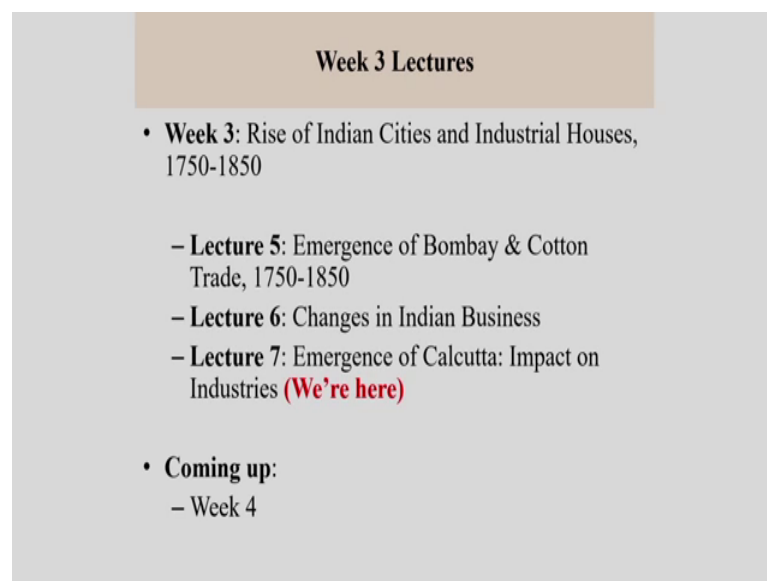


Indian Business History
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Lecture – 07
Emergence of Calcutta*, 1750-1850

Hello and welcome to Indian Business History. I am Dr. Vipul Dutta and this is lecture number 7. The title of this lecture is Emergence of Calcutta.

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Week 3 Lectures

- **Week 3:** Rise of Indian Cities and Industrial Houses, 1750-1850
 - **Lecture 5:** Emergence of Bombay & Cotton Trade, 1750-1850
 - **Lecture 6:** Changes in Indian Business
 - **Lecture 7:** Emergence of Calcutta: Impact on Industries (**We're here**)
- **Coming up:**
 - Week 4

I want to now offer a brief explanation of the ground that we have covered so far. So, this lecture on Calcutta is part of week 3 lectures as you already know. The third week of this online course, called Indian Business History, dealt with the larger theme of the rise of Indian cities and industrial houses in the 100 year period between 1750 to 1850. The 3rd week consisted of 3 lectures. So, lecture 5 as you are familiar was about the emergence of Bombay and we discussed elements of the cotton trade from 1750 to 1850.

In this lecture we discussed the emergence of the city of Bombay and the precise economic, political, cultural and business related factors that contributed towards greater urbanization in the making of Bombay. The lecture after that, if you recall, was on the changes in Indian business in the 100 year period between 1750 and 1850. So, we discussed in greater length about the intellectual, economic and political forces that had shaped the process of the making of these cities of Bombay and Calcutta.

Today's lecture which is lecture number 7 will take those themes forward and will focus all the general factors and forces that we have studied in relation to the emergence and consolidation of the city of Calcutta. So, lecture 7 which is the present lecture will be a discussion of the emergence of Calcutta and the kind of industries that drew in response to the greater urbanization in and around Calcutta, and, in the larger framework of the Bengal Presidency of this 100 year period between 1750 and 1850. After the conclusion of this lecture, we will move to week 4; and once we start the lectures for week 4, I will tell you what precise themes we will cover there. Before embarking on lecture 7 and detailing the precise factors that contributed towards the making of Calcutta and its specific industries and business stories, I want to offer a brief recap and go over the themes that were discussed in the previous lecture which was lecture number 6.

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Recap of Lecture 6

- Transformation of Bombay: Social, Cultural, Political
- Features of the Industrial age in Bombay: No significant technological innovations
- Dependence on Britain intensifies
- Factory based legislations

In the lecture number 6 we discussed the transformation of Bombay and we delineated certain social, cultural and political forces that contributed towards the making of Bombay and the making of a distinctive infrastructure that was associated with Bombay. We also discussed some of the important features of the industrial age in Bombay at this point and we came to the conclusion that while there was enormous growth in economic, mercantile and financial areas of operations in Bombay in this period; there was hardly any significant technological innovation.

Part of the reason why there was very little significant technological innovation was or has to be studied in the framework of colonial rule in India at this point where much of the colonial expertise relating to greater industrialization or scientific breakthroughs relating to greater industrialization or outputs that could augment economic activities were kept safely guarded by Britain, the community of scientists, entrepreneurs and merchants who came to India from there.

So, the unequal terms of trade as enshrined by the colonial system of governance in India made sure that any significant technological breakthroughs that took place in Britain, were only trickled down back to the subcontinent.

