

# The Colonial Beginnings of Calcutta

## Urbanisation without Industrialisation

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IN an industrial age, there is a correlation between 'urbanisation' and 'industrialisation'. Some minimum technological development of production, transportation, construction, utilities and administration is clearly required to permit of large concentrations of people in urban areas. The size of population, depending directly on 'agriculture', including forestry, hunting and fishing, and also on 'traditional handicrafts', should be negligible in an urban area in relation to that depending mainly on 'industry,' i.e., factories and public utilities (e.g. electricity, gas, and water supply), and on 'services' in both the public and private sectors, comprising, among others, trade-commerce, transport, storage and communications. Many observers of urban growth have concluded that cities in Afro-Asian countries are faced with the problem of 'over-urbanization' in relation to the degree of economic development, particularly of industrialization. This is especially true of almost all colonial cities, in the sense that these cities do not have the requisite productive economic base, corresponding to the size of their population and to their proper function in the national economy as a whole.

In relation to the national economy, a city may have quite different economic functions. It may contribute heavily through industry and commerce to the per capita production and the economic uplift of the State, or it may drain off and consume unproductively the wealth of the countryside without giving anything of economic value in return. The economic function of a city can, therefore, vary widely from the 'generative' to the 'parasitic', depending on the relation of the city to the rest of the country.<sup>1</sup> A city, of course, is not likely to be wholly 'parasitic' if even a small fraction of urban income flows down to the village and contributes to rural wealth and prosperity.

### FORTUNE HUNTERS

Although a colonial city has a tendency to be more 'parasitic' than others, its 'generative' role cannot be overlooked. In its different

stages of growth, from 'infantile' to 'mature', it not only offers better security and protection to people, but also greater employment opportunities and wider scope for services and enterprises than are available in a rural area. The economic and social history of the city of Calcutta provides an example of this aspect of urbanisation, better perhaps than any other city in India, for historical reasons.

The story of the growth of Calcutta in the 18th and 19th centuries is largely one of the influx of people of different castes and occupations from the countryside to the new city in quest of fortune through new employment opportunities, services and enterprises created under the new British administration. There had been a steady migration of such people to Calcutta since the days of its foundation by Job Charnock in the closing decade of the 17th century. Along with these fortune-hunters a large number of people, uprooted from village communities, began also to flock to the city and swell the ranks of 'domestic servants' and various 'wage-earners'—who were also products of the new urban economic conditions.

### INVESTMENT POLICY

Like many colonial cities in Asia, Calcutta is chiefly the product of economic development oriented essentially to a foreign country, rather than of indigenous economic development. This external economic orientation of Calcutta (Bengal) to England emerged in the last two centuries, producing the great city as a link between them. The 'investment' policy (the purchases made by the East India Company in Bengal for trade purposes acquired the name of 'investment') of the East India Company through 'native' brokers, merchants and gomasthas, the private trade of the Company's servants, whose sole motive was money-making by any means, and the inter-caste mobility of trades and occupations, usually encouraged by the English merchant-rulers, slowly and steadily sapped the vitality of the traditional 'Village Community' in Bengal in the 18th century, and created the eco-

nomic background for the development of a city like Calcutta. The zamindari policy of the Company hastened this process of rural disintegration.

The most important achievement of the Company in the period 1690-1757 was the acquisition in 1698 of the tenure, in terms of the Mughal Revenue Law, of the three villages of 'Dihi Calcutta', 'Covind-pore' and \*Sutanuti'. the 'nucleus' from which grew the City of Calcutta. "By this acquisition, the Company obtained for the first time a legal position within the Mughal Empire, and thus brought into existence a working theory, in the development of which the acceptance of the Diwani in 1765 was the final logical completion".<sup>2</sup> The English were made responsible by this grant for the payment of lump sums, representing the estimated revenue due from the inhabitants of the 'three towns'; and to meet this annual due, the Company was privileged to collect rents from the local inhabitants, to deal at pleasure with waste lands and to levy taxes, duties and fines on them. It is difficult to determine with precision the exact legal rights conferred on the Company by the grant. That point may be interesting, but not important. What is of great historical significance is the fact that the Company regarded itself as 'Zamindar'. and exercised the functions of that office.

