent and wise person.¹ It has already been discussed that Rajendra Dutt not only supervised the business, rather he also moved in the intellectual area. So, we can assume that the occupation of banian existed in Kolkata till the 6th decade of

¹ Sirajul Islam, 'American in Calcutta Bazaars', p. 245.

the 19th century although the profession started declining from 1848. It is evident from careful observations that not a single banian family other than the Basaks and Seths could succeed to carry forward the family occupation to its next generation. Nobody could develop competent successors to continue the profession. As result, Marwari merchants took over the control of trade of Bengal by the mid-19th century replacing the local banians.

Why banians failed to rear up their competent successors? Why the nature and terms of reference of their occupation were changed so frequently? Why these Bengali merchants could not run business independently? How far the British government's policy was responsible to hinder their independent investment drive? How the plenty of assets, they earned through banians, totally exhausted within a single generation? Which particular characteristic of Bengali nations created which impact on their economic life? How far the social norms, culture, tradition and customs of Bengal influenced the banian's professional life—all these are important questions. Researchers have given varied arguments regarding these questions. In their considerations, the British policy was mainly responsible for the collapse of banians. Practically it is not justified to single out a reason behind the failure of banians. The reasons, behind their failure, is generally accepted as the British policy, the absence of mutual cooperation based activities among the local people, the security of investment in land, the failure to rear up competent successors and the skillful business handling of north Indian traders.

The trade policy of the British government played a catalytic role to speed up the fall of banians at every step. In fact, the demand of European merchants was the main factor behind the emergence and growth of this particular class. Banians had to act according to the will and instructions of the Europeans. By the mid-18th century, a difference of opinion on various business deals between the British merchants and the local banians had erupted resulting in the introduction of agency system by the East India Company. The Company identified the dishonesty of banians in the business operation and held them responsible for the misdeeds. Actually, some company

officials started lodging various complaints against banians from the second decade of that century. Robert Hedges, the principal complainant, wrote letters to the governor's council repeatedly accusing the Seths. On 12 February 1713/14, in a letter to the court, he wrote, 'the late President (Russell) set the ill example of depending wholly on Banarashi Sett even for his Cash Account, and that he was so indifferent to Investment that Banarashi Sett and his family, under his direct patronage, provided two-third of all the goods and influenced the sorting and pricing also. Till this is cured there is no possibility of getting goods at cheaper rates.'² Even after getting this letter the council did not suspend or replace Banarashi Seth. However, in 1732, the Company replaced Banarashi Seth by a new banian, his son Shyamsundar Seth. The company management was in a long dilemma over the appointment issue of the new banian. At last, Shyamsundar received official appointment letter on 24 December 1739. In this letter the reasons of his appointment were given as follows:

'First, know of no Malpractice nor do the Company charge him with any
but Admit him to be a Merchant.

Secondly The Affluence of his fortune to secure Merchants bad Debts
who by Calamitys have set with great losses.

Thirdly His Great service in carrying on the Investment by his aid on
Deficiency of Cash.

Lastly He promised not to dispose of the Woollen Goods Sold him at
under Rates.'³

It is clear from the above issues mentioned by the council regarding the appointment of Shyamsundar Seth that the relationship between the company and the local banians was becoming conflicting at that time. Finally on 26 July 1741, the company dismissed all its banians assigning a reason that it had been recurring losses. However, Seths were appointed representatives of dadny merchants and in that new capacity they served them in place of banians. From 1741 to 1753, there existed a difference of opinion between the company and the dadny merchants on various issues like the rate

2 Dilip Basu, 'Some old Family', p. 47.

3 *Ibid*, p. 51.

of dadan, quality of produced goods and procurement of goods as per contract within the stipulated period etc. Beside those issues, Seths raised various complains to the British administration against the East India Company in 1748. They alleged that the Company had engaged people of other castes in business deals. Since Hindus in Bengal were very sensitive regarding the caste system at that time, the Seth family lodged a complain to the council. The council record says, 'The Sets being all present at the Board inform us that last year they dissented to the employing of Fillick Chund, Gosserain, Occore, and Otteram, by being of a different caste and consequently they could not do business with them, upon which account they refused Dadney, and having the same objection to make this year, they propose taking their shares of the Dadney if we should think proper to consent thereto.'⁴ Most of the council members delivered their opinion in favour of Seths, which helped them to sign a contract with the dadny merchants to do business as in the past. Basak family was also associated with this deal in 1753; the East India Company introduced the agency system in place of dadny system assigning various reasons. Among the major reasons they mentioned: (1) the fall of financial condition of the dadny merchants; (2) failure, negligence and inability of agency houses to supply goods within the agreed time frame; (3) the rigid attitude, mindset and audacity of dadny merchants and their disagreement to sign a contract over a condition, considered as favourable by the Company and (4) the possibility of incurring loss following the Maratha invasion in Bengal. Even after the introduction of agency system, Seths and Basaks successfully continued their family business. When the contract system was introduced in 1774, both the families worked there as dadny traders.

However, Seths and Basaks lost their position in the Business world of Bengal in 1788, when Lord Cornwallis abolished the contract system re-introducing the agency system. So, none of the successor of Seths could continue the family business in the 19th century. They were engaged in Banking and such activities like money laundering. Earlier in 1753, when the agency system was introduced first, gomastas were assigned

4 Consultations, May 23, 1748 in James Long, *Selections from unpublished records of government for the years 1748-1767 inclusive relating mainly to the social condition of Bengal, with a map of Calcutta in 1784*, Office of Superintendent of Government Printing, 1869, Calcutta, p. 9.

to procure goods for the company. As a result the existing relationship between the two families, Seths and Basaks, and the East India Company started to decline. Both the families became totally isolated from the cordial relationship built over the years. The changes at this stage hindered the preliminary growth of banian profession and ultimately banians were thrown away from their occupation.