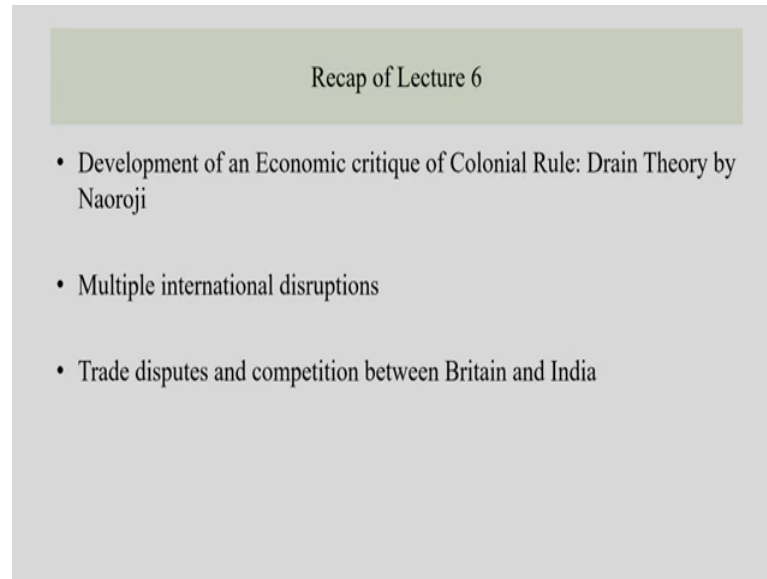
So, one of the important features of the industrial age in Bombay was the fact that there was hardly any significant technological innovation, much of the growth spurt that was witnessed or experienced within the subcontinent at this point was mainly financial and mercantile in character. But, the precise underlying platform that could have augmented those growth rates which is the expert knowledge of scientific breakthroughs or inventions or discoveries was kept closely guarded in Britain.

As a result of the limited significant technological breakthroughs being experienced in the Indian subcontinent at this point, the dependence on Britain intensified. So, much of the trade, economic and business related activities that took place in this subcontinent, took place as a result of greater alignment of the Indian economy with the British economy.

As a result of this dependence much of the lobbying, the growth potential or the or the features that could intensify business activities in these Indian subcontinent came to be regulated quite heavily by Britain or the agents of the East India Company from Britain during this period. In addition to the transformation of Bombay and urban spaces, in addition to the lack of any significant technological innovation there were also a raft of factory based legislations that were enacted in India.

And, they were responsible in regulating and reformulating the terms on which great industrialization took place in the subcontinent in this 100 year period.

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A slide titled "Recap of Lecture 6" with a light green header. The slide contains a bulleted list of three items: "Development of an Economic critique of Colonial Rule: Drain Theory by Naoroji", "Multiple international disruptions", and "Trade disputes and competition between Britain and India".

Recap of Lecture 6

- Development of an Economic critique of Colonial Rule: Drain Theory by Naoroji
- Multiple international disruptions
- Trade disputes and competition between Britain and India

Certain other important features that we also discussed as part of lecture 6 was the development of an economic critique of colonial rule at this point. The development of this critique of colonial rule also contributed immensely to the development of an intellectual discourse that not just contributed in the greater politicization of Indians in the subcontinent, but also gradually made everyone aware of the unequal terms of trade that were being heaped on India by the agents of the East India Company.

And, the general character of business and economic related activities that Britain represented in India at this point. The prime person responsible for the articulation of this intellectual critique against colonial rule was none other than Dadabhai Naoroji. And, his drain theory published in the mid 19th century was responsible to a large extent in articulating a political voice that could rise up to the challenge of the economic exploitation represented by Britain.

In addition to greater politicization and the resulting cultural and social formations that came up as a result of that politicization; there were also multiple international disruptions that were witnessed not just in India, but across the world. These disruptions represented significant breaks in economic activities. They also represented watershed moments as far as the business history of this period is concerned.

So, there were wide variety of international disruptions that either gave rise to different business ventures or contributed to the decline of existing business ventures in the Indian

subcontinent. Some of the examples of these international disruptions that we discussed so far came in the form of conflicts such as that of the US civil war which was fought between 1861 to 1865. And, the plunging of America into civil war meant that its role as a contributor of raw cotton for British cotton mills was disrupted.

This international disruption in the supply chains made Bombay as a city highly recognized as a new supplier of that raw cotton to British mills. So, their need for resuming supply lines for the insatiable demand for cotton in Britain made Bombay as a chief supplier of raw cotton. And, its relocation as one of the global centers for the production of raw cotton contributed immensely for its growth as an urban center.

So, the disruption, resumption and the replacement of centers which could provide raw materials for the British colonial manufacturing system contributed immensely to the development of urban spaces in the Indian subcontinent for the first time. Lastly lecture 6 also gave us the idea of trade disputes and competition between Britain and India during this period. So, just as Bombay and Calcutta had become prominent urban centres with their own specific industries and conglomerations of people invested in those activities, we also see the development of the colony of India as a rival to the economic processes symbolized by Britain during this period. So, the coming together of Indian capital and British capital not just made India a more entrepreneurial space in the western sense of the word, its growing potential as an industrial hub of manufacturing in retail also brought it to the attention of similar sets of people working in Britain.

So, 1750 to 1850 also witnesses the rise of a rivalry between Indian industries and British industries; between Indian entrepreneurs and British entrepreneurs. However, since the terms of the trade between Britain and India were couched in the framework of colonial rule, it is anybody's guess as to who would have won this rivalry, who would have out rivaled the other party.

