

Philosophy and Progress: Vols. LIX-LX, January-June, July-December, 2016
ISSN 1607-2278 (Print), DOI : <http://dx.doi.org/10.3329/pp.v59i1-2.36681>

MARWARIS: RELATIONSHIP WITH THE HOST SOCIETY: 1650S-1850S IN BENGAL

Prodip Chand Dugar*

The medieval Bengal bankers, traders and financiers played an important role in the growth of relationships between themselves and different socio-economic and political groups. Nonetheless, there were differences in the relationships depending on the status and category of the business community and the periods concerned. Like many other business groups of India, Marwari, migrated from Rajasthan of India to Bengal, established multidimensional relationship with several groups of host society of East Bengal. But the Marwaris, as a middlemen minority group, occupied a peculiarly delicate position as aliens in their host society. Occupying a position in the middle between producers and consumers, as shopkeepers, traders and particularly as moneylenders, there was always the potential for love, mistrust and conflict.

* Associate Professor, Department of History, University of Dhaka
E-mail : prodip.dugar@gmail.com

The Marwaris were trapped into positions which they could neither control nor understand. This community was truly interstitial, truly located between the parts of the socio-political structure of Bengal. The pattern can easily be recognized when we look into the history of the Marwaris in Middle ages, a time when basic limitations were placed upon them in terms of their ability to own lands, mint coins, sell new merchandise, lend money and maintain relationships with different groups of the society. Thus, this middleman group filled an economic vacuum in Bengal. They stimulated trade and commerce. They worked as catalyst in the economic development of the region; they bought with them capital and loaned money to emperors, Nawabs, Zamindars and merchants. Because of their trade connections, their knowledge, their capitals and the diversity of their skills, their presence became not only desirable but also frequently necessary.

The intellectuals and politicians of Bengal tried to render the community unnecessary. Writers on contemporary social and economic issues were usually hostile to their position between producer and consumer.¹ They tried to argue that Marwaris as a middlemen minority were an unproductive and hence an undesirable class. In Bengali literature Marwaris were named as *Michharam* (big liars), *Faakiprashad* (self-possessive fraud), *Navaram* (newly rich person), *Debonadas* (parsimoniously stingy) and so on. (*Banik*, 5, 1931, p. 231) In general, the Marwaris and in particular the Jains were called *makkhichus*², *Kanjus*, (misers), fasters, and dehumanized vampires. (Timberg, 1978, p. 103) Meat eating was a prestigious matter and the vegetarian Marwaris were looked down on. Gregory, an Australian anthropologist writing recently, has argued, 'Their (Jains) religious beliefs and practices make them the purest of the pure but for those who do not share these values such beliefs bring negative comment.'

(Gregory, 1997, p. 70) Sir Herbert Risley (1851–1911), a British ethnographer and colonial administrator, in his extensive work on the tribes and castes of Bengal mentioned proverbs used for the tribes and castes in Indian society: Marwaris are arrogant, megalomaniac, liar and cheat. (Risley, 1915, p. 149) Recent Indian writers either treat the attitudes of society as hostile or concentrate more narrowly on intellectual explanations of racial ideas. However, they do not show how they were interpreted or seen by different groups during a period of foreign rule.³ Therefore, many scholars have shown how people in Bengal resisted the intrusion of new market relations or have at least implied antagonism among the people against the Marwari community. (Dugar, 2015)

The reception of the Marwaris by the host society in Bengal has been largely overlooked until now. Most of the available literature on the business communities and particularly on the Marwaris has emphasized their role in economic development, giving less importance to their relations with the other communities in society. Hence, scholars and contemporary writers have told one side of the story but have not examined in any detail the relations between the community and the existing groups of Bengal society. Although recently Misra has tried to show the relations between the British and the Marwaris in India in a positive light, and Hardgrave has depicted the relations between the host society of Kolkata and Marwaris pessimistically, the literature on the question of the relationship is not helpful in illuminating the whole picture. (Misra, 1999, pp. 55-135; Hardgrave, 1999, pp. 6-8, 13-14, 20-21, 41, 58, 66, 173, 288.)

Moreover, scholars have not been interested in discovering the varying degrees of resentment and relations with the group in different parts of Bengal. Hence, the very general remarks do not describe the relations among the different groups in

parts of Bengal. (Raatan, 2002, p. 74) It is pertinent to note that relationships among the communities in east and west Bengal were proportionately distinctive. The degree of tolerance among the various groups was higher in east Bengal compared to other parts of India. Whereas in Kolkata the resentment was somewhat static, hostility in East Bengal showed a sudden rise. Another interesting and distinctive feature between the two parts of Bengal which has been overlooked is that the hostility faced by the Marwaris in Kolkata and Pune came from within society, whereas violence and aggression were the creation of foreign elements in East Bengal. Why was the antagonism very mild in East Bengal during Mughal period? In structure, character, religion, and collectivism, the businessmen and local people of East and West Bengal differed significantly, and this difference had an important bearing on the nature of resentments towards the middlemen minority business groups. The short answer is the absence of rivalry which will be discussed later in this article. In a word, the article will shed a new light on the Marwari experience in a ‘totally foreign’ society.