### COMPANY AS ZAMINDAR

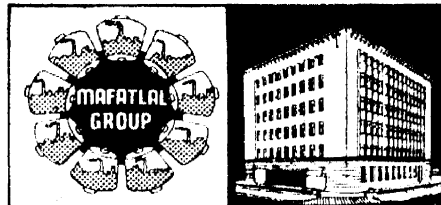
As zamindar the Company, while trying to adhere to 'native' traditions and customs, made a curious amalgam of them with extraneous regulations to find out ways and means of increasing the revenue of the town. One of these means was 'farming' on an extensive scale. Hats, bazars, marts, ghats, gunjes, ferries, articles for sale and consumption, export and import, articles for manufacture, collection of rent in the different areas of the town and in the ceded territories in its neighbourhood, even the grazing right on the Calcutta maidan and the shoemaker's right on the carcasses of cattle flowing down the Ganges—all were 'farmed' out for



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a lump sum over a certain period of time (not always yearly) to the highest bidder in public auction. When the *Court of Directors* in 1758 abolished the post of zamindar and created "an Office, the Head of which must be called Collector of Rents and Revenue the 'articles' placed under his management were 'Ground Kent, Duty on Sale of Houses. Duty on Sale of Sloops and Boats. Duty on Sale of Slaves. Pottahs. Ground Overplus. Glass makers Farm. Damar and Okum Farm, Sallamy on new Sloops and Boats. Commission on Mortgage Bonds. Duty collected on the Out-Towns, Duty on Burthened Oxen. Bang Shops Farm and the thirty-eight villages ceded by the Nabob or whatever may be those acquisitions.<sup>a</sup>

The wide range of articles brought under farming can be easily comprehended from this list. For the first time "all Duties relative to Food Raiment or Trade" were allocated to "Customs", and the hats and bazars where these duties were collected were set aside. Two custom houses were constructed and two custom masters appointed there. As for 'farming, it was clearly stated in the letter that 'all farms in future are to be put up to Public Sale by our Governor and Council and not by the Collector. The reason for this stringency was that the Collector, in collusion with his 'native deputies and assistants, was found responsible for a considerable leakage of revenue.

#### FARMING OF LAND REVENUE

This farming system, widely practised in Calcutta since the first decade of the 18th century, had an important bearing on the subsequent land-revenue policy of the Company. It appears from records that the new town of Calcutta, the first zamindari of the English, was made an experimental ground for testing the expediency of a method for raising revenue through a hierarchy of intermediaries a method which was afterwards extended to the Company's territories beyond the town for collecting land tax.

On August 12, 1765, the Mughal Emperor assigned the Dewani or revenue administration of Bengal, Bihar and Orissa to the English Company for an annual payment of 26 lakhs of rupees. From 1765 to 1769, the old 'native' officials were chiefly entrusted with revenue administration. In the early period of

transition, this naturally proved disastrous, and in 1769 British Supervisors were appointed to look after local collections. The servants of the Company were not trained for the task, and this policy of British supervision also failed miserably. In 1772, Warren Hastings was authorised by the Court of Directors to inaugurate a new policy of British Central Control and a Joint British and Native agency in the Districts for establishing direct contact with the rural people. But actually the collection of revenue was managed by the *farming system*, according to which tenders were invited for each Pargana, and a settlement for five years (1772-1777) was concluded with the highest bidder, whether he was the old zamindar or not.

#### PERMANENT SETTLEMENT

Many old zamindars were thus ousted, and a subsistence allowance was granted to them out of the revenue. On the termination of the five-year settlement in 1777 annual settlements were made with farmers until 1781 when a Committee of Revenue was constituted in Calcutta. But the farming system was steadily wearing down the old village communities which had been thriving for centuries under the "benevolent despotism" of the old zamindars. In 1785 the Court of Directors struck the first note of the Permanent Settlement to come by intimating to the Bengal Government that they had 'to arrange a final system' for transacting business with the zamindars.<sup>1</sup> So when Cornwallis arrived in 1786, the idea of a Permanent Settlement had already taken shape; and it is wrong to think that it was spun out of his brain, with a preconceived bias for the English landlord system.