Those who worked as banians during the second stage, i, e, in the post Plassey era had no connection with the pre-Plassey or first generation banians. The second-generation of banians were more influential as their masters had to depend on them fully for everything. The British and American merchants had no idea and knowledge about the trend of trade, economy and politics of this country. During this stage, the company officials gained huge amount of money and personal wealth utilising those banians. On the other hand, business of the East India Company, suffered a setback day by day and the amount of its debt increased accordingly. Moreover, the people of Bengal had to tolerate a huge pressure of land revenue. Considering all those factors and examining the prevailing situation Lord Cornwallis announced the Permanent Settlement in 1793. Earlier he brought the company staffs under new disciplinary measure framing fresh service regulators. That step responded well as it reduced the importance of banians. In this context, they withdrew their capital from business to invest in a secured sector, land in their consideration.

With that move, the banian class of Bengal detached from business for the second consecutive time. Now the questions may interest us: Why they engaged themselves in land giving up trading? Which factors led them to this new initiative? What were the reasons behind it? If the answers are critically analysed, the following reasons could be identified: firstly, the ownership of land shifted from the state to the private citizen class called 'zamindars' for the first time through the Permanent Settlement. That change attracted banians to invest in land. Secondly, banians gathered land management experience earlier during the five-year settlement period. Since they were very successful in that venture, they might have assumed that becoming the owner of land against fixed revenue under the Permanent Settlement would be even more

profitable. So they became 'zamindars' under the British government's rule. Thirdly, the importance of banians sharply declined with the setting up of agency houses in the late 18th century. And when government started to sell huge single zamindari of Bengal by auction disintegrating those into small pieces, banians inclined to purchase those zamindari estates as auctioneers leaving behind the business. Fourthly, the influence, which banians could establish over the supply commodities in the export chain of Bengal, was hindered due to various measures taken by Lord Cornwallis. He wanted to see a revolution in the agriculture sector in this country like England through the Permanent Settlement. He established ownership right of a person on land in Bengal. Cornwallis thought that once personal ownership on land was established and payment of fixed land revenue to the government was settled permanently, zamindars would definitely take step to cultivate all the fallow land under them to earn more profit. Ultimately it would be turned into agricultural revolution, which would then be easier for British merchants to procure raw materials from here.

It is true that banians engaged themselves in zamindari system after considering various aspects. Moreover, they always extended their all-out assistance to the plans and program, taken up by the British government. So, no exception was occurred in this sector. Banians responded to the new step taken up by Cornwallis instantly. Moreover, during the ten-year long settlement period, the Company awarded them leaseholdership of different land. Lord Cornwallis introduced the Permanent Settlement to improve and simplify the East India Company's revenue collection system. That step shattered the backbone of old landowners of Bengal, as they were replaced by new owners, mostly banians. So, at the second stage, banians of European merchants left their present occupations and turned into zamindars.

A group of banians launched a fresh business initiative in the early 19th century centering the agency houses. What role they had to play in agency houses has already been discussed. But during the second decade of the century the adverse influence of Anglo-Burmese war affected the agency houses. The agency houses alleged that due to the war they had to incur losses following the acceptance of loan by the government.⁵

5 Amalesh Tripathi, *Trade and Finance*, p. 164.

As a result agency houses started to collapse one after another and banians lost their capital. The survivors of that catastrophe were again faced a serious barrier in 1847, when Union Bank was declared bankrupt following the international trade crisis. It was initiated in Britain as an after effect of the construction of railway track, there started in early 19th century. Shipping companies carrying goods from colonies worldwide also declared bankrupt. Most of the agency houses of Kolkata invested their capital in indigo cultivation had suffered colossal loss. The economic backbone of the entire business community of Bengal weakened extremely with the fall of London share market. Blair King made a comment on this topic that after the collapse (London), the businessmen had to count the misfortune and under the pure colonial management Kolkata turned into a parasite city, a nerve-center of colonial exploitation instead of being a fertile land of economic growth.⁶ After 1848, none of the Bengali banian was seen to do business jointly with any European. If the activities of banians throughout the 18th century and the first half of 19th century are reviewed carefully, a conclusion can be drawn easily that the trend of occupation of banian changed frequently due to the policies adopted by the British rulers. The fall of 1848 caused the disappointment of mental strength of banians and none of their successors shown any inclination to their own occupation. So, in this context it can be said logically that with the gradual consolidation of political power by the British authority the importance of banians was decreased accordingly.

It is evident from the above discussion that the policies adopted by the British rulers were not conducive at all to banians to run business, trade and industries in this country. And it was quite natural. Because, the main feature of colonial economy is the wish of master rulers to make every colony as a monopoly market of their finished products, i, e, industrial goods, a production centre of their main raw materials and an import-cum-export market.⁷ Bengal was not an exception. So, the colonial rulers created a similar business environment here. However, a new environment conducive to flourishing commerce and industries was created in the 19th century with the cancellation of the right of East India Company to run monopoly business in Bengal. That opportunity made merchants from other state of India successful. But, the banians

6 Binayak Sen, 'The Growth of Entrepreneur Class', p. 44.

7 Benay Ghose, *Banglar Samajik*, p. 115.

of Bengal could not utilise the opportunity properly in spite of having enough capital in their possession. Benoy Ghose mentioned some social causes beside the economic reasons behind that inability of banians.⁸

These are:

- Those wealthy people did not have courage to run business independently, although they were used to perform banianship of European merchants investing their hundreds of thousands of rupees.
- The rich and the middle class Bengalis preferred three occupations for risk free earning to enjoy interest or profit from the Company's share and debentures, to earn profit from the land revenue as zamindars and to lead a life of fixed-salaried employee. The Bengalis accepted these occupations as because they were idle and not laborious by nature. They were reluctant to take any courageous action.
- The level of business intelligence of Bengalis was not sharp. They ran after profit whimsically and started investing without any logical review. They used to wind up trading, just after incurring a very small amount of loss.

