

## Chapter-V-(e)

### Economy (trade and commerce)

#### I

Urbanization is a natural consequence of economic change that takes place as a country develops<sup>1</sup> and the structure of economy of any town of any period is quite different from rural settings, in which trade and commerce and other professional activities always play a vital role that, determine the whole economy of the town. By and large the urban economy is dominated by the class who engaged in trade and commerce and tertiary sector who deal with wider circulation and greater consumption. In this connection the role of merchants' class of the town is most important. There are two groups of people who control or dominate the entire economy of the town. The first group consists of people who deal with productive activities and other engaged in tertiary sector. The latter one is less important.<sup>2</sup> As far as English Bazar is concerned the first one initially played a crucial role for urban growth and latter on after the withdrawal of commercial residency from English Bazar, the importance of tertiary sector gradually increased which hastened the process of urbanization. Therefore any kind of decline in economic activities of the town can adversely affect the process of urban growth. It is more important to a colonial town like English Bazar, the first British town in North Bengal, prior to Darjeeling.<sup>3</sup>

#### II

Let us turn our attention to the economic changes, which took place in English Bazar town during the period under study and their contribution to the urbanization of English Bazar town. As we know the villages could survive for centuries without any large urban center nearby but an urban center would perish in the absence of an agriculturally prosperous hinterland. The situation is equally true in the case of English Bazar. The great advantage of English Bazar town is agricultural resources of its hinterland which formed the foundation of urban economy. Consequently from the very beginning, the economic activities of the English Bazar town always depended on its agriculturally prosperous hinterland. As we discuss in our previous chapter that it was due to its agricultural prosperity especially for its

mulberry production, the British East India Company came here and established their commercial factory at English Bazar which established communication with the cotton-weaving villages spread out all over the district. The factory of English Bazar created lots of economic opportunities which attracted the silk weavers,<sup>4</sup> professional reelers who purchase cocoons from cultivators<sup>5</sup> and dealers of silk trade began to settle round the factory and a new type of settlement gradually grew up centering the factory.<sup>6</sup> However, what was more important from the point of view of economic development and economic activities of the town itself was the production relation in the settlement which was more intimately connected with the urbanization of the town. Initially, the settlement which originated in and around the factory at English Bazar was not a consumers' or a producers' settlement-to use Max Weber's paired character traits of cities. The producers of raw silk from the cocoons and woven cotton textiles were not residents of the town. They lived in surrounding villages away from the town. The Residents of factory at and their local agents who live in the settlement were not consumers either. However it becomes a market of exchange where producers' of textiles sold their product and the 'factors' of the company and their agents whom they were appointed bought the product. This newly established market owing to its economic superiority gradually diminished the importance of Malda (presently known as Old Malda) which played a vital role throughout the medieval period. Here emerged a class of buyers who control over the numerous small producers. Gradually the market was become a buyer's market where the producers were not resided. To use Bert Hoselitz's comparison of such a situation, the growth of English Bazar in its earliest phase was a parasitic growth.<sup>7</sup>

The parasitic growth of early stage is further evidenced by the emergence of a parasitic trading and business class in the settlement who gradually become the leader of the city. The English factory created a class of middlemen, agents, banias, gomostah, dallals and paykars.<sup>8</sup> Some of them used to operate independently, securing orders from the factory and getting commodities from the artisans by using the mechanism of advances or dadani. Sometimes Company appointed commissions' agents for securing supplies from the surrounding villages. The silk weavers of Malda were also their own dealers. The general process pursued by them for the disposal of their goods when collected was that they went to the nearest towns for sale and what they could not sell they took to the Mahajanas or merchants or shop-