Successive blows had already been dealt to the rural structure of Bengal by the farming system from 1760 to 1788, and the final and fatal blow was dealt by the Permanent Settlement in 1793. The ancient zamindars, and with them the old rural social organisation, were levelled down, and a new class of revenue-farmers was levelled up into new zamindars with a legal basis for their new social status under the Regulations of 1793. The Settlement could protect neither the zamindars nor the cultivators. The four volumes of W W Hunters' *Bengal MS Records*, 1782-1807 clearly illu-

strate how the historical houses and families of Bengal fell beneath the guillotine of the Revenue Sale Laws, and how a still larger number were extinguished by their private creditors and the Civil Courts. It fixed for ever the revenue to be paid by the landholders to the State, but it never fixed the rent to be paid by the cultivators. It also endeavoured to substitute for the village patwaris, who had so long been the joint servants of the State and the village community, their personal servants working under their orders in their own 'kacheris' or land offices against the interest of the cultivators. This was one of the major organic defects of the Permanent Settlement which brought ruin to the cultivators and which lay at the root of all the agrarian troubles in Bengal throughout the 19th century. It ruined the old zamindars and also the cultivators, and wrecked the foundation of the old village community.

#### NEW RURAL MARIET

The system of local administration was also gradually changed. By the Proclamation of December 7, 1792, re-enacted by Regulation XXII, 1793, Government took the police of the country for the first time directly under its control, and 'all paiks, chokidars, pasbans, dusada, nigabans, bancs and other description of village watchmen" were declared subject to the orders of the newly-appointed Darogas. The whole of the *Chakran* lands, held by public officers and private servants in lieu of wages, were ordered to be annexed to the *matgurtmi* or rent-paying lands and declared responsible for the public revenue assessed on the Zamindaris. The new zamindars also claimed for themselves the right of ejecting at will the servants of the village community from *chakran* lands held by them, and of assessing these lands with money rents. This turned a large section of rural people, peasants and public servant into hands of roving proletariat."

The pillar of medieval society was land. This was ruthlessly pulled down by the economic and administrative policies of the English Company. In its place, a new pillar was erected, the pillar of 'money', to support a new type of rural society, rising on the ruins of the old. The human relationship of the traditional village community

was torn asunder and supplanted by a sort of callous 'cash-nexus'. The new zamindars fell back on the same farming system, to which a majority of them owed their origin, to escape from the direct responsibility of Public Revenue, and a vast band of intermediaries was created between them and the people, having no interest in the soil. They were nothing but speculators, out-and-out commercial in their attitude to the land and the people. Their only passion was money making in the new rural milieu as in the case of many fortune-hunters in the new urban centre of Calcutta.

#### 'PULL AND 'PUSH'

Where should these helpless people, uprooted from their hereditary lands and services, properties and occupations, seek refuge? Of course, in the new town of Calcutta, which was then emerging as an oasis in the midst of a spreading desert of rural debris. Within a decade after Charnock's death, the town started growing and prospering, and the process of urbanisation was set in motion in the villages of 'Sutanuti,' 'Govindapore' and 'Dihi Calcutta'. In 1706, the Calcutta Council wrote to the Court of Directors: "Revenues especially the Rent to the 3 Towns increase yearly, people flocking there to make the Neighbouring Jemindars envy them."<sup>6</sup> People were already drawn to the new city by the employment opportunities offered by the English zamindars and by the attractions of a new urban existence. The old zamindars, particularly those of the neighbouring villages, were therefore envying their lot.