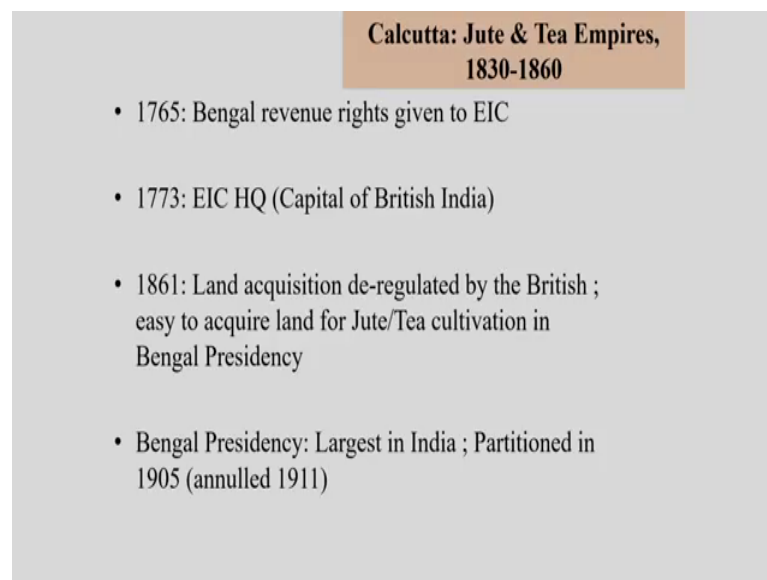
So, the unequal terms of trade has enshrined in the economic critique of colonial rule which was authored or drafted by people like Dadabhai Naoroji; played a significant role in not just the politicization of the iniquitous nature of colonial rule. But, it also contributed immensely to this growing rivalry between the economic profiles of the Indian subcontinent and Britain.

Today's lecture will be a discussion of the similar themes that we have discussed so far. So, we will look at the urbanization that was witnessed in Calcutta; also in the Bengal Presidency in relation to specific industries of this period. The timeline will be similar. So we will be discussing the events, forces and ideas that shaped Calcutta as an urban space between 1750 to 1850.

However, there are certain minor differences in the way in which Calcutta as an urban space define itself as opposed to the urban space represented by Bombay during the same period. The kinds of industries that grew up in response to greater urbanization in Calcutta were different from the industries that came up in Bombay.

Also the resulting forms of cultural and social formations in Calcutta was slightly different from the Bombay counterparts. So, even though the general trend of these lectures will be on detailing the forces that have shaped the making of cities. And, the role played by businesses in the making of those cities there are minor, cultural, ideological differences that we will discuss in relation to Calcutta today.

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**Calcutta: Jute & Tea Empires,
1830-1860**

- 1765: Bengal revenue rights given to EIC
- 1773: EIC HQ (Capital of British India)
- 1861: Land acquisition de-regulated by the British ;
easy to acquire land for Jute/Tea cultivation in
Bengal Presidency
- Bengal Presidency: Largest in India ; Partitioned in
1905 (annulled 1911)

The emergence of Calcutta as an urban space, or as a prominent center for the economic and business activities, cannot be understood if we do not know the ways in which the tea industry and the jute industry shaped its fortunes. Just as the cotton mills or the opium trade had made Bombay a city in its own right; just as opium in cloth and cotton trade had brought different kinds of people in Bombay to work together and build

different kinds of institutions; a similar role what play was played by the extreme lucrative potential of the tea trade and also the jute industries in Calcutta at this point.

So, different industries have played different roles in the formation of a cities fortunes and its consolidation as urban centers. Different people associated with those trades came to Calcutta, they brought different institutions with them and made Calcutta an important center of not just economic activities, but also a political center which was responsible in spreading ideas of nationalism and politics far and wide.

At this point it is important to highlight a brief timeline of the significant political events that have taken place in Calcutta, because, Calcutta was not just an important centre for trade and business; in the year 1773 Calcutta was also designated as the capital of British India in this period.

So, they are coming together of politics and economics was unique to the Bengal Presidency and even more unique for cities like Calcutta which had to play a dual role as far as economy and politics is concerned. So, Calcutta's double responsibility of serving as a base for greater economic activities and business related activities and the even most significant role that it played as the political center of the British Empire in the Indian subcontinent, was responsible in giving it a unique status amongst Indian cities during this part time.

Calcutta first crops up in the imperial imagination in the year 1765 when Bengal revenue rights were given to the East India Company. This was an unprecedented development because never before had revenue collection rights been given to European ropes of individuals. Revenue collection, its assessment, its deposition in the imperial treasuries was always an affair of the people who governed the Indian subcontinent. For the first time, in the year 1765, groups of European merchants have been able to win the revenue earning rights or the collection rights of revenue from the Bengal Presidency, and were able to rest those rights to themselves from the nawab of Bengal in the year 1765.

So, this unprecedented development was responsible for making Bengal Presidency a satellite area of the East India Company at this point. The very fact that non-Indian or European businessmen were now politically responsible for the collection and assessment of revenue in Bengal made it a political episode of extreme importance

during this period. So, 1765 is when Bengal Presidency, and more importantly Calcutta, comes up in the imperial imagination of the Raj in the Indian subcontinent.

As the revenue potential of Bengal and its richness and diversity made global news, the political status of Calcutta also drew corresponding to it. So, in 1773, as I have already pointed out, the growing economic, political, social and cultural affluence of the Bengal Presidency and Calcutta within it was enough for Calcutta to be designated as the capital of British India or the headquarter of the East India Company in the Indian subcontinent. Calcutta in fact, continued to serve as the Indian capital well until the early part of the 20th century from which New Delhi was designated as the new capital of British India.