The late medieval specialization of the Marwaris in East Bengal as political assistants and ration suppliers of the Mughal invaders and the startling success of a few Marwaris in rising to become court bankers and great financiers was a noteworthy phenomenon. The relationship of ethnicity to occupational choice formed basis of formulation of theory about the middleman minority. (Zenner, 1991, p. 3)

Hubert M. Blalock, Jr. was the first to draw a clear and specific attention to the issue of the ‘coincidence between minority status and middleman function’. (Markovits, 2000, p. 20) His inquiries remained confined to the societies of modern Europe. Emphasizing scapegoating, he argued that between the dominant elite or landed aristocrats and the peasantry, a

minority filled the roles of artisans, merchants, petty officials, and so on. They acted as intermediaries who formed a bridge and, in some way, also a buffer. Blalock's middleman minority is in 'a vulnerable position' as they have to rely on the 'good will' and 'tolerance' of the aristocrats or elites. (Blalock Jr., 1967, pp. 76-83)

The alien minority can serve the elite as taxpayers, tax collectors, concessionaires, or providers of credit and luxury goods. Because the strangers are relatively weak and lack authority (although not always power), they provide the ruler with deniability for wrongdoing and a ready scapegoat. They are given protection, except when their services as scapegoats are needed. Their relationship with the elite make them ready servants of power, yet, as strangers, they are suspected of treason. The strangers' proximity to power, yet, as strangers, they are suspected of treason. The strangers' proximity to power may also offend the honor of the legitimate elite and mass majority members. (Zenner, 1991, p. 16)

These middleman minority usually accepted by the society. Theory explains thus: Hosts feel less threatened by communities they can easily mark as foreigners and are therefore less likely to reject them. On the contrary, social solidarity on the part of the ethnic minority provokes societal hostility. It leads to accusations of clannishness, unassailability, disloyalty, and so forth. The society blames the minority for being exclusive, while the minority either blames the society for excluding it or asserts its right to face charges of disloyalty. In addition, certain of the typical features of middleman minority business practices, such as the preference for easy-to-liquidate lines, can be explained by the dangerous environment in which these groups dwell. In some cases, the link between societal hostility and business is even stronger in that particular lines of economic activity are virtually dictated by societal

policy. This phenomenon can be seen operating, for example, in the high concentration of Marwaris in moneylending and trade in East Bengal. (Bonacich & Modell, 1980, p. 21) Moreover, physical appearance was an important factor setting these immigrants apart. In the early eighteenth century, all the Marwari men wore turbans and were sometimes belittled as for this. Most Cultural differences-appearance, food taboos, and social interaction-were an integral part either of the Hindu caste system or of the Jain religion in India. Therefore, Marwaris not only seemed strange to Bengalis but had difficulty assimilating because they were reluctant to abandon their customs and practices. They have little reason to develop lasting relationship with the members of the host society because of their sojourner character. They are always anxious about returning to their homeland, which leads them to select occupations that do not tie them to the territory for long periods. But ethnic relationships are strong and mutual assistance is prevalent among the sojourners of the same origin because their goals are similar. (Bonacich, 1973, p. 586)

To understand the position of the Marwaris requires an interpretation embracing their relations to the movement of goods, people and intelligence; their relations to and employment of capital and credit; and their situation geographically and socially. In doing so, at least four types of potentially disruptive relationships can be identified: businessmen versus businessmen, creditors versus debtors, buyers versus sellers, producers versus middlemen. Moreover, as a diversity of relationships will be covered by this article, an attempt will be taken from a variety of theoretical approaches along with the middlemen minority theory to systematically examine the issues, to widen, correlate, and rationalize the multi-group and multi-dimensional relationships and to avoid a number of earlier pitfalls in source interpretation. (Dugar, 2015)

In Bengal, Marwaris as a middleman minority group developed a 'distant' yet strangely 'intimate' relationship with the British. During the declining period of the Mughals, the British traders, as newly emerged minority middlemen, tried to establish a link with the strong banking groups and in particular with the Marwaris. The earliest connection between the British and Marwaris was seen from an advice note sent by Manik Chand in 1706 to the East India Company regarding the permission for their trade in Bengal. (Richards, 1981, pp. 287-88) From the 1720s, the commercial life of Bengal was dominated by the Jagat Seths, Omichand, and Khwaja Wazid, collectively called the merchant princes. (Chaudhury, 1988, p. 90) These three merchants⁴ were so dominant in the economic life of Bengal that establishing a relationship with this group was not easy where commercial interests were concerned. Although it is generally assumed that Marwaris developed a close relation with European traders who were loyal to the rulers (Sharma, pp. 225-226; Gupta, 1962, pp. 90-95), in reality this was not the case. Initially they tried to prevent British traders from entering a diversified commercial sector in Bengal as they were suspicious of new rivals. During the first decades of the eighteenth century Jagat Seth Fateh Chand opposed British merchants in regard to the permission of minting coins in Bengal. A series of disagreements prevented the two sides from entering into agreement until 1731. From 1732, the Marwari merchant-bankers established economic relations of financing and trading with the British. (Bhattacharya, 1969, pp. 24-163) But there were also concerns over political interests. Here parts of the Marwari community showed suspicion of the British. J. Long, a member of the Government Board Commission wrote of a specific incident on 31 August 1756 during the 7 Year's War with the French:

Advices received of the 26th ... mention that boats were getting ready to fall down upon our fleet and set it on fire:

that Manick Chand [Jagat Seth's brother and the governor of Kolkata (Gupta, p. 32)] was going down to Bugee-Bugee, from whence he intended to surprise us: that he always kept three fishing boats in sight of the fleet to observe our motions, and that it was there reported that they had sent down Mr. Mackett's sbanian as spy. (Long, 1869, p. 76)

On the one hand, many indigenous merchants, such as Umichand (a Marwari merchant), Khawja Wazid (an Armenian merchant), and other Marwari bankers and zamindars, were in favour of the British merchants. They were 'glad to see the English [merchants] return' to Bengal commerce after a dispute with the Nawab in 1756. (*Ibid.*, p. 79) And these merchants developed such good relations with the English that they tried to persuade the Nawab to change his negative attitude towards them. A Mr. Watts wrote in the Select Committee's Proceedings, on 25 February 1757: "Omichund [Umichand] told the Nabob [Nawab] that he lived under the English protection these forty years and never knew them once to be guilty of breaking their word-to the truth of which he took his oath by touching a Brahmin's foot." (*Ibid.*, p. 87-88) On the other hand, Raja Manik Chand, a brother of Jagat Seth and a zaminder, resented close relations between the ruler and the merchants. (*Ibid.*, p. 79) The whole situation changed as soon as Nawab Sirajudaullah fell out with the Jagat Seths and other courtiers, (*Ibid.*, pp. 77-78) as his cruelty kept pace with the rest of his bad qualities. (Beatson, 1804, p. 29) S. C. Hill, a contemporary, wrote,

The house of Jagat Seth, for instance, was likely to help the English all the more because to its knowledge of them it joined several causes of complaint against Siraj-ud-daula. Up to the death of Aliverdi Khan it had always enjoyed the greatest respect. ... But now things were much changed. Siraj-ud-daula, the most inconsiderate of men never supposing that he would need the assistance of mere

bankers, or that he could ever have any reason to fear them, never showed them the slightest politeness. He wanted their wealth, and some day or other it was certain he would seize it. These bankers, then, were the person to serve the English. (Hill, 1903, p. 55)

M. Law, the Chief of Cussimbazar, pointed out:

The Dethronement of the Nawab had become an absolute necessity. I have already spoken of the house of Jagat Seth, or rather of its chiefs, banker of the Mogul, the richest and most powerful merchants who have ever lived. They are, I can say, the movers of the revolution. Without them the English would never have carried out what they have. (*Ibid.*, p. 58)

Taking the opportunity of weak diplomacy of the Nawab, the British developed a close relation with the chief officials and elites with the help of the Jagat Seth, the world banker.

However, from this point, the English merchants were highly dependent on the Marwari banker-merchants for finance. Long wrote: 'Received a letter from the Chief and Council at Dacca, under date the 5th instat, requesting an immediate supply of money, or permit them to take up money from Juggut Seat's [sic.] house, otherwise the Company's investment will be at a stand , their treasury being reduced so low that they have not sufficient for their monthly expenses.' (Long, 1869, p. 207) Along with financing these merchants, the Marwaris helped the British to sell their goods. For example, a huge amount of gold from Mir Jaffar Ali Khan was sold by Jagat Seth in 1761 when asked to do so by the East India Company. (*Ibid.*, p. 257) And when the British found that the Marwaris were an indispensable tool for the traders and highly influential in the economic and political sphere of Bengal, the British merchants often spent huge amounts of money to

entertain the head of the merchants such as the Jagat Seths to appease them.⁵

These two groups developed such a relationship that they were not only interlinked by financial matters but also by personal contacts, which were cordial and informal in many cases. For instance, the British merchants protested the seizure of the Marwari bankers by Mir Kassim in 1763. The British merchants stood against the Nawab for the community. The relation between the East India Company and the bankers can be understood from protest by the Governor of Bengal to Nawab:

I just informed by a letter from Mr. Amyatt that Muhammad Tackee [sic.] Khan having marched with his army from Beerbhoom [sic.] to Herageel [sic.] went on 21st instant at night to the house of Juggut Sett [sic.] and Sirup [sic.] Chand and carried them from their own house to Herageel [sic.], where he keeps them under a guard. ... The taking men of their rank in such an injurious manner out of their home is extremely improper and is disgracing them in the highest degree. It is moreover a violation of our agreement, and therefore reflects dishonour upon you and me, and will be a means of acquiring us an ill name form everybody. The above-mentioned gentlemen were never thus disgraced in the time of any Nazims. (*Persian Development*, 45, April 24; Long, 1869, pp. 348-49; Hunter, 1876, pp. 261-262)

However, with the assassination of the merchant bankers of the house of Jagat Seth by the Nawab in 1763, many Marwaris fled from Bengal. Those who stayed found business declined. And as the historian Derek S. Linton observed: 'For some indigenous financiers, like the once powerful house of Jagat Seth, the British conquest was the beginning of the end. By the 1790s ... A handful of Bengalis were able to become junior partners in European agency houses ...' (Linton, 1997, p.

100) Still the British and other European traders made extensive use of the existing Marwari commercial institutions. Ruby Maloni, an Indian scholar, added: 'Their relationship... offers significant insights into different forms of economic behaviour and the level attained by the local Indian economies.' (2006, p. 87)

The paucity of data regarding the community does not let historians proceed very far with their history during the first half of the nineteenth century. What is clear is that the Marwaris entered a new relationship with the British in the 1820s. The Jain Marwari bankers from Dinajpur, Dacca, Kolkata, and Murshidabad (Sharma, 2011, p. 87) were called into the tea gardens of Assam and Sylhet to ensure a grain supply to the labourers, (Rammohan, 2007, p. 72) because 'The English ... [had] neither men nor means adequate' in India, particularly in Bengal to control her commerce. (*Report from Committees*, 1832, p. 5) However, eventually they became tea stockists. (Rizvi, 1970, pp. 250-251) While Shekhavati Agarwals traded opium out of Malwa with the British, a group of Jain Marwaris started dominating the grain markets of Assam. (Lutgendorf, 1991, p. 422) These Marwaris also acted as financiers to the gardeners and extended their network as far as China. (Pavlov, 1964, p. 314)

The Marwari middlemen were concentrated in the retail and wholesale trades, while Bengalis were clustered mainly in agriculture. The tendency for middlemen and Bengalis to specialize in these economic sectors became more pronounced during the nineteenth. There tended to be a friendly relationship between the two groups because the members of the host society, particularly in East Bengal, hardly differentiated between religious identities. (*The Daily Ittefaq*, 6 Nov. 1956, p. 4) Still, relations between the host and the Marwari as a Hindu community⁶ were amiable as religious

tolerance was common in East Bengal.⁷ J.A. Vas described the situation:

The people of East Bengal are generally good-natured, charitable, patient and sociable. Hindus and Muhammadans of the cultivating classes regard each other with the most complete toleration. They converse freely and until lately attended the religious festivals of either sect with great impartiality. Even now, it is not uncommon for them to apply mutually to the deities or saints of the other religion when they imagine that application to their own will prove ineffectual. They are usually peaceful and law-abiding. (Vas, 1911, p. 48)

In many cases the local people were impressed by the developments launched by the community. Contrary to the general assumption⁸ that Marwaris only migrated with empty *lota* and a *Kambal* (Pot and blanket), many of them had in fact carried wealth with them to invest in banking, trade and industries in Bengal. The huge investment of the community surprised the local people and helped gain them respect. The people of the region welcomed the community as they benefited from their functions.

It is already noted that some of the Marwari merchant-bankers during the Mughal period in Bengal such as the house of Jagat Seth 'became a kind of brand name'. (Witzel, 2009, p. 263) Hence almost all the local merchants established economic connections with these houses. But the bankers were clannish. Hence, they avoided the Bengali traders who had similar business. A record reveals in 1748:

The Sets [sic.] [JagatSeths] being all present at the Board inform us that last year they dissented to the employing of Fillick Chund, Gosserain, Occore, and Otteram, they being a different caste [Bengali] and consequently they could not do business with them, upon which account they refused Dadney [advance], and having the same objection to make

this year, they propose taking their shares of Dadney if we should think proper consent thereto. (Long, 1869, p. 9)

