

Chapter- Seven

Summary and Conclusion

Summary and conclusion:

The emergence of Darjeeling as a modernized district and as colonial economy brought about the revolution in the commercial history of the region from the second half of the nineteenth century. New types of economic settings, new types and characteristics of demand, new methods of production, new sources of supply and new kinds of consumer goods allied with the rapid development of the system of transport in and around Darjeeling. The basically pre-modern commercial framework of Darjeeling was replaced by a completely new structure developed to meet the changing needs of a growing colonial economy. In course of the period under study Darjeeling passed through three phases (i) the period of expansion (1835 to 1880) (ii) the period of consolidation marked by full colonization (1900 to 1947) and post Independence period or the period of Indianisation (1947 to 1962).

By the closing of the nineteenth century the first phase of colonization of Darjeeling was complete. Plantations and other economic activities transformed the face of the region and revolutionized the economic horizon of the district. Tea estates, tea factories, managers' quarters, labourers' 'jhupdhi' (slums), big hotels, market squares, anglicized churches and British style bungalows became familiar sights. The communication networks were spreading rapidly and the population increased from 94,712 in 1872 to by 64% or about 15,5,179 in 188. The period coincided with the introduction of free trade after the British East India Company lost its monopoly over India by the act of 1858. It opened up the flood gate of trade with India and a number of investors started investing in India. The course for further expansion, for growth and prosperity, was set in motion. In this way the first phase of commercialization was complete in Darjeeling. But Darjeeling was not yet 'full fledged colonized'. Many tea estates were still in a state of 'under-production' and going through the process of trial and error. Many merchants were still in dilemma to establish their enterprises in Darjeeling due to the initial difficulties which were still persisting in those days. Darjeeling was not yet fully integrated with the internal and international markets through efficient communication network and, the Trans-Himalayan trade, particularly with Tibet was yet to be fully developed. The urbanization of Darjeeling had not yet completed its first phase. The

wholesale and retail trades in Darjeeling in those days of late nineteenth century still bore the marks of primary hardships and requirements. During this period people met their needs in the weekly markets or *haats* and in the religious fairs. Markets were neither permanent nor very frequent and they had to depend on Calcutta for the supplies of all types of goods. Some of the businessmen had just completed their first stage of migration and their families were still in their native villages. Taking from their experience, some more were contemplating the pros and cons of migration. The continuous rise of population due to the expansion of the plantations and the rapid rate of urban growth in the closing years of the nineteenth century had increased the urge for expansion of these trades.

This picture changed in the closing decade of the nineteenth century. The changes in agriculture transformed the virgin land into the cultivated plots with the Nepalese as its new owner, the rapid rate of urbanization and advent of the many new professional groups including the traders, increase in the volume of manufactured tea and export in large volume to foreign markets and improvements in the methods of transportation had resulted in the faster and smoother supply of goods. Many joint-stock companies and managing agency houses got involved directly in the plantations by purchasing old estates or raising new ones. Ownership of some tea-gardens changed and many amalgamated with other gardens as a result of which the actual number of tea estates slightly declined after 1900. Above all, the full fledged expansion of the plantations in the closing of the nineteenth century was accompanied by a great rise in number and consolidation of tea labourers. This class, living in and around the tea gardens and factories, dependent entirely upon wages, developing their collective bargaining strength and able to secure regular employment and draw regular pay packets, provided a concentrated and consistent demand for consumer goods. This growing demand enabled the business communities to expand and permitted the development of regular supply-institutions. This attracted more people to get involved in regular trading and this led to the growth of regular-organized trading network by replacing the weekly market into a market on fixed shopping centre on the one hand and the emergence of business communities in Darjeeling on the other in the last quarter of the nineteenth century.

Another important change that took place during the period was the establishment of European elite shops in Darjeeling. Most of them were based in Calcutta and set up their branches in Darjeeling for further expansion of trading. The establishment of these elite shops diversified the features of retail trading of Darjeeling in terms of capital control and standardisation of demands. They were set up to cater to the Europeans and the aristocrat Indians.