But, for a very long time, Calcutta served as not just a base for economic operations, it also served as the epicentre of all the political activities that the East India Company conducted in order to govern the Indian subcontinent more efficiently. Then the next significant economic or political development in the history of Calcutta was the greater amount of acquisition of land by the British in Calcutta.

This greater acquisition or sequestering of landed territory was made possible through law. So, the deregulation of the lands in and around Calcutta by the British establishment made possible for the use and exploitation of that land for different kinds of purposes.

So, the greater availability of land for jute and tea cultivation in the Bengal Presidency, including the city of Calcutta, was singularly responsible for the massive growth spurt that was witnessed in the emergence and consolidation of the elaborate jute and tea empires of Calcutta in the years 1830 to 1860. So, not just the affluence of Bengal presidency, but also legislative acts contributed immensely to the availability of land for economic opportunities. Something similar if you recall was also happening in the case of Bombay.

So, the greater availability of land and its occupation, accumulation, and assessment by a particular classes such as the Parsis which contributed immensely to their financial and political influence in Bombay was taking place in a similar period. So, land as a commodity becomes a highly sought after thing in the development of Bombay and Calcutta as an urban centers.

And, the prime reason which made these cities global centers of affluence and political prestige was made possible by a class that was able to succeed in garnering greater landed territory for themselves. And, the use of that landed territory for their own personal or business related ventures.

So, the story of business operations, greater economic activities and affluence in cities like Bombay and Calcutta therefore, is not possible if we do not take into account that massive swathes of lands were not just sequestered or regulated, but this process of acquiring more land was done by particular communities who had an eye for business or who were keen in conducting more businesses on the basis of acquiring more land.

So, the story of Bombay and Calcutta therefore, is intimately linked with the story of the ways in which landed territories or different regions within those cities were acquired by certain sets of individuals and communities and the use of that land for specific economic and business related ventures.

Of course, the Bengal Presidency and Calcutta have continued to have great political importance for Indian history and also global history. So, just as in 1765 Bengal Presidency came into the orbit of colonial rule by becoming one of the first Indian territories to be given to the East India Company for revenue collection purposes, its political importance did not really fade in the eyes of the East India Company, or the British empire as it came to be known after 1858. So, the continued political significance of this territory of the Indian subcontinent made sure that cities like Calcutta within the Bengal Presidency continue to enjoy official attention of no matter who was governing the Indian subcontinent in that period.

So, starting from the mid 18th century till about the early part of the 20th century when Bengal witnessed repeated partitions of its territory, this continued political importance meant that cities like Calcutta were constantly in the news and were constantly attracting people from far and wide in pursuit of economic activities or political activities as their interest might be. So, in contrast to Bombay which witnessed the growth and decline of different business operations relating to different commodities; Calcutta continued to enjoy a consistent spurt in its economic potential, not just on the basis of massive jute and tea empires that grew up in Calcutta, but also because of the importance that Calcutta enjoyed politically in the imagination of the subcontinent.

It did not, therefore, really matter who was ruling the Indian subcontinent. Since the 18th century, or even before that when the Nawabs of Bengal ruled the roost in Bengal.

And, ever since then Bengal and Calcutta have continued to enjoy a massive political support and influence across the rest of the region in the Indian subcontinent. It is this political influence that also contributed immensely to the growing concentration of economic activities around the city of Calcutta and more widely in the Bengal Presidency.

So, roughly we are talking about a period of 200 years where consistent political importance combined with the economic and business affluence of this region made Calcutta a unique urban space in the spatial history of the Indian subcontinent during this period.

The coming together of two or three distinct economic, political and cultural forces made sure that Calcutta continued to serve as a bright star as far as the economic fortunes of the East India Company were concerned. I want to spend some time on detailing some features of the tea business as it came to be concentrated in Calcutta in this period.

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Tea Business

- Assam & Eastern Bengal: Growth in Tea Cultivation after 1836
- Nature of Tea Industry: Rudimentary, bulk of production & export from China
- Shares & speculative trading in Tea in India: Harms the business of Jute as well
- Infrastructural Changes: Introduction & expansion of Rail

So, much of the growth in tea cultivation after 1836 came to be concentrated in the provinces of Assam and Eastern Bengal which were the constituent units of the Bengal Presidency during this period. So, even though there was a massive lucrative and

triangular trade carried out between India, Britain and China as far as tea is concerned, after the year 1836, a significant share of that tea business comes to be concentrated within the Indian subcontinent; because massive stretches of lands are now devoted for the cultivation of tea plantations within the Indian subcontinent.

As far as tea plantations are concerned, it is provinces like Assam and certain stretches of Eastern Bengal that out of climatic conditions became the chief suppliers of tea to the British Empire. So, in addition to the ongoing trade between India and China on tea, there was also greater concentration paid to the Indian areas that could also supply tea to the British Empire in order to meet the growing demands for that product in Europe and also in America.

The nature of this tea industry, as it came to be concentrated in Assam and Eastern Bengal, was rudimentary. So, the bulk of production and export was still from China, as I have said before; but the identification and the greater official and unofficial attention paid to the tea industry in Assam and Eastern Bengal made those regions to be seen as alternative sites for the production and supply of tea to the British Empire.

However, the bulk of this trade was still being carried out from China. Now, as was the feature in other trades and business opportunities in India at this point, the element of speculation was well and truly underway in the tea industry in Bengal Presidency at this point. So, growth potential of profits or future projections of earnings and revenues were also based on only future projections.

