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The Unorganized Sector of Credit: Indigenous Creditors in Late 19th Century Calcutta

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Abstract: *After the fall of the Union Bank in 1848, Bengali businessman in Calcutta became a misnomer in a newly-ordered market place. At the wake of the collapse of Indo-British business collaboration, indigenous business at Calcutta, devoid of the support of the organized credit sector monopolized by the British, fell entirely dependent on the unorganized sector of indigenous credit characterized by exorbitantly high interest rate. The Bengali bania's univocal subjection to extra-market equations within a lopsided market place attuned to White racial interests perpetrated his discomfiture in the credit market as also in a free market economy.*

Key words: *Unorganized credit sector, Colonial Calcutta, Bengali traders, Moneylenders, Creditors.*

Introduction

The present paper, in its limited scope, aims at exploring the unorganized sector of private credit in late 19th century Calcutta, which kept afloat the matrix of indigenous business or the little of it that lingered on after the consecutive commercial crises of the 1830s and 1847-48. The mid 19th century vindicated a new truism about the position of the colonized *vis-à-vis* their masters in Calcutta's trade and business. The transition from mercantile monopoly to free market economy required a reinvention, by the middle of the 19th century, of the prevailing structure of power and privileges for protecting free trade imperialism in India. Informed by a new language of the 'social' and the 'institutional', the extra-legal discourse that followed at the wake of the transition called for an indubitable cognizance by the colonized of the gesticulations of hierarchical status in a quickly evolving market place. The entire process involved the emergence of a public sphere controlled by mechanisms of a new market economy in which the enterprising Bengali was placed in a position of quirky but axiomatic subjection. Gone were the days of Indo-British collaborationism in trade and commerce; the Bengali trader now learnt to negotiate around the new concepts of a *free* market economy by coming to terms with the normative dictates of the new market place. This involved, among other things, sole dependence on the unorganized private sector of credit in the face of non-accessibility of the organized sector of mercantile credit monopolized by the Europeans.

The backdrop

The transfer of governing authority of British India from Company to Crown symbolized a terminal phase of transition from mercantilist monopoly to free market economy that had begun with the passing of the Charter of 1813. But the official attitude towards a hypothetical capitalist transformation was deceptive. It is true that the Raj had opened up the remote agrarian interiors to deeper market penetration by building railroads, by introducing the electric telegraph, by throwing up port facilities, and by streamlining the currency and credit network. However, none of these helped the growth of a truly competitive economy in Bengal, or for that matter in India. The prohibitive system summed up in the law-state combine had two visible aspects: monopolistic selling and monopsonistic buying on the part of the colonial rulers, as also prohibition and discouragement of indigenous manufactures. Although Lord John Russell[1], while addressing the House of Commons in early 1850, maintained that British colonial policy should not 'recede from the principle of free trade',[2] in reality, however, the economic and social relations of dependency and control promoted by the colonial governance ensured both captive labour and markets for European industries and goods.[3] As Lord Brougham[4] pointed out, the line of employment most profitable to the inhabitants of all new settlements was the raising of raw produce.[5] True to this official directive, almost total conversion of Bengal's exports to raw produce had been effected by the 1830s.[6]

The second half of the 19^{th} century witnessed a steady decline of Bengali business enterprise in Calcutta. The lively tradition of Indo-British business collaboration that dug deep roots in Bengal in the first half of the 19^{th} century to find culmination in the commercial success of Dwarkanath Tagore (1794-1846) had succumbed to a series of pressures to die an inglorious death in course of the second half. By the time the Charter Act of 1833 was passed, the puffing chimneys that spread north and south along both sides of the Hooghly presented 'the spectre of a second Lancashire on the bank of the Ganges, which could beat the original with cheap Indian labour and raw material'.[7] The question then arose, would India become strictly a producing country exporting all her produce to Great Britain to be manufactured, receiving in return cheaper and more serviceable manufactures, or would India be able to manufacture for herself the immense quantity of cotton manufactures consumed by the indigenous population?[8] An English onlooker remarked in the mid 19^{th} century that before America grew a pound of cotton, India produced from cotton grown upon her own soil finer muslins 'than all the skill of Manchester can even now rival…India still possesses the same soil, climate, and population'. With half the length of railways which were then open in America and with improved navigation of her rivers, India would 'compete successfully with all other countries in supplying Great Britain not only with cotton, but with wool, hemp, linseed, and many other articles…'[9] It was estimated that India could manufacture by machinery at a cost 20% less than Great Britain could sell British manufactures in the Indian market.[10] By 1840 it appeared that Bengal's economy stood poised for sustained economic take-off and that Calcutta and its hinterland were on the threshold of a small-scale industrial revolution.[11]