Benoy Ghose basically highlighted the main characteristics of Bengali people. It is true that the reasons behind the failure of Bengali banians were their laziness and apathetic attitude. It has been observed that how the huge amount of money they earned out of the joint business with the British merchants. Wasted for amusement and luxury, banians belonged to other states of India were never allured by such life style. On the other hand, the successors of banian keeping their zamindari estates under control had extended the luxurious life. The money, earned from each zamindari by a simple physical and mental effort was enough to lead such comfortable and easy going life. So they never felt to keep their ancestors business on. Various review and reports were published often in contemporary newspapers sharply criticising the features of typical Bengali banian character. The following article published in Shomprokash is a good example of such criticism.⁹

“... we often listen, that European launched that business and that Babu became his agent (banian). After a few days we hear that he has failed. The Babu has become very

8 *Ibid.*

9 *Ibid.* p. 110.

restless for gaming more money. General people of the market have started pursuing him. That European has opened another office just changing the signboard. This indigo-grown state has been experiencing such high incidents of torture, because the number of indigo traders having no capital but strong desire of making money is higher than the real businessmen. So, blood sucking of the subjects is the only way. We know money of them, earned huge amount of money, had not a penny of his own. Loan is their only base of business and the bankruptcy court is their only exist to run away.’

Beside the British policy and the lazy nature of Bengalis, there exists another remarkable social cause behind the failure of banians and that was their mean-mindedness. Banians able to take lessons and gather knowledge about various techniques of earning money from the British merchants, as they got ample opportunities to work closely with them. However, they could not maintain the continuity of their achievement, as because they could not co-exist in the business field unitedly. They had enough potentiality to run business independently and it was quite possible for them to lay a solid economic and social formation without depending on the British policies. But, the ways and means, they followed to run business, were full of slyness and crookedness. As a result, they could not move together, rather each of them was instigated and driven by a strong perception of personal gain. So, banians like Maharaja Nabakrishna Deb, Madan Dutt, Ramdulal Dey and Motilal Seal were seen to lock in ceaseless rivalry and conflict against each other stimulated by the extreme personal interest. They never bothered to take any step to fulfill their own respective objectives. Even they totally gave up the sense of morality and reasoning in this regard. A common strategy they practiced most to make themselves famous and well established was the act of pleasing their British masters. Being sycophants, they were never careful about national interest, rather they used to reach the target by any means. They always favoured the English merchants, one party of the business without caring the other party, the local traders and consumers. Moreover, banians hardly took up any benevolent initiative for the improvement of the lot of local people spending their own earned money. The number of financially solvent people in Bengal in that period was a very few. In those circumstances, it was not possible for a few persons who became very rich and wealthy by adopting unfair, unethical and knavish means to promote the macro-level development.¹⁰ So, next generation felt discouraged to follow the path of their predecessors.

10 See Appendix 3 and 4.

The prevailing caste system, being a strong factor in the social psyche, was an impediment for the banian. If the history of Hinduism is reviewed, it gives a clear idea that the occupational life of Hindus were determined and driven through caste system, as people belong to each caste had separate pre-determined profession of its own. But, banians, being Hindu of different castes engaged themselves in an uniform occupation violating the tradition. Hindus, belong to Brahmin, Kayastha, Baishya and other castes utilised the full opportunity of the occupation of banianship splitting the bondage of family profession. In this context, successors of banian except those of low castes did not consolidate in this new profession considering it risky. Offspring's of banians, belonged to higher castes, were enlightened with modern English education and so they had no interest to join their fathers' profession. Rather they started engaging themselves in civil service and teaching profession. They gave top priority on the new method of English education considering it as a tool of upholding their social status. They could realise that there was no alternative to modern education for serving in the society's high position. Now, one particular point is very evident that although some Bengali Hindus, from different castes, established themselves as banians in course of time during the 18th and the 19th centuries, their descendants did not like that trading as a befitting occupation for them. So, some of them settled down in landed property and some others joined in government service to ensure a secured future.

Beside the British policy and multifarious problems prevailing among the Bengalis, one particular reason that contributed a lot for the reduction of importance of Bengali banian in the 19th century was the emergence of Marawari merchants. They took over the control of business from all of them. Jagat Seth family was the most renowned among Marawari merchants. They had monopolistic control over the Bengal's banking sector in the 19th century. However, in the course of time they merged their entity with the mainstream society and culture of Bengal. Initially there was no conflict of interest between the local banians and the Marwari merchants. But, this relationship was quite reverse in the 19th century. In an article on 24 March in 1827, *Samachar*

Darpn,¹¹ a newspaper published from Kolkata reported a story on business-related conflict of interest between Bengali banians and the Marwari bankers and merchants. Whereas the banians of Bengal could not adjust themselves to the changing colonial economic system of Britain, the Marwari merchants accustomed themselves with the new order fast and took control of it. In this competition, banians accepted the defeat. Consequently, by the effects of British policies the foundation of banians' business shattered down.

11 *Samachar Darpan*, 24 March in 1827, Kolkata.