The process of the Indianisation of the economy of Darjeeling may be traced back to as early as 1940s when the anti-British movements were going on in full force. With the departure of the British ended the two hundred years of '*gulami*' and opened up a new era of democratization of politics, socio-economic and cultural set up. Abolition of colonial rule created vacuum in all socio-economic sectors which led to the birth of Indianisation or establishment of indigenous or Indian domination. During this period Darjeeling also underwent a revolutionary change in terms of the power of controlling the resources and dominating the economic spheres. Abolition of the colonial rule transformed the basic tenets of the society. The very concept of the colonial practices the 'rule by the master (colonizer) to the subjects' (colonized) permanently disappeared and equal right was established. The economic vacuum created by the departure of the Europeans was filled up by groups of Indian business communities, the Marwaris in particular and others in general. The period also saw the sale of European tea estates, hotels, shopping centres, houses, bungalows, and other landed and perishable properties to the Indians. Another dimension that was added to the economy of Darjeeling was the advent of the Tibetans in the 1950s and their subsequent emergence as a dominant business community.

In this way we find some basic changes that revolutionized the commercial sector of Darjeeling in our period of study. It can be argued that Indianisation of the hill stations had begun long before Independence in 1947. Its origins can be traced back to the late nineteenth century itself, when the number of prosperous, professional, Westernized Indians began to reach the British that would make them a conscious and influential class within colonial society. These people posed the greatest threat to the insular world that the British had established for themselves in the hills. In case of the commercial

history of Darjeeling however, the process of Indianisation set in later, only after Independence

To analyze the evolutionary growth of Darjeeling town we used the Skinner's model of marketing system. Though, Skinner used this model to analyze the relationships among the rural markets of China, here we have taken help this model with little modification to show the hierarchical evolutionary growth of Darjeeling Sadar from 1835-1962.

The hierarchical theory as developed by Skinner is applicable in case of Darjeeling in following ways; "The minor market, popularly known as a "green-vegetable market," specializes in the horizontal exchange of peasant-produced goods. Many necessities are not regularly available, and virtually no services or imports are offered. It is of negligible importance as an entry point for locally produced goods into the larger marketing system. The minor market what had been defined by Skinner is similar to that of the Darjeeling *haat* or a periodic market held on Sunday. We get reference to this in the beginning from 1835 to 1850.

In ascending order, the other two types are standard and intermediate markets. Standard market, according to him was that type of rural market which met all the normal trade needs of the people. What the household produced but did not consume was normally sold there and what it consumed but did not produce was normally bought there. The standard market, according to Skinner provided for the exchange of goods produced within the market dependent area. More importantly, it was the starting point for the upward flow of agricultural products and crafts items into higher reaches of the marketing system, its another function being the termination of the downward flow of imported items destined for local consumption. Darjeeling Bazaar assumed this character in the last quarter of the nineteenth century when market was regularized, inhabitants of this city increased in number and urbanization completed its first stage.

The central market or the market of the highest rank as per Skinner model is normally situated at a strategic site in the transportation network and has important wholesaling function. Its facilities are so designed so as to receive the imported items and distribute

them within its dependent area and on the other, to collect local products and export them to other central markets or higher-level urban centres.

Skinner's typology of marketing system may be used to explore the evolutionary growth of Darjeeling bazaar. It played a central role in shaping the business as well as the economy of Darjeeling District. Therefore, it is necessary to search the evolutionary growth of Darjeeling bazaar and its relationship with other parts of India as well as in the world especially the Trans-Himalayan zone.

According to this above theory the Darjeeling bazaar passed through a long period of historical evolution. The first phase of the marketing system i.e. minor market coincides with the period from 1835 to 1850. Standard and intermediate marketing system covered the period from 1850 to 1860 and 1860 to 1900 respectively. However, Darjeeling town, the central place of attraction took more than six decades to assume the character of central market. Though its location on a strategic site and its political significance led to its rapid growth in last quarter of the nineteenth century, it is difficult to identify its demarcating line from one rung to another of this marketing system. The drastic emergence of Siliguri at the foothill soon overshadowed the importance of Darjeeling in the second half of the twentieth century and it soon assumed the character of central market in North Bengal. The position of Darjeeling was reduced to remain the place of intermediate market.