These Marwari bankers particularly the bankers of the house of Jagat Seth, 'controlled the foreign exchange market, negotiated virtually all bills of exchange between merchants, became the effective setter of interest rates given its control of the loan market...built relationships with big banking houses in other parts of India ... helping to establish a financial structure which covered all of India.' (Witzel, 2009, p. 263) These Marwari merchant-bankers had developed connections with the indigenous zaminders where revenue collection was concerned. Dwijendra Tripathi revealed: 'As those to whom revenue was farmed out could seldom collect the entire amount on time, they were dependent on Manekchand [Seth Manik Chand is the uncle of Jagat Seth Fateh Chand] to stand security for the shortfall in collection for which the rajas and zamindars paid 10 per cent commission' (Tripathi, 2004, p. 37) In addition, the merchant-bankers dealt with the indigenous handicraft workers, particularly with the weavers during the pre-British period. In 1753 the Jagat Seth, for example, conducted an extensive trade in local cloth spending 150,000 gold coins to purchase muslin for commercial purpose. (Roy, 1912, p. 187) And the house of Jagat Seth was of course given sole rights to mint coins. The *saudagars* (Merchants of Dhaka), 'bought gold, silver and copper in the market and brought it to the mint to be coined.' The *paikar* (wholesalers), another middleman group, bought small fragmented silver and gold from goldsmiths and brought them to the mints to be melted. Besides the middlemen, the *paniwar* (metal separators), and *Khak-shoy* (sweepers), also made good profits from the mints of the Marwari. (Singh, 1985, pp. 179-80)

Although relations between different trader and merchant groups were not always friendly, the relations between the

Marwari banker-merchants and indigenous merchants were fairly amicable, as so far no evidence of tension between the groups has been found during the Mughal period.

As soon as the main influx of Marwaris into Bengal began during the mid-nineteenth century, tension with the Bengali traders heightened. When they arrived in Bengal, they set up their 'own ethnic areas' called '*Marwari Patti*' [Marwari colony], with distinctive houses and shops which clearly identified them in any particular region of Bengal. (Saha, 1333, p. 124) Dasgupta and Chakraborti, Bengali scholars, point out: 'These new groups were not interested in striking social roots in the Bengali milieu. They soon became busy in forming their own island worlds.' (*The Growth of Calcutta*, p. 41) This resulted in the growth of antagonism from the Bengalis. But it was not the foreignness of the Marwaris that fomented tension between these groups, it was the commercial rivalry that 'elbowed out' the Bengalis from the commercial scene. (Ray, 1932, pp. 22, 90) A plethora of literature in this area suggests that business competition and rivalry contributed to resentment and hostility. For instance, the East India Company employed some Bengalis as their brokers. As soon as the new group from Rajasthan took over these positions, the Bengalis felt resentment.

Buyers and sellers in Mughal India were few and far between because of the segmented markets. Since they were large-scale wholesalers, the Marwaris hardly developed any connection with the local people for selling the goods.

Foreign merchants, agriculturists, traders, industrialists, local people, all needed credit. And it was the Marwaris, who supplied funds for all groups in India from the Mughal era onwards. They expanded rapidly into credit relations within their own networks. A relationship was also established with

large wholesale European merchants as well as retail trade, credit extension and financing with Bengalis, especially in the rural areas as soon as they set up office in Dhaka. As early as 1680 Manik Chand financed weavers in East Bengal. (Witzel, 2009, p. 262) And it has already been seen that later British traders took huge loans from the Marwari banking community. A wider field was created with the expansion of the market economy and zamindari system during the mid-th nineteenth century. Hence, from that period, Marwaris became a major source of working capital for professional village moneylenders, and paddy brokers, rice merchants, even for large landlords and industrialists, weavers and cultivators. However, the relation between financiers and borrowers while being utilitarian and cooperative is sometimes an exploitative one.

Because there was neither state provision to advance loans to cultivators, nor a strong moneylending class, the Marwaris dominated in this sector. (Saha, 2006, p. 286) H. R. Perrott observed, 'This class is found in strength in very big *bazaar*. They are generally, almost invariably, traders, shopkeepers, or cloth merchants. Their business is of the most diversified kind.' (1909, p. 451) Although the principal borrowers were the cultivators, almost all classes borrowed from them. G. Findlay Shirras observed: 'In Eastern Bengal and Assam quite 75 per cent, of the weavers are dependent on Mahajans.' (1911, p. 23) Perrott added:

A large business is done by ordinary *Marwaris and Baniyas* small loans, e.g., Rs. 100 or less, on no security at all, or on simple personal security. The borrower is generally the landless man, the worker on a fixed wage, the clerk or menial servant, and the labourer or coolie. These can, as a rule, only borrow small sums by agreeing

to pay interest at the rate of one anna in the rupee monthly, or, in other words, at 75 per cent per annum. (1909, p. 455)

Clearly their interest rate was usually high, and the rate of interest was determined depending on the type of the loan and value of the mortgage provided. When mortgage was given the interest rates changed. L. S. S. O'Malley reported:

where there is no house or other immovable property, the money-lenders [Marwaris] take ornaments, jewelry and other valuables as a pledge, so that they can seldom be entire losers even if the debtors abscond. The reason for the high rate of interest charged seems rather to be that the number of money-lenders is few; that there are no banks which the cultivators and coolies can use... (1907, p. 119)