Conclusion

In this thesis we have examined the activities of banians in the eighteenth and nineteenth centuries. The dissertation introduces many hitherto less known Bengali figures as banians. The thesis studies the emergence of the banian class and their relationship with European and American merchants. This is an attempt to make a comprehensive and in-depth study of the eighteenth and nineteenth centuries' banians' role in Bengal economy and to analyse the babu culture introduced by Bengali banian. Significantly, then, it is the first work that looks at the banian as an important figure in our economy. As such, our study represents an innovative and necessary examination of relationships between banian and European and American merchants. The dissertation also demonstrates the effects of colonialism on the economy of Bengal that produced the banians and emergence of a more composite picture of the rakish mode of intercultural relation and banians' life.

Historically, foreign rulers and merchants had strong domination over the political and economic sectors of late medieval Bengal. Their arrival, administration and commercial activities were accepted by mass people. Consequently when the Europeans arrived in Bengal later, then banians extended them their co-operation. That gesture helped a lot to create a favorable environment for the European trade in Bengal. And for that reason, when the British East India Company captured the political power of Bengal, a few of the banians tried their best to exercise their political influence. Some of them acquired abundant wealth after coming to this occupation. In return, they gave opportunities to their European masters to accumulate wealth by any means.

In the history of Bengal, the 18th and the 19th centuries are regarded as an important phase from the socio-economic and political view-points. During that period, the

political power of Bengal was grabbed by the British East India Company, changes were brought repeatedly in the land and revenue system of Bengal and various experiments were carried out on trading system resulting in the emergence of a few new classes in the society. It is seen from our study that the banian community of Bengal was closely involved in all those issues. In the early 18th century, the East India Company's activities were confined to trading sector only. But, when the Emperor of Delhi Farrukh Shyyar awarded the royal decree to the Company in 1717, a potential and new business opportunity in Bengal was sheered in. Successively, the involvement of banians of Bengal in the Company became stronger than earlier. During the pre-1757 era, although the strength and influence of banians were not so strong, however, their position in the foreign trade of Bengal was important.

The scenario of trade and commerce in Bengal experienced a radical change after the Plassey War of 1757. The Nawab of Bengal turned into a puppet. Moreover, the scope of trading in Bengal expanded massively in 1765, when the Company received its diwani (financial stewardship). The number and importance of banians, after that, increased gradually. Besides the company, opportunities and facilities of banian also flourished. The importance of their position reached to its peak in 1772, when the Company banned its staffs from doing private business. This was because the employees of Company then started appointing banians to run their respective business as shadow-owners.¹ Banians were most powerful and influential during the period in between 1757 and 1790. Many of them inclined to invest in land with the announcement of Permanent Settlement in 1793. Following the repeal of the British monopolistic right to the Indian trade in 1813, the importance of banians increased again. As the company lost that right many private merchants started moving toward Bengal. As a result, the newly set up agency houses required huge amount of capital which was provided mainly by the banians. With the opening of Indian market to individual traders, the East India Company was weakening gradually. In this backdrop the activities of Company was stooped through the enactment of the Charter Act, 1833.

1 Sirajul Islam, *Bangladesher Bhumi Baybasta*, p. 96.

Even then, banians in co-operation with the British merchants began joint-venture business in Bengal. They also started working as banians of American merchants and proved themselves worthy in this role as earlier. American merchants used to run their business in Bengal only through their respective banians.

Thus, with the pace of political, economic and social changes, occurred in Bengal through the 18th and 19th centuries, banians could bring a radical change in their own position. However, they did not change their own stand alone, rather their activities helped to improve the lot of company officials. Banians established themselves in the society as the wealthiest class through running the private business of company staffs. On the other hand, for running business they provided capital and all other necessary required to the young Englishmen, who came to Bengal without money for fortune hunting. So, it is clear that banian possessed an important place in the economy of Bengal during the Company's rule.

If the functions of banian are carefully examined another point would come up clearly both the emergence and the fall of banians in the economy of Bengal took place in accordance with the requirement of European merchants. For example, when Seths and Basaks were appointed banians of European companies in the early 18th century, there economic condition was excellent. But, in the later half of that century, they could not retain even any remarkable position in the Bengal's economy. Because, Seths and Basaks could not keep pace with the company's policy shifting from dadny system to agency system in 1753. Therefore, they could not establish themselves well. Since, they entered into the international trade depending on the business run by European, they had to suffer losses as they could not move forward in the same pace of the European. Moreover, people from various caste of Bengal joined in banianship to fulfill the requirement of the employees of East India Company following the Plassey War in 1757. Banians had top-rated importance at that time, but the necessity of banians started declining slowly as the environment of Bengal was exposing to the Europeans

gradually. So it can be said that the rise and the fall of banians in Bengal's economy were revolved centering the Europeans.

The study shows that although, banians performed their functions targeting the Europeans both the domestic and the international trade of Bengal were influenced directly and indirectly by their activities. The extent of assistance, extended by banians to the Europeans for procuring goods had encouraged the local traders to expand the commercial activities in Bengal. Europeans had very little knowledge about the commodity supply center of Bengal. They procured commodities from every nook and corner of this province using the network of banians. The production hubs of exportable goods thus got inspiration and incentive, which eventually expanded the international trade of Bengal. As a result, during the pre-Plassey era a huge volume of gold and silver were imported to Bengal. Even in the changed scenario of 19th century, banians secured an important position to the European merchants as the lender of capital money and the supplier of goods.