Commercial activities of Darjeeling may be divided into two broad categories (a) Large Scale-trading consisting of tea and tourism industries and (b) small-scale trading activities consisting of wholesale and retail trades of all goods. This can be discussed in the context of some important characteristic features of tea industry that developed in course of our research period.

The suppliers of capital were regarded as the prime movers in the process of economic growth. The European capitalists played the dominant role in moving the process of commercialization in Darjeeling. The total nominal capital invested only by the joint-stock companies in tea plantation in India was Rs.302.3 million in 1914². Initially, the average investment of the joint-stock companies was £125,000 each in Darjeeling. A

few important points must be noted here; first, many tea estates were privately raised and worked by the managing agents or private planters. Later, few of them organized joint stock companies. Secondly whether a company was registered in Britain or in India depended primarily on the convenience of the managing agency houses. The sterling companies registered in Britain did not necessarily imply that much of the capital invested in plantation in Darjeeling was earned in Britain. Sometimes a planter might raise a garden and sell it to a joint-stock company or managing houses or sometime he might establish agency house at a profit. The registration of the company was often a mere formality, since most of the capital was held by the partners of the managing agency firm and their close associates. Most of the large managing agency houses involved in the tea plantations in Darjeeling were firms which had grown up with the tea industry in India or which had money in other fields and then entered into the tea business as one of their many ventures. To illustrate the case at the beginning of the twenties, the Duncan Brothers and Company of Calcutta and Williamson and Magor Co. were examples of the first type of concern and James Finlay was the second one³.

In course of time tea and tourism industries became the key economic activities of this region. It has already been stated above that they were monopolized by the Europeans from the very beginning. The indigenous merchants were completely out of these orbits. Initially, though plantations were started by "Cashiered Army and Naval officers, Medical men, engineers, veterinary surgeons, steamer captains, chemists, shop-keepers of all kind...."⁴ non-professional group, later on it was taken over both by the joint-stock companies and private entrepreneurs simultaneously. 6th decade of 19th century was the golden period of its growth in Darjeeling. At the beginning many companies emerged independently but later they amalgamated with other firms. The Land Mortgaged Bank became Amalgamation Association in the last quarter of the nineteenth century. Both the Sterling (registered in Britain) and Indian (registered in India) companies managed by the managing agents were controlled either from London or Calcutta or from both places. The managing agency houses played a significant role not only in the management but also in the growth of plantations. They directly involved in tea plantation by purchasing old-gardens or establishing new ones. They also continued to hold enterprises other than tea. On the eve of Independence almost all

the British merchants went back to Britain with only a very few who stayed back to continue trading either independently or in-partnership with the natives. For example, after the demise of R B Magor (owner of the Williamson and Magor Co.) in 1933 his grandson, Richard Magor introduced Brij Mohan Khaitan of the Khaitan group of Kolkata who used to supply the estates with fertilizers and tea chests. Later on he was asked to join the Board of the company in 1963 and ultimately became the Managing Director in 1964. On the whole however, we have not found out any practical change in the administration of tea and tourism after Independence. As during the colonial period, when these two industries of Darjeeling were controlled by the Europeans either from London or from Calcutta, after Independence these remained under the control of the Marwaris, Bengalese and others of Kolkata. The huge wealth of Darjeeling was drained off from Darjeeling both during the colonial and post colonial periods. The mercantile class enjoyed the profit earned from Darjeeling and Darjeeling achieved practically nothing in form of return. This badly affected the rate of production and market demands in the long run.

Regarding the retail British shops it may be said that all shops were located in the upper part of the aristocrats' zone of the Town to demarcate a line between the colonizers and colonized while the 'native bazaar' was situated in the lower part. In most cases, the British retailers of Calcutta transacted their business in Darjeeling to cater to the Europeans, including planters, army officials, Government, and indigenous Rajas, aristocrat people etc. Like the Europeans, many elite Indians tended to spend the hot weather of the plains in the hills. By buying up a great deal of property in the early 1880s the Maharaja of Cooch Behar invested part of his huge fortune in the construction of some of Darjeeling's "best and neatest" villas, and by the middle of the decade he was said to hold the titles to nearly half of the homes in the station. (The Bengal Government purchased one of his handsomest estates for use as the Lieutenant-Governor's summer residence). The Maharaja of Burdwan also followed the tradition and established his summer seat in Darjeeling. Therefore, a good number of princes flocked along with the British Governor, I.C.S and other officials. To serve these enlarged clienteles, the European elite retailers established their branches in Darjeeling.