At the beginning of the nineteenth century the bankers charged 1 per cent from the debtors. (Buchanan, p. 321) But the interest rate rose dramatically from 1850. The rate soared from 12 per cent (Schrader, 1997, p. 107) up to 37.5 percent. (Saha, 2006, p. 286; Bose, 1982, p. 486) The interest rate on loans for the cultivation of rice and jute was 24 percent annually which is somewhat less than the contemporary market price. (Banerjee, 1975, p. 89) 'The other moneylenders,' Jagdish Kumar Pundir, an Indian Scholar, reveals, 'like 'Quistwala' used to work at 44% and Kabuliwala 75% to 300%.' (1998, p. 36) Marwaris in Bengal lent money at a lower rates of interest, such as where the 'rate of interest [of many other moneylenders] was almost double than what the Marwari charged.' (Satya, 1997, p. 219) And it is interesting that a number of British firms borrowed from Marwaris at lower rates of interest. (Goswami, p. 232)

The Marwari financiers had favorable arrangements that tightened the relationship between themselves and the debtors in complex ways and thus increased the dependency. Because

the weaver, cultivator and borrower bought and sold his input and output to the Marwaris, he created an endless circle from which he was sometimes unable to escape. This did result in anti-money lending resentments. Anti-moneylender stories about the Marwari moneylenders were full of statistics of dazzling profits, but the Marwaris were the only source of capital for other groups in society. (Gregory, p. 62) Hence, they became indispensable as soon as the commercialization gathered pace, contributing to the emergence of a class of new Marwari financiers during the last quarter of the nineteenth century.

Not surprisingly, many of the borrowers who lost their lands painted an uncomplimentary picture of these same financiers. There are several instances in Indian history of those losing their property to moneylenders, particularly the Marwaris, showing their anger by attacking them. Although it was not as hostile as in Deccan and Assam, the resentment among the Bengalis in East Bengal was also expressed on a few other issues. (*Accounts and Papers ...*, 1878, pp. 2-4)

It is pertinent to note that the relationship of trust and confidence between creditors and debtors existed during the Mughal period. It 'had been transformed through the institution of courts of law, and the promulgation of the regulations, into a relationship of acute antagonism.' (Ambirajan, 1991, p. 10) At times, during depressed economic and political situations, the Marwari financiers and moneylenders, as a middlemen group, were used as a buffer by the elites simply to keep their own position secure. Hardgrave has argued, 'To absolve themselves of their own culpability for the riots, British colonial officials grafted their own anti-Semitic ideas onto the Marwaris, shifting blame and responsibility onto the Marwaris, whom they described as "Shylocks" charging usurious rates.' (Hardgrove, 2003, p. 198) Hence it can be argued that whether the

conditions were perceived as opportunities or barriers to the borrowers depended upon the eye of the beholder and the relationship between them.

The historical processes of commercialization and relationships among various communities were interlinked in the development of capitalism in India. That these relationships resulted in general progress of India in wealth and prosperity is shown unmistakably in the rapid increase of trade. The Marwaris, while working together with the Mughal, British and members of the host society, played a key role in the market economy as a driver of economic growth and the creation of jobs and wealth. New cities, towns and markets sprang up rapidly. A number of facilities and amenities were created, including banks, businesses, weaving industries and loan offices. The geographical distribution of commerce was changed, and new areas included within the market.

The commercialization of crops helped by the Marwaris encouraged a shift from opium and indigo to tea, tobacco and jute not just new economic relationships but a psychological transformation. Some local people moved from farming and weaving to the financial sector; new products and industries were introduced; communications improved; and the economic condition of the masses improved proportionately. (*Indian Industrial Commission 1916-18*, p. 23) The more commercial activities were visible the more the economic development was seen. Sirajganj was one of the examples. With the establishment of Marwari industries, the cultivators had more options. Collective cooperation of the communities enhanced commercial opportunities. These helped India launch itself on the path to economic development.