The performance of banians in the 18th century's domestic trade of Bengal had a negative impact. This was because banians also started abusing *dustak's* like the employees of East India Company. It caused a sharp disparity within the domestic trade. The situation became extremely dangerous for the local traders as their existence in the market was at stake. Whereas banians could improve the lot of themselves and their masters, the company officials through tax free business, but the local general traders had to suffer serious losses for paying taxes. Another effect of the disparity was the fall of revenue collection in the Nawab's exchequer. When the company staffs were barred from doing business during the Cornwallis administration, they continued their trading in the names of banian. Banians also encased their existing friendly relationship with company officials to get opportunity from land to every aspect of business. Those facilities helped the banian class to become the owner of huge assets. Again in the changed situation during the post Permanent Settlement era, they started investing their capital in land. This caused the massive extension of agriculture as more areas of land were brought under cultivation. Moreover, the crisis, created in land management as the effect of

Permanent Settlement and the sunset act, could be solved mostly by the steps taken by the wealthy banians of Bengal. By 1820, the ownership of about half of the Zamindari land, in terms of government revenue was transferred through auction.² The collective efforts of banians, government officials and agents of landlord made such massive transfer of land ownership possible within a short time.

In the 19th century, beside commercial sector, banians consolidated their position in land sector better than the previous century. Although initially they emerged as capital lenders and goods supplier, but later on they became shareholders of different agency houses, with that move, the trader community of Bengal involved with the modern capitalist economic structure. Modern banking system was introduced in Bengal during that time with their representation, although most of organisations were collapsed by the mid-19th century. However, the company's policy was mainly responsible for the failure of those financial institutions.

Finally it can be said that first generation of industrial entrepreneur class of Bengal was emerged from those banians. Coal mines, ship repairing, sugar refineries, railway and other industrials infrastructures were built up in Bengal with their co-operation. Banians being partner of the British merchants invested jointly their capital in industries and commercial ventures in the 4th decades of 19th century. Their initiative worked as a catalyst in expanding industrialisation in Bengal. It is a fact that the banian class influenced the economy of Bengal in different capacities in various phases throughout the 18th and the 19th centuries. Besides economy, banians had significant influence on the society.

In the 19th century's Bengal, zamindars, businessmen, money-leaders all were the top most elite class people of urban society. Different professionals like small traders, technicians, staffs of various government offices and business organisations ranked the next position in the society. Social mobility within the rising professional class was traced remarkably. Thus the status of traditional aristocracy of Bengal was

2 Sirajul Islam, *The Permanent Settlement*, p. 157.

occupied by this newly emerged wealth based aristocrat class.³ And the foundation of this new noble class was laid by banians.

During that period, words like ‘patriotism’ and ‘nationalism’ were not familiar to the people of Bengal. So, it was easier for banians to cooperate the Europeans in laying their strong foundation in this country. Even after the Plassey, banians being the beneficiary of the situation exploited the full opportunity of the British company’s take over. In the initial stage of the operation of Permanent Settlement by the British government, they led and represented the zamindar class, ever obedient to the rulers. However, they raised various reform movements within the Hindu society to bring about changes even in the traditional caste system. A new generation, educated in the west, emerged from that class. Later, the new generation promoted and patronised the interest of Englishmen joining in various government services.

After the overall review of the role of banians, one point clearly appears that banians extended their best possible co-operation to the Europeans when they arrived here first for a business mission. They also extended full support to the English for developing a colonial economy in this region and in return they acquired plenty of wealth. The worth of banians to the British merchants in Bengal declined in the 19th century for following reasons: the establishment of a new English educated class, the English people became well acquainted with local languages, social norms and mannerism, and the changed situation of the world. However, both the good and the bad effects of their activities influenced the life of ordinary people very much and brought changes in the socio-economic life of Bengal.

3 A.F Salahuddin Ahmed, *Social Ideas*, p. 19.

Appendix-1

Name of Some Prominent banians

1. Akrur Dutta	43. Krishna Chattapadhyay
2. Asutosh Dey	44. Krishna Kanta Nandy
3. Avoycharan Guha	45. Lal Manik Chand
4. Baisnabdas Sett	46. Madan Mohon Dutt
5. Baranashi Seth	47. Motilal Seal
6. Bhabani Charan Mitra	48. Nabakrishna Dev (Nobkissen)
7. Bimalcharan Dev	49. Naku Dhar
8. Cashinath Basak	50. Nimai Charan Mullick
9. Darpanarayan Tagor	51. Pran Krishna Laha
10. Dattaram Gosh	52. Promathanath Dey
11. Durga chanran Mitra	53. Radakissen Sircar
12. Durgaprasad Ghose	54. Radha Kissen Mitter
13. Dwarkanath Tagore	55. Radhakishen Basak
14. Ganga Govinda Sinha	56. Radhamohon Basak
15. Gaurocharan Sen	57. Raghu Nath Goswami
16. Girishchandra Dutt	58. Raghu Ram
17. Gokul Chandra Ghoshal	59. Rajendra Dutt
18. Golam Ally	60. Rajkrishna Mitra
19. Gopal Kissen	61. Rambalah
20. Gopal Seth	62. Ramchandra Banarjee
21. Gorachand Datta	63. Ramchandra Mitter
22. Govind Chund Sett	64. Ramcharan Ray
23. Harikrishna Tagor	65. Ramdhan Benerjee
24. Harish Chandra Basu	66. Ramdhan Ghosh
25. Hazari Mal	67. Ramdulal Dey
26. Huttoo Kathma	68. Ramhori Biswas
27. Jadu Seth	69. Ramlochon Ghosh
28. Jagat Ram	70. Rammohan Roy
29. Jaikrishna Seth	71. Ramnath Banerjee
30. Janardan Seth	72. Ramnath Gosai
31. Jaowdy	73. Ramratan Tagor
32. Jaynarayan Basu	74. Ramshander Mitter
33. Joykrishna Sinha	75. Ramsoonder Basak
34. Joynarayan Ghoshal	76. Ramtanu Das
35. Kali Prashad Bose	77. Reghu Mullick
36. Kalicharan Chayterjee	78. Rustamjee Quasjee
37. Kalidas Dutt	79. Rutto Sircar
38. Kaliprasad Dutta	80. Shambhunath Mallik
39. Kalisankar	81. Shamcharan Gosh
40. Kashinath Dutta	82. Shantiram sinha
41. Kashinath Sen	83. Sobharam Basak
42. Khetramohon Das	84. Tilak Benerjee