There were a clear demarcated line between the large scale trading and small scale trading in terms of their ownership and location. Almost all the retailing business of provisions, household goods, stationery were under the indigenous merchants and shops were located in the lower part of the town. The local bazaar mainly catered to the middle-class people and the tea labourers, coolies etc. Shops were under the supervision of the Government. They were given on lease for many years. In our period of study we find that there were four major groups of retailers. Firstly there the grocers, the hosiers, the drapers, the haberdashers, the chandlers, the oil and colourmen and the village general dealers who bought their goods from manufacturers, producers, wholesalers and other intermediaries and sold them from fixed shops in the towns and villages. Secondly there was the producer/retailers, skilled tradesmen who made, produced or grew their wares as well as sold them. The leading examples of this class were the boot and shoe makers, tailors, blacksmiths and tinkers, furniture-makers, basket-makers, butchers and dairy farmers. Thirdly there were the markets, usually weekly but sometimes daily or seasonable where the petty traders, farmers and growers displayed their provisions, hens, eggs, vegetables and fruit, cardamoms, and, less important, the melas (fairs) where all types of dealers, producers, wholesalers and importers put up a wide range of goods for sale. Finally, supplementing these sources in all seasons and in all areas were the itinerant tradesmen generally known as hawkers, peddlers etc.

In the last quarter of the nineteenth century the indigenous retailers were working for themselves, controlling only one business or owning only one shop. The family tradition of son succeeding father was dominant and familiar rule of the society, and the 'living-in' system for apprentices, very often relatives of the shopkeeper, was accepted as helper or assistant to run the business. The buying and selling methods of the fixed-shop retailers and the producer/retailers were more or less the same. Window display-showing few articles and symbols or demo of the trade was familiar method to sell goods. In the second half of the nineteenth century, the merchants exposed their goods in various ways. As photographs of this period show, the goods were laid out on the ground in front of the shops or merchants. Sometime the goods were exposed on planks, boxes etc. The quality of the goods sold by different types of retailers varied tremendously. The standards of quality were individual to each retailer, and accusations

of adulteration and light weight were common. The elite shops of the Europeans paid their attention on standardization of goods.

Retail trade of Darjeeling mainly flourished within the purview of urban centre and trading in the villages in late twentieth century suffered from stagnation because many local communities had limited demands; partly because some goods and cloths were produced at home and partly because their standard of living was low. However, the economy was expanding and with it the numbers and the demand of the well-to-do classes. This rising demand due to growth of tourism was encouraging the production and marketing of a wider range and a greater variety of consumer goods.

There were a number of communities involved in trading from the very beginning of our period of study. The most prominent among them were the Europeans in general and the British in particular and from among the Indians the Marwaris and Beharis. The business communities of Darjeeling had been a heterogeneous group representing a wide range of commercial activities from retailing to highly developed regional and international trading and finance operations. The mercantile communities polarized into two broad groups; the foreigners and the indigenous. There was a clear dividing line between the European and indigenous mercantile groups in terms of quality and quantity of trade, system of operations business, game of power, politics etc. The Europeans further divided into various groups on the basis of nationality, race and character of trading. The Europeans as we have seen, involved in large-scale transactions consisting of tea and tourism industries and a very few in retailing. The Europeans followed a general existing pattern to control their tea industries. Most of the tea companies were largely managed by the managing agency houses. Sometime the private entrepreneurs directly supervised the management of their estates. Being of the same race the Europeans enjoyed a kind of extra-advantages in many various commercial, administrative and political sectors. Above all the Europeans were part of a much broader global economy spanning well over the world. This global connectivity gave them an edge in Darjeeling and increased their exportation of productions. In this way they monopolized the commercial course of Darjeeling and continued till Independence of India.