keepers. Sometimes, it was found that a rich weaver secured silk goods from the small producers and disposed that to the big merchants. As the economic condition of the weavers were not sound so they had to depend on the Mahajanas or local money lenders for advance for the purchase of thread and livelihood of their families throughout the year until the finished product was ready for sale. On the other hand the Mahajanas and the money lenders who exploited the weavers by giving advance or dadani secured great quality of silk with comparative cheap rate and charged a heavy rate of interest for the advance. Eventually, the weavers got nothing but only wages and a big amount of profits were shucked by Mahajanas and local money lenders. The average income of a silk weaver was 4-6 annas a day. Instead of Mahajanas, the silk merchants were interested in the development of the silk industry and pursued comparably a liberal policy. They made advances to the weavers and purchased their finished goods at a reasonable rate and, moreover, they competed with each other to the benefits of the weavers.<sup>9</sup> A large population of English Bazar of professional reelers contract with the Marwaries of English Bazar who controlled the khamru market (silk reeled according to the European method is known as filature silk and that according to the native method is known as khamru) to supply them with raw silk against advances, and the lack of capital, which this system implies, tends to keep the reelers impoverished. The raw silk of khamru market is mainly exported to Nagpur, Madras and upper India. The income of reeler both for European and khamru silk was very poor. They earned only Rs. 8 to Rs. 9 a month and a winder Rs. 5 per month for European filature and Rs. 6 to Rs. 10 for khamru silk.<sup>10</sup> At English Bazar and other surrounding towns of the district, there were many silk merchants who maintained their business houses, and made purchases for transmission to various parts of India and abroad. Silk fabrics manufactured in Malda were enormous in quality and always had a great demand, and were exported by the Mahajanas and other silk merchants to Calcutta, Benaras, Mirjapur, Jaipur, Bombay, Madras, Sindh, Central and North-western provinces and the countries outside India. Silk fabrics which were not sold at the local 'hats' or periodical fairs were sent outside. At English Bazar there were one or two shops where silk fabrics were sold.<sup>11</sup> The silk Mahajanas were generally weavers who raised themselves to the head of the professions, and employed poorer members of their guild to weave for them, and make advances of both materials and money to help the artisans to be kept supplied

with the necessities of life.<sup>12</sup> Many silk weavers or traders rose from ignominy to the position of a renowned silk merchant and earned a lot of money through silk trade.<sup>13</sup>

Each of them who engaged in silk business, therefore, was an outsider, and they all made fortunes by participating as middleman in the trade carried on by the East India Company and sometimes individually. The large manufacturers are Europeans, and many of the banias and Mahajanas were natives of the North-Western provinces or Behar, so the profits which the company and the banias and Mahajanas reaped through this trade were ultimately remitted away from the district and went to England and other parts of India especially Bihar and Uttar Pradesh but only a part of the profits earned by a class of middlemen, agents, banias, gomostah, dallals and paykars was spent by these class in English Bazar which in turn created job opportunities for the unskilled labourers who were engaged in functional sectors such as barbers, washer man and sweepers from different parts of the district and outside mostly migrated from Bihar<sup>14</sup> and contributed a lot to the growth of the town. Concerning the traffic system, the district possesses a great advantage of water communication by which the commercial traffic carried on.<sup>15</sup> Thus a parasitic class began to play a generative role in the growth of town. These people began to acquire land in the town and built houses.<sup>16</sup>

### III

After the establishment of commercial factory at English Bazar, weavers from far and near of weaving-villages began to settle down in English Bazar. Prosperous trade in silk business even attracted the economically poorer section of upper class people, viz., the Brahmins, Kayasthas to come to English Bazar and seek a living in handloom weaving, which they could not have normally done had they stayed their ancestral villages. With the establishment of producing centers and emergence of an artisan class among the settlers, English Bazar character changed from a parasitic settlement to a generative center, to use Bert Hoselitz's paired terminology.<sup>17</sup> But a great part of the income flowing out of the town and only a considerable part of the income locally generated which was earned by the middlemen. Only the benefit of large scale production goes to the artisans. But here also technological backwardness created obstacles of individual artisan from securing benefits from the increasing demands of their goods. However the demand of greater qualities of products attracted weavers from villages and thereby help in

the process of morphological change of the town. So the production relation among the three groups of people viz., the factors of the factory, their Indian agents and the artisans collectively formed the basic structure of the socio-economic relations of the settlement in the early stage of the town.