Appendix-2

List of the persons who worked at Kanta Babu's house in 1770¹

S.L	Name of the Person	Name of the post/Duty	Paid Per Month	Rs.	Amount
1.	Sewaram Pundit Parsinobis	Persian writer	” ” ”	”	20-0-0
2.	Meer Anwar Jematder	Chief body guard & cash carrier	” ” ”	”	22-0-0
3.	Khosnobis	Accountant	” ” ”	”	18-0-0
4.	Gopi Thakur	Clerk	” ” ”	”	10-0-0
5.	Kebalram Dutta	”	” ” ”	”	08-0-0
6.	Swarup Sarkar	”	” ” ”	”	10-0-0
7.	Arif Banda	?	” ” ”	”	12-8-0
8.	Jagannath Pujari	the priest	” ” ”	”	05-0-0
9.	Gokul Dhoba	the washerman	” ” ”	”	05-0-0
10.	Sibaram Majumdar	Clerk	” ” ”	”	04-0-0
11.	Ramdas Punjabi	Temporary workers from Baisakh to Sravan because of the coming of Raghunathji.	” ” ”	”	04-0-0
12.	Krisna	Purohit	” ” ”	”	1-0-0
13.	Natai Napit	Purohit's helper	” ” ”	”	1-0-0
14.	Golap Das	Servant of the cows	” ” ”	”	1-8-0
15.	Shyam Ghosh	”	” ” ”	”	1-8-0
16.	Raghunath Ghosh	”	” ” ”	”	1-0-0
17.	Sital Ghosh	Helper to the cook	” ” ”	”	1-0-0
18.	Sadai Ghosh	”	” ” ”	”	1-0-0
19.	Meer Saadi Jematdar	Peada	” ” ”	”	4-0-0
20.	Nankoo	”	” ” ”	”	3-0-0
21.	Nijam	”	” ” ”	”	3-0-0
22.	Rauf Mahamood	”	” ” ”	”	3-0-0
23.	Ajit Sinha	”	” ” ”	”	2-8-0
24.	Man Sinhan Roy	”	” ” ”	”	3-0-0
25.	Debi Pande	”	” ” ”	”	3-0-0
26.	Khoshan Pande	”	” ” ”	”	3-0-0
27.	Shah Mahmood Mahout and his two mates	Mahout (Elephant driver)	” ” ”	”	7-12-0
28.	Fateh Mahamood Punjabi	Sais	” ” ”	”	5-0-0
29.	Gousi	”	” ” ”	”	2-8-0
30.	Bajba	”	” ” ”	”	2-8-0
31.	Khaeroohi	”	” ” ”	”	2-8-0

¹ Somendra Chandra Nandy, *Life and times of Cantoo Baboo (Krishna Kanta Nandy): The banian of Warren Hastings*, Allied Publishers, Bombay, 1978, vol.1, Pp. 519-526.

S.L	Name of the Person	Name of the post/Duty	Paid Per Month	Rs.	Amount
32.	Deena	„	„ „ „	„	3-8-0
33.	Imambux	„	„ „ „	„	3-0-0
34.	Makui or Mangaha	„	„ „ „	„	2-8-0
35.	Punjabi little or junior	„	„ „ „	„	3-0-0
36.	Barkat	„	„ „ „	„	3-0-0
37.	Golam Chhatradhar	Chabuk Sowar	„ „ „	„	4-0-0
38.	Kahai Khan	„	„ „ „	„	2-0-0
39.	Imamadi Maniar	Servant of the Horse	„ „ „	„	3-0-0
40.	Mansaram Kochwan	Coachman	„ „ „	„	4-0-0
41.	Choteram Garian	Carriage driver	„ „ „	„	2-8-0
42.	Nathu	„	„ „ „	„	3-0-0
43.	Ghaus Garian	„	„ „ „	„	3-0-0
44.	Ramoo Garian	„	„ „ „	„	3-0-0
45.	Etwari Ghashira	Grass Cutter	„ „ „	„	3-8-0
46.	Naskari	„	„ „ „	„	3-4-0
47.	Roshan	„	„ „ „	„	3-4-0
48.	Lochanananda Dhar	Imaratikhana	„ „ „	„	4
49.	Santosh	Majhi	„ „ „	„	10-0-0
50.	Kebal	„	„ „ „	„	10-0-0
51.	Pandit	„	„ „ „	„	07-0-0
52.	Bhajaram	„	„ „ „	„	06-0-0
53.	Teha	„	„ „ „	„	06-0-0
54.	Kaha	„	„ „ „	„	3-8-0
55.	Chitta	„	„ „ „	„	3-8-0
56.	Manik	„	„ „ „	„	3-8-0
57.	Sarangi	„	„ „ „	„	3-8-0
58.	Gobindaram	Khedmatgar	„ „ „	„	3-8-0
59.	Bijayram	„	„ „ „	„	2-8-0
60.	Manick	„	„ „ „	„	2-0-0
61.	Atmaram	„	„ „ „	„	3-0-0
62.	Dulal Napit	„	„ „ „	„	2-0-0
63.	Nimai	„	„ „ „	„	2-0-0
64.	Radhakrishna Napit	„	„ „ „	„	2-0-0
65.	Kebal	„	„ „ „	„	2-0-0
66.	Hari	„	„ „ „	„	2-0-0
67.	Jagada	„	„ „ „	„	2-0-0
68.	Tilakram	„	„ „ „	„	2-0-0
69.	Siboo	„	„ „ „	„	2-0-0
70.	Bulaki Chakar	Personal Servant	„ „ „	„	3-0-0
71.	Sanda Chakar	„	„ „ „	„	2-8-0
72.	Nitai	Daphtari	„ „ „	„	2-0-0