The native businessmen like the Europeans also divided among themselves into a number of groups on the basis of caste, creed and region as well as nature of trade. In spite of their heterogeneity, there was a general pattern in the operational mechanisms where great importance was given to the family and joint-family system played a predominant role in handling the trade. Unlike the British, the indigenous merchants at their early stage of migration struggled a lot for their primary needs. At that stage they engaged in various works including labouring, peddling, petty trading etc. The expansion of plantation industries in this hilly region facilitated the commercial exchanges with similar administrative structures, communication networks and infrastructural facilities on the one hand and at the same time the indigenous merchants diversified into various trading activities on the other. In course of the diversification, the Marwari businessmen became the most advanced of all the Indian merchants. They rapidly grasped the changing and expanding nature of market and its demands.

At the initial period many Marwari merchants engaged in money lending, petty trading of groceries, house-hold goods, provisions etc. Although a few Marwaris continued to deal in the old line of money lending and groceries, in course of time many of them began to diversify and explore the local market, concentrating on a wider variety of modern transactions on one hand and entered into the tea and tourism industries – once European dominated sector, on the other. However, the Marwaris got the real breakthrough only after the departure of the Europeans in 1947s. They occupied the same place in Darjeeling as it was enjoyed by the British during their rule. Since the 1950s the Marwaris in Darjeeling ventured increasingly into new lines. Throughout the 1940s and 1950s tea estates and hotels came dramatically under their control which made them dominant in Darjeeling.

Besides, the Marwari business community bought shops situated on bazaar's prime shopping street that almost assured brisk business. The central location of their shops also meant that the Marwaris were excellently placed to tap one major economic boom when it came after the British. During this period the readymade cloth and woollen

goods gained steadily in importance as Nepalese, the dominant group generally became aware of fashions and started dressing in fashionable westernized clothes in place of their traditional dress style. In the period between the late 1940s and the mid-1950s Marwari retailers enjoyed a veritable bonanza of business. Through their kinship and trading relations in other parts of India, they had access to affordable and good quality sources of merchandises. During that period they faced little competition from other businessmen and monopolized the retail trading almost completely.

The general trend is that while in the early days of its establishment, Marwari business in Darjeeling was retailing in character, it has moved in the direction of diversification, higher local investment, and embeddedness in the local business world in the 1930s onwards. The various lines they have explored are partly a result of local market conditions and partly a result of their excellent expertise to grasp the changing conditions and universal outlook to adapt to the regional diversities. Yet they are also products of intra-ethnic connectivity with Marwari businessmen living around the district as well as the business assiduity of the Marwaris, which have enabled them to integrate in local economic structures.

The Marwari community maintained its own socio-religious traditions inherited from native home. These traders did not inter-dine with the other communities and made marital relation only with their own Marwari Hindu community. In their daily life however many Marwaris have adopted local food habits and modern dress habits.

Next to the Marwaris, the Behari businessmen held the dominant position in the commercial sphere of Darjeeling. They chiefly engaged in retailing of groceries, bakery, stationery, provisions, tailoring and to some extent small hotel business. It may be argued that the Beharis could not grasp the changing nature of the market as early as the Marwaris could. Therefore they continue to hold the secondary economic status in Darjeeling even today. There were some important points to be noted here for their less economic hold in Darjeeling. Firstly they migrated from a highly poverty-stricken region to Darjeeling and grasped any kind of occupation that they could find. They even worked as labourers in public and construction works, jungle clearing and so on.

They had to send all of their earnings to their family at native village. They could not accumulate sufficient capital to raise even a small petty trading. If any family could do so and raised an enterprise, it was divided among the successors after some period. Sometimes family feud led to financial crisis and final demolition of many successful enterprises. As a result the joint-family venture to raise big enterprise died on their way to flourish. They were not as shrewd as the Marwari businessmen to explore the markets. They lacked community bond to make a close intra-kinship connectivity to compete the merchants like the Marwaris. Those Behari merchants who were domiciled in the region gradually married into the other local communities including Nepalese, Tibetan, and Bengalese etc.