There were no careful assessments that were being carried out; there was no account taken of certain international disruptions that might muddy the waters of these future projections. So, the speculative tendencies that marred the economic ventures and business opportunities relating to opium and cotton were also noticeable in the prosecution of the tea trade within India and between India and China also.

So, the shares and speculative trading in tea in India was also something that was noticeable in the business of jute. So, many of the jute mills that came up in the Bengal Presidency at this point, their production figures or their future assessments of income and revenue, were also largely speculative in character. I do not want to give too many details into how these industries came up in Calcutta, much of the structural factors that

contributed towards greater industrialization of Bombay were also true for Calcutta in this period.

But, there are certain features that stood out in relation to Calcutta and this was the element of speculation. So, just as trading and economic opportunities were becoming highly volatile in Bombay because of speculation and the indifference to international disruptions; those features were also instantly noticeable in the ways in which the tea industry and the jute industry were managed or organized in Calcutta and more widely in the Bengal Presidency.

Just as Bombay witnessed the development of dockyards and a transport in communications infrastructure, and witnessed the rise of new cultural and social formations in response to greater business opportunities; the city of Calcutta also witnessed certain similar developments. So, infrastructural changes were also witnessed in response to the growing tea trade within the subcontinent and also the trade between India and China.

So, the introduction and expansion of a railway infrastructure in the Bengal Presidency came up in response to the growing business links that were forged in the context of the tea and jute industries. So, the need to supply raw materials from one urban center to the other within Bengal Presidency, and the need to have supply chains that could be relied upon, so as to facilitate exports and imports necessitated the development of a transport and communications network within the Bengal Presidency.


So, just as the Bombay Presidency and the city of Bombay were acquiring modern markers of what means the city and were acquiring modern markers of transport and communications networks, a similar set of developments in response to existing business events were taking place in Calcutta and more widely in the Bengal Presidency during this period.

As was witnessed in other parts of the subcontinent, this increasing spectacle of business activities were responsible for greater social and political change during this period. And, the pace of social and political change intensified in the mid 19th century by a greater degree.

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Increasing Business = Greater Social & Political Change

- Greater integration of Indian economy with Britain for more profits.
- Greater drive for “ease of business” in India lead to:
 - Railways, Telegraph, Roads
 - Western learning Institutions to produce a class aligned with Britain
 - **1908: Calcutta Stock Exchange**
 - Foreign banks open Indian Branches



So, the greater integration of Indian economy with Britain was primarily for more profits. But this need to augment profits or to see a higher return of British investment into Indian markets was also attended by an associated set of cultural, social and institutional developments. The greater drive for the ease of doing business a familiar term today in India led to the development of various infrastructural projects.

Firstly, the growing affluence of the tea trade and the mushrooming of jute mills in Calcutta and in a Bengal Presidency of this period led to the development and expansion of railways. The coming together of different sets of people and different communities in these businesses also required a communications network to be established.

So, just as railways were becoming the prime vehicles for the transport of people and raw materials from one place to the other, the establishment and expansion of the telegraph services was also seen as a consequence to make the ease of business more convenient in the Bengal Presidency, and more generally, more convenient in the Indian subcontinent.

Just as railways and telegraphs for making communication and transport more easy, the development of roads and a roads based infrastructure in Bengal Presidency was also geared towards garnering greater profits that were contributing immensely to the riches of the Bengal Presidency and to the pockets the East India Company merchants during this period.

As a result of the establishment of greater infrastructural projects and the establishment of an architecture of modern business in Calcutta and in Bengal Presidency, this was largely held responsible for the second set of developments that were related to the establishment of social and cultural forms of interaction and relations in the Bengal Presidency during this period. So, just as it was becoming easier to travel from one place to the other or to transport ones consignment of goods from one region to the other to earn more profits and to make business a more practical affair in the Indian subcontinent; there were also certain sophisticated social, cultural and institutional factors that were making available a whole new class in the Indian subcontinent that could be made more amenable to the ideas and ideologies of the East India Company or after 1858 to the ideas and ideologies of the British Empire in India. The role played in this by western learning institutions was critical.

So, the development of universities, some of which continue to those to this day and are very prestigious seats of learning, were responsible in spreading western based education to Indians. The spread and consolidation of western based education to Indian elites or generally the Indian public was responsible for the creation of not just a middle class, but it was thought by the East India Company and the British Empire that it would create a class that would look Indian, but think British or think English. So, the establishment of establishment and expansion of western learning institutions was thought to have produced a class aligned with Britain economically, culturally and politically.

This was a consequence that met with mixed results as we will discuss in later lectures. But, at the time just as railways, telegraphs and roads were considered as practical necessities to make training in India easier, it was felt that western learning institutions could signify and implement certain similar features in relation to producing a class that was sympathetic to the economic and political enterprise that the East India Company or Britain expected to be introduced in India.

In the year 1908 the Calcutta Stock Exchange was established. This feature is not really relevant for our lecture in this period, but I have included this element just to give you an idea of the time span in which modern institutions came up in Calcutta in this period. 1908 of course, is a year in the 20th century and we will discuss this in greater detail in successive lectures.

But, the establishment of a stock exchange was responsible in making Calcutta to be seen as a global metropolis in which trading and economic activities came to be concentrated to a great degree. The mere presence of a stock exchange necessitated the reassessment of Calcutta as one of the outpost of British Empire in which trading and business activities could be conducted with possibly the same ease as at any other place in the world at this point. The presence of a stock exchange also signifies that the elements of volatility, speculation still existed even in the 20th century.