But the operation of these pull factors was very slow in the first-half of the 18th century, as indicated by the population growth of Calcutta. Hamilton was an eyewitness to the condition of the town in 1710-1727, and he gives, in the *East India Gazetteer* (1815), the following 'correct description' of Calcutta as it existed in 1717: "The present town was then a village . . . the houses of which were scattered about in clusters of ten or twelve each, and the inhabitants chiefly husbandmen . . . In 1717 there was a small village consisting of straggling houses surrounded by puddles of water, where now stand the elegant houses at Chowringhee. . . . What are now called the Es-

plahade, the site of Fort William and Chowringhee, were so late as 1756 a complete jungle interspersed with a few huts and small pieces of grazing and arable land." In 1710 the population of Calcutta was estimated at 12,000 by Hamilton, in 1752 at 209,720 by Wilson and at 409,056 by Holwell (undoubtedly an overestimate), in 1796 at 500,000 by Martin, in 1802 at 600,000 by the Police Committee, and in 1814 at 700,000 by Justice Hyde. All these estimates appear to have been mere guesses.

#### MEDIEVAL PATTERN

Actually the population of Calcutta began to increase steadily, though not rapidly, from the last quarter of the 18th century, when the crumbling village communities began to 'push' rural people from their limits towards the town. Before that, efforts were made by the Company to encourage all classes of artisans, particularly the weavers, to settle within the limits of Calcutta to serve their own commercial interests. The ostensible purpose of this was, it seems, to develop their new headquarters on the model of a medieval trading town and a self-sufficient village community for making their 'investment' under their own eyes. The Court of Directors wrote in 1755, and again in 1758: "As it is evidently for our interest therefore to encourage not only all the weavers now in our bounds, but likewise to draw as many others as possible from all countries to reside under our protection, we shall depend on your utmost efforts to accomplish the same . . . wherein we shall find a great share of your investment made under your own eyes"<sup>7</sup> It was suggested in 1757 that all weavers, carpenters, smiths, tailors and other artisans should be incorporated into their respective bodies, one in each district of the town, and that each body should elect a 'chowdree' or headman to represent its interest. The 'Mandals' of each district of the town were to submit an account (monthly) to the zamindar for every artisan residing within his limits as well as for all other 'tenants', lodgers' and 'sojourners'. The wages of the artisans and labourers were to be regulated by the zamindar of Calcutta, and every artisan was to take out a licence for his trade from him, paying a quarter of a month's wage for it"<sup>8</sup>.

This is not a very 'modern' plan for a city like Calcutta, and nothing beyond this was thought of by the Company about two hundred years ago for 'urbanising' it. Allocation of separate segments of the town to different occupational castes, and regulation of their trade by rigid laws, certainly did not further the cause of urbanisation, in the real economic sense. The plan was not related to any new method of economic production or new type of economic organisation. It was never contemplated by the English rulers, at least not in the first half of the 18th century. Not even a little vertical social mobility, inter-caste and occupational, so essential for urbanisation, was consciously encouraged by them. But still Calcutta, though not so much economically, was being steadily urbanised socially and demographically throughout the 18th century. It appears from its history that the early phase of urbanisation of a colonial city, economically oriented to a foreign country, is primarily social and demographic, and secondarily economic. And between the 'pull' and 'push' factors, the latter appears to be at times more active in this process of urbanisation than the former.

#### NON-PRODUCTIVE URBAN PROLETARIAT

It is difficult to determine how much of the urban population growth of Calcutta in the 18th and in the first half of the 10th centuries had occurred in response to real economic need for large urban concentrations. that is, due to 'pull' factors represented by greater employment opportunities and brighter income prospects from new industrial developments in the city or around it, and how much due to 'push' factors arising out of the steadily deteriorating rural situation. We have already stated how the old village communities and the bases of rural social organisation were disrupted by the 'investment' and 'land-revenue' policies of the Company, and how large numbers of rural people were uprooted from their hereditary soil and services and turned into bands of wandering proletariat. A section of them organised themselves into gangs of robbers and dacoits for plundering and looting, and another section moved to the new town in expectation of some employment (as 'domestics' and wage-earners'). But there was no

industry then, either in the city or in its suburbs, to absorb them as the new 'industrial proletariat',