Set in the context of British rule, the history of the Nepalese in Darjeeling is as old as the coming of the British in 1835. Nepali immigration continued throughout the nineteenth century. They were ready to toil on public works, jungles, and plantations. Labour in tea plantations continued to be a major livelihood of the community and even in 1960s about 65% of working Nepalese in the district were tea labourers. In this way they were marginalized in the commercial sector of Darjeeling. In spite of their numerical majority they were commercially minor. A very few Nepalese engaged in business. The Newar among the Nepalese predominantly ventured into trade. However it might be argued that they remained effective in the local transport trade since its growth.

During the colonial rule like the other business communities the Bengalese also migrated to Darjeeling not as traders but as service holders in general. A few Bengalese tried their luck in trading and made a successful bid to enter hotel business and to some less extent tea manufacturing. The latter venture was made possible only after the departure of the Europeans. They had great influence in the town from the very beginning but in commerce, they were not as significant as the Marwaris and Beharis.

There were some other minor business communities from the early period. The Kashmiris, chiefly engaged in curio and Kashmiri handicrafts were confined within the urban areas. They maintained their social exclusiveness and in spite of being Muslim

they did not enter into marital relation with the other Muslim Beharis or Nepalese. The Punjabis, Sindhis, Armenians, Chinese etc almost disappeared from the commercial history of Darjeeling. They were chiefly retail traders and gradually integrated with the local people.

Last but not least are the Tibetans, who have emerged as a dominant business community of Darjeeling. Tibet had a long history of good trading relation in the British Darjeeling. Although, the emergence of Kalimpong reduced the importance of Darjeeling in the Indo-Tibet trading network, a few Tibetans continued to trade here and were even settled here permanently before the Chinese invasion in Tibet. When, after 1959 the refugees arrived in great number, the old Tibetans helped the new comers to enter into the various new lines of business. The Tibetans, as a whole, involved in a great number in hotel and restaurant business, transport and other retailing transactions. Therefore, a commercial rivalry developed between the Tibetans and other old businessmen in general and the Marwaris in particular.

Moreover, the Tibetans in the 1960s maintained a very rigid socio-religious traditions inherited from their native land. Over time they also like the others started integrating with the locals especially with the Nepalese in many ways. The old generations remained traditional and not ready to accept local socio-religious norms.

By way of making some final observations we would like to point out that Darjeeling had initially developed with immigrant communities with distinct socio-cultural manifestations. The indigenous, though immigrant, business communities had gradually firmly embedded themselves in the hilly region through the socio-economic and cultural integrations with the other groups of the society.

Regarding their relationships with the Nepalese, the predominant community, it may be said that the other business communities maintained a very cordial socio-economic relations. Firstly they had large number of customer from the community. Secondly, they employed the young Nepali boys to run their various transactions.

The British on the other never maintained any social relation with the indigenous traders. They built up their own social and cultural world where the natives had no place. The elite residential areas of the upper part of the town were restricted to the natives. They established their own clubs and entertaining centres where the natives could enter only as servants. For example, all the members and directors of the Planters Club in Darjeeling whose names we came across were from the Europeans only.

Therefore, colonial Darjeeling was marked by an economic distinction equated with social position between the Europeans on the higher slopes and ridges and the natives further down. In this way they successfully made an anglicized social enclave in this hill station. The Indian business communities operated outside this colonial economic orbit.

In conclusion, it may be pointed out that if the British policies and the monopoly of the European capital inhibited the indigenous enterprise in tea and tourism industries of Darjeeling our observation shows that below the European enclave and above the subsistence economy of the peasants, the bazaar-the intermediate level, was the profitable hunting ground where a number of indigenous business communities continued to operate. The Europeans were more interested to invest in the large scale industries and enterprises under the direct protection of the empire than the small and less profitable spheres. The retail trade in the bazaar of Darjeeling hill station where the returns were too low and risks too high to attract the Europeans who established their 'sure bets' in tea plantation. The Indian business communities were free to operate in the exclusive sphere of 'bazaar' which was free from the colonial economic competition.

Reference

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- ². A.K Bagchi, *Private Investments in India 1900-1939*,1972 p.161
- ³. Ibid., 161-62
- ⁴. Edward Money quoted by Sir Percival Griffith in *the History of the Indian Tea Industry*, p97 London, 1967.