But, it also signifies, more importantly, that the pattern of industrialization that the East India Company introduced with its foray into the Indian market had a potency which continued and which continues to this day. So, the introduction of western based practices relating to business and economic activities was something that transformed the economic, political and even the cultural landscape of the Indian subcontinent during this period.

In the period from 1830s to 1860s given the massive economic affluence and influence that the Bengal Presidency enjoyed in the Indian subcontinent; it was only natural that foreign banks from Europe, Britain and also to an extent America started opening branches in Calcutta during this period.

So, the greater availability of capital not just acted as a catalyst for venturing into different sectors of business operations; their mere presence in the Indian subcontinent also signified that Bengal Presidency and Calcutta most specifically was becoming a prime center for attracting capital and men, not just from within the Indian subcontinent, but its economic influence and the economic area of operations was enough to attract capital from western shores also.

So, just as western or modern markers of what constitutes a city were beginning to make their presence felt in Bengal Presidency and more specifically in Calcutta, there were in a associated set of developments of a more cultural and social variety that were beginning to dot the landscape of Bengal Presidency in this period.

So, just as Bombay was becoming a hub of not just business activities, but also a hub of a new institutional and public culture. Similar set of developments also were taking place and shaping the city of Calcutta into a modern Indian metropolis as we know it today. So, what really was the precise impact of industries on Calcutta, or more specifically,

how did the process of industrialization contributed towards making Calcutta as a modern urban space?

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Impact of Industries on Calcutta

- Colonial development in India = Britain's Benefit
- Social Reform Movements: Produced a new liberal, educated class of Indians: **Raja Ram Mohan Roy**
 - Brahma Samaj (1828): New Political & Social Forms
- Calcutta, Bombay: Greater immigration promoted
 - Housing
 - Transportation
 - Commerce
 - Urban Culture

We have to understand that colonial development in India was primarily for Britain's benefit. So, any institutions or architecture that grew in response to greater colonization in India was done with the primary agenda to augment the economic income that either the East India Company or Britain garnered from the Indian market. So, whether it is the establishment of railways, whether it is the establishment of industries or the expansion of telegraph and post services or even the establishment of western learning based institutions or universities in India.

The end product of all these infrastructural and institutional projects was to either create conditions for the greater facilitation of trade in favor of Britain or to create a class of people who could ideologically be sympathetic to the ideas and projects that Britain brought to India. So, the colonial development in India or the establishment of a colonial infrastructure in India was essentially just that: colonial.

The benefit arising from those colonial projects went back to Britain, and the agenda that was associated with making India's economy more closely aligned to the economy and structures championed by Britain were done so with the aim of augmenting the profit potential that could be sucked out from Indian markets.

So, it is in this general intellectual context that you must see the development of Calcutta and Bombay as urban centers. Sure, the development of its infrastructural projects, its institutional cultures, and the coming together of different kinds of communities and men and women from different parts of the Indian subcontinent gave a more cosmopolitan character to these cities, a legacy which they continue even today.

However, the primary bottom line of the economic prosecution of different kinds of projects in these cities was largely colonial in character. The level and nature of Indian involvement in these activities was primary, it was rudimentary, and only rarely did you witness they are coming together of Indian capital with British capital.

Those collaborations were brief and episodic in nature and the largely disruption ridden nature of the economy brought to India by the East India Company made Indian entrepreneurs and existing Indian merchants and financials very of any future collaborations with their British counterparts. So, even though the establishment of western modes of ideas and principles relating to businesses in the Indian subcontinent transformed the destiny of India forever; yet, you have to keep in mind, that the larger tenor of economic activities in this period was mainly colonial in character; and the agendas and priorities associated with those economic activities were also colonial, exploitative and had at that heart, the greater plunder of India's resources in India's economy.

Nevertheless, with the greater concentration of economic and business related activities in Bengal Presidency, a unique set of cultural and social factors came up in response to those events that were taking place in the Bengal Presidency during this period. Some unique features of this period was the production of a new liberal educated class of Indians.

And, as the numbers of western liberally educated of liberally educated class of Indians grew in the numbers and influence in the Bengal Presidency and in Calcutta certain distinctive forms of social and cultural relations were also witnessed in the history of this period. The chief person responsible, or the key person that we need to study in relation to the social and cultural history of Bengal Presidency in this period was Raja Ram Mohan Roy. And, his critical role in the establishment of the organization called Brahmo Samaj in 1828.

The Brahmo Samaj was a unique organization because it made available new political and social forms and also it introduced a more reformatory spirit in Indian customs and traditions in Bengal and more generally in the Indian subcontinent at this point. So, just as western based institutions were coming up in response to greater industrialization in Calcutta, the Brahmo Samaj also became responsible for the establishment of certain educational institutions that could make more mainstream the process of bringing more Indians and men and women and children into the larger urban setting of what Calcutta represented in the history of this period.

So, the Brahmo Samaj did not really just introduce elements of reform and upliftment of different kinds of communities in Bengal and more largely in India, it also became a vehicle for the rise, consolidation and expansion of new modes of education and social and political organization and mobilization in Bengal in this period.