References

1. *Accounts and Papers of the House of Commons, Great Britain Parliament House of Commons*, 1878.
2. Ambirajan, S. (1991). Changing Attitudes Towards Business in India, in Dwijendra Tripathi, *Business and Politics in India: A Historical Perspective*, Ahmedabad, India, 1991.
3. Banerjee, Dr. Prajnananda. (1975). *Calcutta and its Hinterland: A Study in Economic History of India: 1833-1900*, Calcutta.
4. Beaton, Robert. (1804). *Naval and Military Memoirs of Great Britain, from 1727 to 1783*, Vol. II, London.
5. Bhattacharya, Sukumar. (1969) *The East India Company and the Economy of Bengal: From 1704 to 1740*, Calcutta.
6. Blalock Jr., Hubert M. (1967). *Toward a Theory of Minority-Group Relations*, New York: John Wiley & Sons.
7. Bonacich, Edna. (Oct. 1973). A Theory of Middleman Minorities, *American Sociological Review*, 38:5
8. Bonacich, Edna and John Modell. (1980). *The Economic Basis of Ethnic Solidarity: Small Business in Japanese American Community*, California: University of California Press.
9. Bose, Sugata. (1982). The Roots of Communal Violence in Rural Bengal. A Study of the Kishoreganj Riots, 1930, *Modern Asian Studies*, 16.
10. Chaudhury, Sushil. (1988). Merchants, Companies and Rulers: Bengal in the Eighteenth Century, *Journal of the Social History of the Orient*, 31.
11. Dasgupta, Atis and Subhas Ranjan Chakraborti. (1992). The Growth of Calcutta: A Profile of Social Dislocations in the Early Colonial Period, *Social Scientist*, Vol. 20, No. 3/4
12. Dugar, Prodip Chand, (Feb. 2015) *Marwaris in East Bengal, C. 1860-1971: A Business History*, unpublished PhD thesis submitted to the University of Nottingham, UK.
13. Goswami, Omkar, 'Then came the Marwari's : some aspects of the changes in the pattern of industrial control in Eastern India, *The Indian Economic and Social History Review*, 01.22, 1985, 3, pp. 225-249
14. Gregory, C. A. (1997). *Savage Money: The Anthropology and Politics of Commodity Exchange*, UK: Harwood Academic Publishers.
15. Gupta, Brinen Kishore. (1962). *Sirajuddaullah and the East India Company, 1756-1757, Background to the Foundation of British Power in India*, Leiden.
16. Hamilton, F. Buchanan. (2012). *A Geographical, Statistical and Historical Description of the District ... of Dinajpur*, Ulan Press.
17. Hardgrove, Anne. (2004). *Community and Public Culture: The Marwaris in Calcutta*, Oxford: Oxford University Press.
18. Hardgrove, Anne. (2003). The Politics of Ghee Adulteration and Its Public Resolutions in Calcutta, in Susan Strasser (ed.), *Commodifying Everything: Relationships of the Market*, New York, 2003.
19. Hill, S.C. (1903). *Three Frenchmen in Bengal or the Commercial Ruin of the French Settlements in 1757*, released by Project Gutenberg in 2004.
20. Hunter, W.W. (1876) *A Statistical Account of Bengal*, Vol. IX, London.
21. *Indian Industrial Commission 1916-18 Report*, Ulan Press, 2012.
22. Linton, Derek S. (1997). Asia and the West in the New World Order, in Ainslie T. Embree and Carol Cluck (eds), *Asia in Western and World History*, New York: Routledge, 1997.

23. Long, J. (1869). *Selections from Unpublished Records of Government for the years 1748 to 1767 relating mainly to the Social Condition of Bengal*, Vol. I, Calcutta.
24. Lutgendorf, Philip. (1991) *The Life of a Text: Performing the Ramcaritmanas of Tulsida*, California: University of California Press.
25. Maloni, Ruby. (2006). Seventeenth Century Merchant Capital: The Case Study of Surat, in Chittabrata Palit and Pranjali Kumar Bhattacharya (eds), *Business History of India*, New Delhi, 2006.
26. Markovits, Claude. (2000). *The Global World of Indian Merchants, 1750-1947: Traders of Sind from Bukhara to Panama*, Cambridge: Cambridge University Press.
27. Misra, Maria, (1999). *Business, Race, And Politics in British India, c. 1850-1960*, Oxford: Clarendon Press.
28. O'Malley, L.S.S. (1907). *Bengal District Gazetteers*, Darjeeling, New Delhi.
29. Pavlov, V.I. (1964). *The Indian Capitalist Class: A Historical Study*, New Delhi.
30. Perrott, H.R. (1909). Voices from the Indian Up-country: Banking and Money-Lending, *The Economic Journal*, 19.
31. Pundir, Jagdish Kumar. (1998). *Banking, Bureaucracy, and Social Networks: Scheduled Castes in the Process of Development*, New Delhi.
32. Raatan, T. (2002). *Encyclopaedia of North-East India*, New Delhi.
33. Rammohan, E.N. (2007). Ethnicity and Insurgency in India's North-East, in B. B. Kumar (ed.), *Problems of Ethnicity in the North-East India*, New Delhi, 2007.
34. Ray, Prafulla Chandra. (1932). *Life and Experiences of a Bengali Chemist*, Calcutta.
35. *Reports from Committees: Eighteen Volumes, East India Company's Affairs, Report and General Appendix (Vol. I),*