As a result there was a boom in the silk trade from 1760 to 1790 when with help of Bengal silk, the Company was able to compete in their home market. It was due to this prosperity the rearing of silk-worms and the manufacture of fabrics became the general occupation of nearly all classes of the people of the district.<sup>18</sup> The early development of the area was due to new economic opportunity generated by the factory and allied services. At that time the Company's commercial investment through the Malda Factory amounted to Rs. 50,000 doleur annually. There were 120 houses of weavers who used to make thin muslins at the town English Bazar and its immediate vicinity. A good number of Muslim women were engaged in embroidering work on cotton cloths. Gradually some new crafts and occupational groups like brass and metal workers came and settled in the town. Another important industry of that time was dyeing of cotton and silk thread. M.O. Carter also noted the existence of lac industries. A sizeable population in the town was earlier engaged in building boat for fishing and for ordinary use.<sup>19</sup> In the first quarter of the 20<sup>th</sup> century 20 houses were engaged in the brass and bell metal industries in the Kutubpur area of the town. By the end of the 18<sup>th</sup> century a number of indigo planters of the district settled around the commercial residents and his assistants.<sup>20</sup> Indigo is exported direct to Calcutta. English Bazar was one of the important seats of commerce in the district, where trade is extensively carried on in food stuffs along with Old Malda, Rohanpur, Nawabganj, and Haiatpur.<sup>21</sup> It was all because of the growing importance of the place for commercial transaction.

#### IV

The prosperity, however, was of short duration. When Dr. Buchanan Hamilton visited the town in about 1810, the manufacturing industry had already fallen into decay.<sup>22</sup> By the Charter of 1833 the East India Company's trading activities came to a close in India.<sup>23</sup> The Company's factory abolished in common with all the other Commercial Residency, in 1836, when the monopoly of the Indian and Chinese trade was withdrawn.<sup>24</sup> As a result the trade of the town received its first setback after a course of uninterrupted prosperity since the establishment of

commercial factory which in turn affected the employment opportunities in non-agricultural sector and the informal sector of the town has emerged as the main provider of jobs to the people of the town. Though, an attempt was made for the revival of the industry by establishing a sericulture department for educating the silk rearers in scientific method<sup>25</sup> which however did not produce any long-term success. It indicates the virtual decline in the economic activities of the town which affected the process of urbanization of the town.

## V

Nevertheless, within a short period, the commercial importance of the town was replaced by administrative importance and by then a new character of the town has been established.<sup>26</sup> The formation of the district in 1813 and the selection of the town as district headquarter increased its importance as a center of administration which generated new type of occupations in the town. A good number of Indians were recruited for all the lower and middle ranking jobs for administrative work. Peons and other lowest posts were also filled up by the Indians which created new employment opportunities for the people of the district and thereby attracted the people to come and settle into the town. This contributed a lot to the process of economic growth and urbanization of the town. In colonial town the importance of western education and knowledge of British law increased tremendously. As a result a professional class emerged such as teachers, lawyers and doctors. These professionals and the administrative personnel's settle down in the urban areas in residential clusters. The increasing population size and cash economy contributed towards the growth of trade and commerce in the urban areas. The growing commercial opportunities attracted in turn, trading communities from faraway places.<sup>27</sup> With the emergence of the town as the residential place for the well-to-do people of the district, a sizeable population of the district and outside the district mostly belonging to the lower caste people came and settled in peripheral area of the town and engaged themselves in functional sectors such as washer man, barbers, tailors,<sup>28</sup> bookbinder, shoemaker (Chamar or Muchi, most of them are Muhamadans and better workman and their wages are also better), maker of torches<sup>29</sup> and sweepers. In English Bazar, there were thirteen families engaged in making a very coarse soap. They were mostly Muslims.<sup>30</sup> This is not less importance to the growth of population of the town and economic transaction of the town.