So, just as the Dadabhai Naoroji was responsible for the articulation of an economic critique against colonial rule, people like Raja Ram Mohan Roy and their organizations such as the Brahmo Samaj became critically responsible in introducing a new vocabulary and set of ideas and principles along which Indian society could be organized, reformed or even reorganized in relation to the prevailing economic, political and cultural circumstances.

So, the arrival of modern infrastructure in response to greater business and economic activities was not the only feature of the industrial age in Calcutta and Bombay during this period. The arrival of different social religious outfits, organizations and campaigns were also a consequence of this new economic western based model that was sought to be transplanted onto the Indian soil.

So, the coming of new economic principles and western based modes of businesses did not just have the direct consequence of having infrastructure developed in India. It also led to certain secondary and tertiary developments in which the existing people in India, whether it is men or women, came to terms with the modernizing, exploitative and the foreign elements of businesses that they were confronted in.

This confrontation or coming together of Indian sensibilities against or in response to European sensibilities was also responsible in the catalysis or formation of new kinds of social, cultural and political thought processes in the Indian subcontinent. So, the arrival

of Brahma Samaj has to be seen in the economic context of the Indian subcontinent, where, two new and different sensibilities came into contact with each other, and led to the development of certain associated social and cultural forms of belonging and even thinking.

One major feature of the industrial age in Calcutta and Bombay in this period was obviously, greater immigration. The coming together of people, different kinds of communities, with different backgrounds and cultures, with a common interest of starting new businesses and earning more money.

Out of those businesses contributed immensely to the amalgamation of different cultures and the different memories traditions and institutions that these people brought with themselves. Successive waves of migration into these cities produced a more cosmopolitan culture within these cities. So, the celebration of different festivals, the articulation of a public sphere and the coming together of indigenous people and their interactions with the western based educated Indian elites produced a new public culture that contributed immensely to the making of an urban sphere with which Bombay and Calcutta were associated with in this period.

So, greater immigration into Calcutta and Bombay in this period promoted new housing projects. So, the need to accommodate labor, staff invested in different business activities started a movement in which construction of housing based projects or accommodative spaces started dotting their city based landscapes. So, the coming together of different people contributed immensely towards the formation of a residential landscape in these cities.

No longer were Calcutta and Bombay just limited as urban centers of manufacturing or retail or exports, they were becoming important economic centers; but were also becoming known as cities where population came to reside on a more long term incidental basis. So, greater immigration promoted greater housing and the availability of a generation of Indians who came to reside permanently in these cities contributed towards the development of a city based culture that was not really witnessed in the Indian subcontinent thus far.

So, the promotion, consolidation of an urban culture as opposed to a more provincial or rural culture and the debates and differences between those cultures and the cultural and

social interrogation into the difference of those cultures was something that was noticed in these years. With the greater immigration of people in Bombay and Calcutta a more general transport revolution also happened.

So, the expansion of railways, the establishment and expansion of a road based network, or the development of inland shipping, or the development and expansion of telegraph and postal based services, also contributed immensely towards making these centers as the hubs of carrying out not just domestic trade, but also international trade in this period. Obviously, Calcutta and Bombay by nature of their location and by virtue of their role in the conduct of international business came to be known globally as centers of commerce.

The triangular trade that happened between India, Britain and China whether it was opium or tea happened primarily through Calcutta and Bombay. So, these two cities as opposed to any other cities in the British empire in this period came to be known for their economic, political and cultural importance in the British empires need to earn more profits from India trade.

Their strategic location, the presence of a middle class in those cities and largely amenable to the ideas of the East India Company and the British empire; made Bombay and Calcutta as global outposts responsible for the greater facilitation of colonial trade that passed through their ports or their shores.

The fourth element is important to study the business history of this period; because the arrival and consolidation and the spread of urban culture from Bombay and Calcutta to territories beyond their confines was responsible in giving business activities and economic activities in the Indian subcontinent a more modernist outlook. The establishment of critical infrastructure; the establishment of modern universities or colleges that could impart western based learning to Indians; and their consequential effect in creating a class of Indians, who then also in their turn dabbled in international trade during this period, contributed towards the development of an institutional and public culture that was not very dissimilar from cities in Europe and America at this point.

So, the establishment and expansion of newspapers, the arrival and consolidation of a general reading public who was also getting gradually politicized and becoming aware of

the unequal terms of trade; being heaped on them by the Europeans or the British contributed towards the development of an ecosystem in which political, cultural, social and ideological events and forces could be freely debated or discussed by a largely like-minded people.

So, the contribution of Calcutta and Bombay was not just limited towards making available extra sets of incomes to the British in this period, they were also responsible in politicizing and making a new generation of Indians more aware of what this new European sensibility meant for their own ways of life; and what might the future looked like if certain trends of political features continued in the next few decades or so.

So, the arrival of Calcutta in Bombay was centers not just for the facilitation of imperial or colonial trade, they became incubation centers for the development of new ideologies, political and social in nature, that made this class of western educated Indians more responsive and alert to the tendencies that were generated in Europe and were being transplanted onto the Indian soil.

So, their contribution was not just economic or financial in nature, the greater urbanization witnessed in the Indian subcontinent during this period had more political purposes. A brief sum up of what we have discussed so far.