- Session 6 December 1831-16 August 1832*, Vol. VIII, (1832).
36. Richards, J.F. (1981). Mughal State Finance and the Pre-Modern World Economy, *Comparative Studies in Society and History*, 23.
37. Risley, Herbert. (1915). *The People of India*, London.
38. Rizvi, S.N.H. (1970). *East Pakistan District Gazetteers: Sylhet*, Dacca.
39. Roy, Sree Jatindra Mahan. (1912). *Dhakar Itihas*, 1st Khandya, Calcutta.
40. Saha, Narayan Chandra. (2006). Caste, Religious Traditions, Society and Business Network: A Case Study of the Marwari Community in North Bengal, in Chittabrata Palit and Pranjali Kumar Bhattacharyya (eds), *Business History of India*, New Delhi, 2006.
41. Saha, Shree Radharaman. (1926). *Pabna Jelar Itihas*, Vol. 5, Pabna, Bangladesh.
42. Satya, Laxman D. (1997). *Cotton and Famine in Berar, 1850-1900*, New Delhi.
43. Schrader, Heiko. (1997). *Changing Landscapes in India and Indonesia: Sociological Aspects of Monetization and Market Integration*, New Jersey.
44. Sharma, Brij Kishore. (1999). *Perspectives on Modern Economic and Social History*, Jaipur, India.
45. Sharma, Jayetta. (2011). *Empire's Garden: Assam and the Making of India*, Durham: Duke University Press.
46. Shirras, G. Findlay. (1911). *Some Aspects of Indian Commerce and Industry*, Calcutta.
47. Singh, M.P. (1985). *Town, Market, Mint and Port in the Mughal Empire, 1556-1707 (an Administrative-cum-Economic Study)*, New Delhi.,

48. Timberg, Thomas A. (1978). *The Marwaris: From Traders to Industrialists*, New Delhi.
49. Tripathi, Dwijendra. (2004). *The Oxford History of Indian Business*, New Delhi.
50. Vas, J.A. (1911). *Eastern Bengal and Assam District Gazetteers: Rangpur*, Allahabad, India.
51. Witzel, Morgan. (2009). *Management History: Text and Cases*, Oxford: Routledge.
52. Zenner, Walter P. (1991), *Minorities in the Middle: A Cross Cultural Analysis*, New York: State University of New York Press.

Endnotes

¹ A number of periodicals, such as: *Prabashi* and *Banik*, described the community in such a way.

² It has an ironical meaning. It means that he (the *Makkhichus*) does not let anything go unused. Fly-suckers: literally, it means if a fly falls in milk (or liquid), the Jain owner sucks the fly to drink the liquid from its body so that nothing goes unused.

³ Timberg, *The Marwaris*, pp. 102-3. Omkar Goswami, *Industry, Trade and Peasant Society: The Jute Economy of Eastern India, 1900-1947* (Delhi, 1991), pp. 223-4. *Bangabani-Sachitra Mashik Patrika*, 5 (Bengali year: from now BS:1333), p. 194; and Dr. M. Sujaud Doullah, *Immigration of East Bengal Farm Settlers and Agricultural Development of the Assam Valley, 1901-1947* (New Delhi, 2003). Sudeshna Banerjee, "'Non-Bengali' Icons of Malevolence: Middle Class Representation of an 'Other' in Interwar Calcutta", in Himadri Banerjee and others(ed.), *Calcutta Mosaic: Essays and Interviews on the Minority Communities of Calcutta* (London, 2009), p. 238; K. V. Ramanathan, (ed), *The Satyamurti Letters: The Indian Freedom Struggle Through the Eyes of a Parliamentarian* (Delhi, 2008), p. 371; Pranab Chatterjee, *A Story of Ambivalent Modernization in Bangladesh and West Bengal: The Rise and Fall of Bengali Elitism in South Asia* (New

York, 2010), p. 272; and S. M. A. W. Chishti, *Political Development in Manipur, 1919-1949* (Delhi, 2005), p. 84. Banerjee, 'Non Bengali', p. 238

⁴ The first two merchants were Marwaris and the last one was an Armenian.

⁵ For instance, 'In 1759 Clive entertained Jaggat Set[sic.] for four days at a cost of Rs. 17,374; the items are given; among the presents are 1 otto box set with diamonds Rs. 3,222, 8 tweezer cases at Rs. 55 each. Rs. 500 was given to servants'. (Long, 1869, pp.189-91.)

⁶ During the British period Hindu Marwaris were dominating group rather than the Jain Marwaris.

⁷ Professor Abdul Gafur, "Kalua Ho!! Jogajog", in M. Ibrahim (ed.), *Banshpati: A Compiled History of Chuadanga* (Chuadanga, 1985), pp. 55-57; Mehrab Ali, *Dinajpurer Itihas Samagra: Dinajpur Shahar o Sangslista Bisayadi* (Dinajpur, 2002), p. 137, and interviews: Khandakar Mohammad Qutubuddin (77), *Businessman*, 1-11-07, Dhaka; Ramkishan Somani (65), Marwari businessman, 12-10-08, Mahiganj.

⁸ 'The traders from Sokhabati and Bikaneer, at the first instance, were poor. It is said that each of them came here with a net capital of rupee one and pice nine only but ultimately became capitalist', Dr. Prajnananda Benerjee, *Calcutta and its Hinterland - A Study in Economic History of India, 1833-1900*, p. 121; see also Mihir Bose, *The Magic of Indian Cricket: Cricket and society in India* (London, 1986), p. 96