## VI

Since long back there was an important business belt surrounding the town of English Bazar and Old Malda, namely in Nawabganj, Bachamari, Shahapur, Raipur etc. With the establishment of the district and the selection of the town of English Bazar as district headquarters, the importance of the town increased and thus the surrounding towns of English Bazar began to lose their importance. As English Bazar emerged as service center and market place for surrounding villages, its diversified demand structure and produced a distinct change in the production pattern in the rural area of the district. The increasing demand for vegetables, the fallow land previously used for grazing ground comes under cultivation. Surplus milk produced in the rural area sold to the wholesale dealers in milk at English Bazar who converted into various milk products and sold it to the sweet-meat shops at English Bazar. Thus the town has sufficient supply of milk from the surrounding area which helped the sweet-meat shop business flourish.<sup>31</sup> There is also a business in the manufacture of brass and bell metal utensils, which are exported direct from the town. English Bazar had a daily market in the morning and evening and a bi-weekly 'hat' on Mondays and Thursdays. Flour, pulses and vegetables are sold in large quantities, and boats laden with coconuts and betel-nut come from Barisal to trade those commodities for grain and pulses. In English Bazar there is small sugar, brick-dust, and flour mill belonging to Marwari and oil mill belonging to an Agarwala.<sup>32</sup> Towards the end of the nineteenth century and early parts of the twentieth century a groups of retail merchants came into existence that catered the needs of the town people which in turn built up the economy of the town. From the list of the license of English Bazar Municipality it was found that there was tax levied by the Municipality on the production and selling of Indian liquor.<sup>33</sup> As the district of Malda was one of the most productive parts of Bengal it yielded various agricultural crops of commercial importance which made the town English Bazar as an important distribution center of the district. Hunter in his Statistical Account of the District of Malda mentioned raw silk and cocoons, silk cloths, indigo, brass-metal work, rice and other kinds of grain and pulses, and fruits, especially mango, and other foodstuff as the articles of export from the district. The articles imported to the district consisted of cotton cloths, jute, coconuts, betel-nuts, paper, ghee, sugar, oil, sal wood, salt, gur or molasses, copper and pewter, kasha, and ginger. The largest market dealing in rice

and peddy is situated at English Bazar. At this market, split pulses, cane gur and fish were also bought and sold.<sup>34</sup> Obviously a large part of the internal and external trade carried on through the capital town of the district which in turn contributed a lot to the economy of the town and thereby hastened the process of urbanization. In English Bazar there was a banking establishment belonging to Pares Nath Shah & Brothers. They did pioneering service in providing banking facilities to the town. Though, the Business of money-lender was chiefly conducted by the shopkeepers.<sup>35</sup> Besides the banking house there were the potdars or money-changers who attended the markets to exchange cowries for silver. During the 3<sup>rd</sup> decades of the 20<sup>th</sup> century there was branch of the State Bank of India and United Bank of India.<sup>36</sup> To sum up the economic condition of the town, up to the second decade of the 20<sup>th</sup> century, the functional importance of English Bazar town thus derived very largely of its initial stage from factory establishment, and then it's being the district headquarters and finally to a much extent to its being a commercial and redistributive center for the district. From the second decade of the 20<sup>th</sup> century, a depression effected the silk production of the district. The people who associated with this industry became jobless. The number of weavers and reelers engaged in silk production had been declining rapidly. Furthermore, the Second World War gave a disastrous blow to the silk industry of Malda.<sup>37</sup> As a result the economic activity of the town became restricted. Moreover, the pressure of the increasing population of the town from the 3<sup>rd</sup> decade of 20<sup>th</sup> century adversely affected the situation.