S.L	Name of the Person	Name of the post/Duty	Paid Per Month			Rs.	Amount
73.	Dhaniram	Khedmatgar	”	”	”	”	3-0-0
74.	Ramrath Chopdar	Mace bearer	”	”	”	”	4-0-0
75.	Ramkeshhab Chakar	Servant	”	”	”	”	2-0-0
76.	Srithi	Harkara	”	”	”	”	2-8-0
77.	Golam Mohammad Faras	looks after beds & beddings	”	”	”	”	2-8-0
78.	Bancharam Thakoor	Cook	”	”	”	”	3-0-0
79.	Mangal Thakoor	”	”	”	”	”	2-0-0
80.	Raghu Ghosh tahalia	Cook’s helper	”	”	”	”	1-8-0
81.	Goobid Kahar	Personal Servant	”	”	”	”	21-4-0
82.	Kitti	Napit	”	”	”	”	2-0-0
83.	Khan Mahamood	Darwan	”	”	”	”	3-0-0
84.	Kanai	Sarkar	”	”	”	”	3-0-0
85.	Panchoo Bhandari	Store Keeper	”	”	”	”	2-0-0
86.	Choto	Panchoo Bhandari	”	”	”	”	2-0-0
87.	Chhagan Chakravarty	Looked after cotton trade	”	”	”	”	15-0-0
88.	Jadabendra Das	Moharir of Fatehsing	”	”	”	”	20-0-0
89.	Baikuntha Sinha	Rent Collector	”	”	”	”	04-0-0
90.	Rajchandra Mukhujya	Zamindari Clerk	”	”	”	”	05-0-0
91.	Gour Sarker	Zamindari Jamadar Moharir	”	”	”	”	2-8-0
92.	Uchra	Masalchi	”	”	”	”	3-0-0
93.	Sankar	”	”	”	”	”	2-8-0
94.	Choto Uchra	”	”	”	”	”	2-8-0
95.	Nitai	”	”	”	”	”	2-8-0
96.	Madhab	”	”	”	”	”	3-0-0
97.	Hait	”	”	”	”	”	3-0-0
98.	Kupti	Bewa	”	”	”	”	1-4-0
99.	Sona	Dasi	”	”	”	”	1-4-0
100.	Parbi	Bewa	”	”	”	”	3-0-0
101.	Harram	Hazra (looked after sanitary requirements)	”	”	”	”	1-12-0
102.	Marbodh	”	”	”	”	”	1-8-0
103.	Katoo	”	”	”	”	”	1-8-0
104.	Dhar Sinha	”	”	”	”	”	2-8-0
105.	Bawaji	Ghashira (grass cutter)	”	”	”	”	3-0-0
106.	Takia	”	”	”	”	”	1-12-0
107.	Baburam	”	”	”	”	”	2-0-0
108.	Jayangi	”	”	”	”	”	2-0-0
109.	a. Badni (Baisakh to Bhadra) b. Gobindaram (Pous to Chaitra)	Chhatradhar	”	”	”	”	5-0-0 3-0-0
110.	Chhanda Bidyalankar	To do Satyaan Brata	”	”	”	”	2-0-0
111.	Dataram Bhattacharyya	”	”	”	”	”	2-0-0

Appendix-3

Golam Ally, banian of Mr. Burrows asked to return the sums that he drew in the name of his master.²

Letter of C. Burrows to Mr. Day

Mr. Mathew Day
Collector of Dacca

Calcutta Nov. 30th 1784

Sir

Understanding that my banian Golam Ally; having been misled by continuance of my name in the Salary Book of the Dacca Establishment, had ignorantly taken up the Allowance. I draw as a member of the late Provincial Council for sometime subsequent to my Appointment of the Station I now hold. I had sent him direction long before the Receipt of Your Letter of the 18th Inst. to return whatever Sums he might have received from Your Treasury on the Above Account since the 25th March last the Day on which the Salary annexed to my present office commenced. If he has not already obeyed my instructions a requisition to him from you to that effect will I make no doubt be punctually complied with.

I am and ca.
C. Burrows.

² Sirajul Islam (ed.), *Bangladesh District Records*, Vol. 1 (1784-1787), University of Dhaka, 1981, p. 107.

Appendix-4

Banins often used Company's Sepoys uniform in Dhaka. Company thought that by using this dress natives became terror and Company Sepoy would bear the odium. To prevent this practice Company's Secretary informed the Board's desire to Mr. M. Day who was working at Dhaka.³

To
Mr. Mathew Day
Chief of Dhaka

Sir

Rev. *Committee* I am directed by the President and Members of the Revenue to transmit you the accompanying Extract of a Letter from the Hon'ble Board, for Enquiry and Report

Calcutta
the 11th April 1786

I am sir
Your Most Obedient Servant
Singed/James Spottishwood
Secretary

Extract of a Letter from the secretary to the General
Department under date the 3rd April 1786.

It having been represented that a practice has gradually cropt in amongst the Banyans and other natives of dressing their servants in, or merely in the same uniform as the Company's Sepoys and that they become in this dress the Terror of the Common people, and often Commit most Oppressive Acts for which the company's Sepoys bear the Odium- The Hon'ble Board desire that circular letters be issued throughout the country to prevent this practice.