There were employment opportunities only as personal and domestic servants of the new 'European' and the 'Native' aristocracy, as bearers, chaprasis and harkaras in the new city-offices and mercantile firms, in shops, hats and bazars, and also as coolies and day-labourers in gigantic constructional works of roads, drains and squares, of the Fort and public buildings and of new residential houses in the city. A huge battalion of domestic servants was needed by the city aristocrats, both 'sahibs' and 'natives', to maintain the paraphernalia of their new urban aristocracy. The demand for domestic servants rose as the ranks of the aristocracy swelled with the growth of the city. The stories of these domestic servants of Calcutta have been narrated in detail by many travellers and city-dwellers in their memoirs, reminiscences and letters, and they constitute one of the most interesting chapters of the socio-economic history of Calcutta and of its urbanisation. There are also many interesting facts about them, about their wages, customs and manners, master-servant relationships etc. in Government Records and old periodicals. The story of the coolies and day-labourers of Calcutta in the 18th and the early 19th centuries, related in the records and the Town improvement Committees' Reports, are also equally interesting.

All these facts indicate that the urban growth of a colonial city may be largely non-economic and the new urban proletariat, accounting for a considerable bulk of its population, may also be 'non-industrial', and therefore 'non-productive'. It may be said that urban growth in a colonial country is directly related to the growth of a vast army of non-productive urban proletariat, who are expected to exert a backward pull in the social and cultural sectors of the urban centre.

#### THE NEW ARISTOCRACY

What is economically true of the new urban proletariat is also largely true of the so-called new urban 'bourgeoisie' or 'aristocracy'. They were not industrial entrepreneurs, harbingers of a new age of capitalistic production, but desperate fortune-hunters, a band of shrewd and intelligent middlemen and speculators, some of whom were nothing but talented 'traders' only. They began to migrate to the new town

of Calcutta from the beginning of the 18th century to try their luck,—unlike the Bengali cloth and yarn dealers, viz. Setts and Basyacks, who had established themselves at Sutanuti (Burrabazar) some time in the 17th century, long before the English settlement was founded. Hamilton, therefore, speaks of the Sells as the ancient family of the 'Seats, who were at that time (1717) merchants, of great note and very instrumental in bringing Calcutta into the form of town'. Except the Bengali Setts, most of the wealthy family-founders of the new city, started their adventurous careers in fortune-making from the beginning of the 18th century. The Calcutta Council wrote to the Court in 1710 about the people of the new town; "The people are poor, the Rich Merchants live at Hugley' It is evident therefore that the "anonymous" fortune-hunters had not yet been able to establish themselves and form a new urban aristocracy in the first quarter of the 18th century. They began to emerge in the second half of it,

The history of the founders of wealthy families of Calcutta is extremely interesting and important from the economic and social point of view. Although a very difficult task, their history may be traced through the Records of the Home, Foreign and Public Departments and scattered 'family papers'. I shall relate very briefly here from these sources the history of few families only to illustrate my point.<sup>1</sup>"

#### SOME NOTABLE FAMILIES

Maharaja Nabakrishna, the founder of Sohabazar Raj family "was Lord Clive's Dewan at the time of the elevation of Jefur Ulee Khan to the Musnud of Bengal. He amassed an immense fortune on that occasion, and subsequently upon the acquisition of the Dewanee. was placed by Lord Clive in most confidential situations". Nabakrishna was also a lug farmer of the hats, bazars and ghats of Calcutta and of other zamindaris. The founder of Raja Sukhornay Roy's family was "Lukshmee Kunt Dhur, who made his fortune as Buneea (banker) to Colonel Clive and other Governors of that time. Sookhmaee was his daughter's son and increased his inheritance by acting as Dewan to Sir Elizabeth Impey". The founder of Paikpara Raj family was "Gunga Govind Singh who was Dewan to the Council and subsequ-

ently to the Board of Revenue in the time of Mr Hastings and thus amassed a large fortune". The founder of Andul Raj family was "Ram Churn Race, who made his fortune under Governor Vansittart to whom he was private Dewan as well as to General Smith". The founder of Kidderpore (bhukailas) Raj family was "Gokul Chunder Ghosaul, who made the fortune of the family as Dewan to Mr Verelst". Gokul Ghoshal earned a huge lot of money by extensive inland and foreign trade transactions, and by farming. The founder of the famous Tagore family was "Duroop Narayan Thakoor, who made his fortune as Dewan to Mr Wheeler and in the pay office of that time", Dwarkanath Tagore, a contemporary and friend of Rammohan Roy, amassed huge fortune by dewanee and trade.