## Notes & References

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- <sup>1</sup> Rakesh Mohan, "Urbanization in India: Patterns and Emerging Policy Issues," in *Urban Studies*, ed. Sujata Patel & Kushal Deb, (New Delhi: Oxford University Press, 2006), 63.
- <sup>2</sup> K.Ojha, *19th Century Darjeeling, Study in urbanization: 1835-1890*, (Unpublished Thesis Paper, Submitted in the Dept. of History, N.B.U. 1997), 127.
- <sup>3</sup> Namita Choudhury, *Urbanization in North Bengal In the Post-Independence Period*, (Unpublished Thesis Paper, Submitted in the Dept. of Sociology and social Anthropology, 1988), 173-74.
- <sup>4</sup> M. O. Carter, *Final Report on the Survey and Settlement Operations in the District of Malda; 1928-1935*, (Alipur: Bengal Government Press, 1938), 62.
- <sup>5</sup> G.E. Lambourn, *Bengal District Gazetteers, Malda*, (Calcutta: The Bengal Secretariat Book Depot, 1918), 68.
- <sup>6</sup> M. O. Carter, *op.cit.* 62.
- <sup>7</sup> Pranabranjan Ray, "Urbanization in Colonial Situation: Serampore," in *Urban Sociology in India*, ed. M. S. A. Rao, (Hyderabad: Orient Longman, 1992), 117-118.
- <sup>8</sup> Sujit Chandra Ghosh, *Silk Industry of Malda and Murshidabad from 1660 to 1833*, (Shivemandir: N. L. Publishers, 2003), 55-58.
- <sup>9</sup> *Ibid.* 55-58
- <sup>10</sup> G.E. Lambourn, *op.cit.* 68.
- <sup>11</sup> Sujit Chandra Ghosh, *op.cit.* 55-58.
- <sup>12</sup> G.E. Lambourn, *op.cit.* 69-70.
- <sup>13</sup> Sujit Chandra Ghosh, *op.cit.* 55-58.
- <sup>14</sup> Namita Choudhury, *op.cit.* 173-74.

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<sup>15</sup> W.W. Hunter, *A Statistical Account of Bengal*, Voll-VII, (Delhi: D. K. Pub. House, 1974), 102.

<sup>16</sup> Sujit Chandra Ghosh, *op.cit.* 55-58.

<sup>17</sup> Pranabranjan Ray, *op.cit.* 185-215.

<sup>18</sup> W.W. Hunter, *op.cit.* 59.

<sup>19</sup> G.E. Lambourn, *op.cit.* 73

<sup>20</sup> *Ibid.* 25.

<sup>21</sup> W.W. Hunter, *op.cit.* 101

<sup>22</sup> *Ibid.* 95.

<sup>23</sup> Namita Choudhury, *op.cit.* 170-71.

<sup>24</sup> W.W. Hunter, *op.cit.* 95.

<sup>25</sup> M. O. Carter, *op.cit.* 19.

<sup>26</sup> Namita Choudhury, *op.cit.* 170-71.

<sup>27</sup> *Ibid.* 170-71.

<sup>28</sup> Asok Mitra, ed. *Census 1951, District Handbook Malda*, (Calcutta: Thackers's Press, 1954), Appendix-III, 158.

<sup>29</sup> *Ibid.* 159.

<sup>30</sup> *Ibid.* 159.

<sup>31</sup> Nandini Bhattacharya, "Malda: A Service and Trading Town in a backward rural Region," in *Urbanization, Migration and Rural Change- A Study of West Bengal*, ed. Biplab Dasgupta, (Culcutta: A. Mukherjee & Company Pvt. Ltd, 1988), 505-506.

<sup>32</sup> M. O. Carter, *op.cit.* 16-17.

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<sup>33</sup> Ratan Dasgupta, *Pourasabhar Karyabibaranite Enggrejbazar Shahar: 1900-2000*, (Kolkata: Progressive, 2004), 25.

<sup>34</sup> J.C. Sengupta, *West Bengal District Gazetteers, Malda*, (Calcutta: State Editor West Bengal District Gazetteers, 1969), 129-131.

<sup>35</sup> W.W. Hunter, *op.cit.* 104.

<sup>36</sup> J.C. Sengupta, *op.cit.* 122-127.

<sup>37</sup> Ashim Kumar Sarkar, *Changing Profile of A Bengali District Malda (1932-1953)*, (Kolkata: Classique Books, 2008), 55.