I am further to communicate to you that it is the wish of the Hon'ble Board to obtain a Correct list of all the Europeans throughout these Provinces, their place of abode, occupation, and time they have resided in India which they desire you will cause to be prepared as expeditiously as possible, the Superintendents of Police have been directed to prepare a List of those residing in and about Calcutta.

Revenue Committee
A true Extract
Singed/James Spottishwood
Secretary

³ Sirajul Islam (ed.), *Bangladesh District Records*, Vol. 1 (1784-1787), University of Dhaka, 1981, p. 186.

Appendix-5

In 1786 the system of *muffassil diwans* is abolished. Because native *diwans* are incapable of acting as checks on Europeans collectors. Beside this collector prohibited from using *banian* in any public capacity. Following I mention the letter which was written by William Cowper and John Mackenzie to Mathew Day on this purpose.⁴

To
Mr. Mathew Day
Chief of Dhaka

Revenue Committee

Sir

The Hon'ble Governor General and Council having thought proper to order the Abolition of all the *Muffassil dewans*, we direct that you dismiss yours at the end of the present month-

Enclosed we transmit an Extract of the Proceedings of the Hon'ble Board under Date the 7th Instant, containing their Resolutions upon this subject, to which we desire, you pay the most particular Attention.

Calcutta
the 18th April 1786
Servant

We are
Sir,
Your Most Obedient

Singed/ William Cowper
John Mackenzie

Copy

Extract of the Proceedings of the Hon'ble Governor General and Council Dated the 7th April 1786.

Read the Proceedings of the Committee of Revenue composed of the Governor and Council under Date the 14th May 1772.

⁴ Sirajul Islam (ed.), *Bangladesh District Records*, Vol. 1 (1784-1787), University of Dhaka, 1981, p. 190-92.

The 7th Article of Resolutions passed in that Committee established that ‘a fixed Diwan shall be Chosen and nominated by the Board who shall be joined with the Collector in the Superintendency of the Revenue that he shall keep separate Accounts of the Collections according to the established forms of the Country Countersign all orders Circulated in the Mofussil all receipt granted to the farmers and all Invoices and accounts transmitted to the Sudder-

The Expediency of this Regulations is remarked upon at the time by the committee, and altho’ they doubt of its immediate Efficacy as a check on the collectors, they think that it will be a certain means of counteracting that improper Influence which the Banyans of the collectors are ever eager to assume in the management of their Employ and that it will provide against the Loss of Rents and confusion of Accounts which the frequent removal of the collectors would otherwise unavoidably Occasion.

The Board considering these Reason and adverting to the Great charge and further Experiment which has necessarily been generally acquired in the Business of the collections by the Company’s servants during an Elapse of 13 years; are of opinion that the attainment of the first of the objects which the appointment of *Diwans* held out namely their operating as a check on the Collectors is by far the principal Consideration that then could have led to such an Establishment of the acquisition of that object the Committee then however greatly doubted and many years Experience has shown it to be fallacious, nor can it now be doubted that this Expedient of a Native Diwan is just as fit to serve as a Clock to as it can be to Operate as Check on any European Collector, the next consideration vizt; the counter action of the Influence of the collectors Banyans is more Importance but the constitution of the chiefs and collectors of Revenue and the solemn oaths by which they have become late be bound by an act of the Legislature of their country may it is hoped when aided by other Precautions berelied on as a security against the under Influence of the Persons here referred to, the 3rd and last object for establishment of *Diwans* many the Board think be easily attained by subsidiary Regulations-

On the Whole, the Board do not think real utility of the system of provincial *Diwans* an under the present circumstances of this Government, when every possible

Retrenchment is called for and enjoined by the company's Orders compensates its Expense which according to the Information received from the accomptant general to the Revenue Department Amounts per Aanum to Rupees 42,000.

Agreed, therefore, that the Native *Diwans* be struck off and disallowed from every station where a Revenue Chief or Collector is or shall be appointed and that the sole charge and full Responsibility of the revenues and of the due Execution of the said Offices of Chief and Collector be vested solely in such Chiefs and Collectors respectively under the following Regulations.

1st – That they be in every Case strictly prohibited from making use of the agency of their private servants whether Banyan or others in the discharge of any part of their public duty, The Board Expecting and requiring that in all cases they shall themselves stand forth, and act as the only empowered agents of Government in their several stations making use as they may Occasionally require of the Inferior public servants now allowed them.

2nd – That appointment and dismissal of those servants be vested in the Chiefs and Collectors respectively, with his provision; that they transmit regular Lists of the names of those they shall so prefer to the Committee of Revenue, and give notice of all subsequent dismissions and Appointments and Employ none but such public and Registered Officers in any respect in their Official Capacity nor any plea or pretext confer on any such public officer or servant any private or personal trust in regard to his personal concerns... being hereby declared that every such doubt and blended appointment shall subject each Chief or Collector to the loss of his office or to such other mark of the Boards displeasure as may appear adequate.

3rd – That to provide against the loss of Rent and Confusion of accounts from any Chief or Collector being permitted to resign, it be and it is hereby made a standing Rule of the service that no Chief or Collector shall be permitted to Depart from his station till either he shall have delivered over, Complete Charges of his trust to this successor or to his Assistant which shall be signified by Letter from such successor, assistant before the Chief or Collector shall be Depart from his station, and

this Regulation shall on no account be dispensed with, unless, by express permission of the Board to be separately granted for any particular Case that may required it.-

4th – That the Chief or Collector shall transmit Monthly along with his English Treasury and *Touzee* Accounts Persian Counterparts thereof under his official seal and signature to be deposited among the Native Records of the *Khalsa*.

Revenue Department
A true Extract
Signed/B.Aplin
Secretary

Revenue Committee
A true copy
Signed/A. Seton
Assistant Secretary

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