The Setts, it is noted in the Records of 1839, were "conducting a very extensive banking business in the Burra Bazar where they have established for several generations". The Setts, and the Basyacks also, were the most important *dadni* merchants and brokers of the Company, and their history can be traced through the Records from about 1706. The founder of the Simlah De (Sarkar) family was "Ram Doolal De, the richest man nearly in Calcutta", who "acquired his wealth wholly by Trade and as Dewan to Messrs Fairlie & Co he had most extensive dealings with Americans at the time when they engrossed much of the carrying trade of the Port". The founder of the Biswas family was "Ramhuree Biswas" who made his fortune "as Dewan to Mr Harris when salt agent at Bulloah and Chittagong". The founder of the Singha family of Jorasanko was "Santeeram Singh, Dewan to Mr Middleton and Sir Thomas Rumbold, Chief of Palna". Dewan Santeeram was also a notable farmer in his time. The founder of the Kumartuli (in North Calcutta) Mitra family was Govindram Mitra, who made his fortune as "dewan to the Zemindaree Cutchery of Calcutta and by trade." This Govindram was perhaps the most influential man of Calcutta in the first half of the 18th century and he was known as 'black deputy'. He was also a very big farmer of Calcutta hats and bazars in his time. The founder of the Pal Chowdhury family was "Kishen Chunder Panl Chowdree, one of three brothers, originally in very low circumstan-

ces" but afterwards "acquired an immense fortune in the salt trade". The family of Radhamadhab Banerjea acquired a considerable fortune "as Dewan to the Patna Opium Agent" and by trade. "Sheeb Narayun Chose, with two brothers" were enjoying a large fortune (in 1839), "made by Ramlochun Ghose their father (and founder of the Pathuriaghata Ghose family) who was Sirkar to Mr Hastings".

#### NO INDUSTRIALISATION

It is dear from this account of notable Bengali family-founders of Calcutta that none of them was in any way connected with any industrial enterprise whatsoever. There was, of course, no scope for such enterprise in the 18th century under British rule. Most of them acquired their fortunes as Dewans, Sircars and Banians to the English Governors, Officers and Merchants. Some were successful traders like Bamdulal De, Motilal Seal and Madan Dutta. but they employed their talent and accumulated 'capital' more in the middle-man's business, in speculation as farmers and contractors, than in independent economic enterprises. And most of their

worthless descendants wasted the enormous wealth in long-drawn-out litigations, and in conspicuous luxuries, ceremonies, religious endowments and charities. The largest part of the accumulated 'capital' of the new Bengali urban aristocracy was thus diverted from "production" to 'conspicuous consumption' and waste.

It is obvious, therefore, that the urbanisation of a colonial city, may not always be associated with any 'economically productive' activity of the new urban 'bourgeoisie' or 'aristocracy'. A city like Calcutta, economically oriented to a foreign country, may suffer, therefore, from the symptoms of 'over-urbanisation', in regard to the degree of economic development. The major benefit of this urbanisation was only some occupational diversification and social mobility; and that was conducive somewhat to social and cultural progress, but not to any substantial economic progress.

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<sup>3</sup> Home Department. Public Proceedings, Letter from Court, March 3, 1758.

<sup>4</sup> Court of Directors' Letter, dated December 22. 1785.

<sup>5</sup> D J Mcneile's Report on the Village Watch of the Lower Provinces of Bengal, 1866.

<sup>6</sup> Home Department, Miscellaneous Records. dated December 31, 1706.

<sup>7</sup> Court's Letter, dated January 31, 1755 and March 3, 1758.

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