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A Sum Up

- Gradual, steady evolution of Calcutta as an urban space.
- Just like Bombay: Infrastructural growth linked with greater business activities.
- Social-Cultural features more pronounced.
- Rapid formation and consolidation of western educated liberal class: Politicisation

So, the first element that we discussed in this lecture was that there was a gradual steady evolution of Calcutta as an urban space. Just as Bombay had received renewed imperial attention as a supplier of raw cotton to British textile mills, it was the continued affluence and prestige of the Bengal Presidency that had attracted people from all over the world since the last century, that made it the new hub for international manufacturing and trade; yet again in the years from 1750 to 1850. Calcutta was also a political center.

So, its designation as a capital for British India at this point gave it additional responsibility in contrast to Bombay. The headquartering of Calcutta as the political center for the East India Company made it not just an economic center for business and economic ventures, it also had to serve as the administrative capital of an organization that came to acquire a renewed interest in governing the Indian subcontinent.

So, just as the increasing colonization of India made it possible for the East India Company to exert a more stronger economic control; those strategies or diplomatic offensives that the East India Company played out in to the Indian subcontinent were hatched primarily in Calcutta.

So, Calcutta's dual role as an economic center and a political center gave it a unique status amongst Indian cities during this period. Just like Bombay infrastructural growth, growth in Calcutta was linked with greater business activities. So, the immense amounts of profits that were earned through the tea trade or the immense amounts of revenue earned through the greater concentration of jute mills in Calcutta were largely responsible for the establishment of a transport and communications network in Calcutta which gave it its modern identity. Certain social cultural features were more pronounced in Calcutta in this period.

So, just as philanthropy had become a dominant feature of Bombay's industrial age, which was responsible in the establishment of a civic infrastructure, certain social and cultural and ideological features were also responsible in giving a distinctive identity to the Bengal Presidency in this period and more specifically the city of Calcutta.

We discussed the example of Brahma Samaj, in whose establishment in 1828, there was a new vehicle that was available that introduced a reformative spirit in the existing traditions and customs of India. And, it was also used as a platform to sensitize this

growing class of educated Indians to the modernizing or exploitative tendencies of the British economic system that was being imposed on the Indian landscape.

So, the growing coming the growing concentration of Indian sensibilities with British sensibilities gave rise to certain different kinds of social and political formulations; an example of which was the Brahmo Samaj. In Calcutta there was also a rapid formation and consolidation of western educated liberal class.

So, the growing politicization of Indians, their growing awareness of the terms of trade and economic activities being imposed to them, something that was started by Dadabhai Naoroji, was continued in earnest in the Bengal Presidency in this period. So, the arrival of Brahmo Samaj and the parallel establishment of different kinds of educational institutions made possible the rapid evolution of an Indian class that were not just educated in the western based education systems, but they also came to be immensely politicized and increasingly aware of the ways in which the colonial systems were trying to grasp or tighten their hold over Indian institutions and over Indian politics, Indian culture and Indian economy.

So, just as Bombay witnessed the emergence of a class that was not just able to acquire greater landed territory for themselves and enter into different kinds of businesses; it also made available a thinking class of Indians who were more invested intellectually into the manner in which their ways of life, traditions, occupations and customs were being governed by British sensibilities and not always entirely to the favor of Indians.

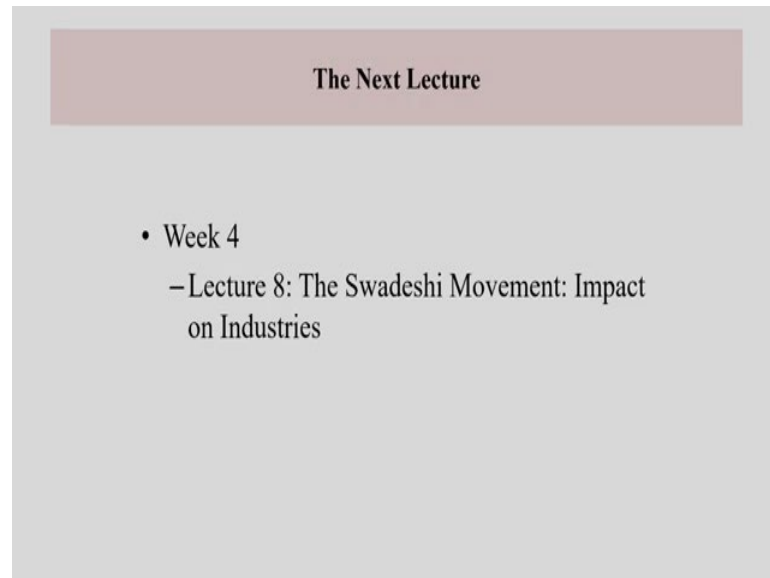
So, similar populist trends in the social and cultural history of Bengal were also witnessed in this period, where a growing class of painters, thinkers, writers and educated professionals came together and pondered over the present and the future of Indian history under the growing permanence of colonial rule during this period.

So, the business history of this period is not just an account of the different kinds of industries that dotted the landscape of either the Bengal or Bombay presidency; which in any case is an important feature, because certain industries or certain modes of industrial production were never before seen in the Indian subcontinent.

But, crucially those new forms of industrialization and factory based systems of production and exports contributed immensely to the formation of different social,

cultural and institutional developments which gave a distinctive flavour to the history of the Indian subcontinent in this period.

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In the next lecture, we will start with our discussion of week 4 and in the next lecture we will discuss the Swadeshi Movement and the impact that Swadeshi movement had on Indian industries in this period.

Thank you.