But that proved to be a belied hope. The commercial crisis of 1847-48 shattered indigenous participation in business. The fall of the union bank in 1847-'48 brought home the fears of investing indigenous capital in banks and joint stock companies. The Union bank, a glaring example of Indo-British business collaboration had, out of a total of 12 directors, 4 Indians on its board (Rustamji Kawasji, Dwarkanath Tagore, Prosonnocoomar Tagore, and Radhamadhub Banerjee).[12] The collapse of the Union Bank, which was designated by Lord Dalhousie as the 'robber of the widow and the orphan'[13], created widespread panic in indigenous society. The *Bengal Hurkaru* noted on 28 August 1848:

> As to the natives, who it is so desirable to see becoming members of joint stock companies, the Union bank affair has given a death blow to their confidence in any such associations. We have heard several highly respectable natives declare that nothing would induce them to take shares in any of them and that such was the general feeling among their countrymen.[14]

A number of factors inhibiting indigenous enterprise – absence of limited liability regulations, official apathy for extending surveillance and support to Anglo-Indian commercial ventures, a ledger-book attitude of British jurisprudence and governance, and above all the deceptive official attitude towards free trade imperialism – all could be read in their relation to and representation of *power*. Reduction of power to the law of prohibition in a colonial milieu enabled power to be thought of only in negative terms: refusal, limitation, obstruction, and censorship.[15] The wielding of power as the instance of negation secured the subjection of the subject race at all levels: real and imaginary, economic and social. This polemical representation of power in the public sphere made possible the emergence of a certain economic management, which was geared to European capitalistic needs. Power relations were indeed developed to 'serve' a lopsided economic arrangement attuned to White racial interests.[16] Within the structured limits of a colonial market society, the Bengali trader found himself placed in a position of univocal subjection. The market society spared spaces for an unequivocal comprehension of his subservient status by carefully limiting his scope in the market place. The process involved both un-forming of the old mercantile hierarchy and re-forming of a new. Also inherent in the process was a binary opposition and an irreconcilable contradiction between the *pragmatic* (a 'White'-washed 'free' trade imperialism) and the *ideal* (assurance of an egalitarian society summed up so convincingly in the Queen's Proclamation in 1858). The Bengali *bania* or the indigenous trader, after the mid-century, learnt to negotiate within the re-ordered market place by coming to terms with the redefined edifice of power and privileges. The *banias*, who once controlled the Company servants at the market place for the latter's lack of capital,[17] were now required to forge a new understanding of their inferior status in a society that was being dictated more and more by the norms of *free* market economy.

Lack of mercantile capital

The absence of the law of primogeniture in Bengal proved to be a veritable stumbling block in the way of accumulation of capital. Although some of the leading literati of the indigenous society[18] and a few vernacular newspapers[19] were advising against the introduction of the law of primogeniture in eastern India, the existing system of *dāyabhāga*[20] did keep investible capital divided and scattered in Bengal. In 1855, there were at most two or three families in Bengal (that also included Bihar and Orissa), which could pride themselves on having a clear annual income of above £50,000 or five lakhs of Rupees a year, the source of their income being land. The number of the members of this class in England in 1855 was 39, land here too, being the only source of income. Table 1 shows the comparative wealth of the propertied families in England and in Bengal in 1855.

Table 1

Statement Showing the Comparative Wealth of the Propertied families in England and Bengal

Income per year (in £)	**Number of Families**		**Sources of Income**	
	England	Bengal	England	Bengal
50,000+	39	2-3	Land	Land
10,000—50,000	435	100	Mostly land, banking, trade. Manufacturing, salaried professions	Mostly land, trade and banking
5,000—10,000	736	100+	Land, trade, banking, salaried jobs and professions	Mostly land, trade and banking

Source: 'The Comparative Wealth of England and Bengal', *Hindoo Patriot*, 11 October, 1855, in Benoy Ghose, *Selections from English Periodicals of Nineteenth Century Bengal, vol.III: 1849-56*, Calcutta, Papyrus, 1980, pp.194-197.

It is evident that neither in England nor in Bengal the column of £50,000+ included men from professions. Nor was there a single merchant in this income group monopolized by landholders either in England or in Bengal. Families having income ranging between £10,000 and £50,000 a year counted 435 in England and 100 in Bengal. In either of the countries, it was once again the landowners who were predominant in the second income group. In Bengal, however, only 6% of the members of the second group lived by combining banking with trade, which meant that the majority of 94% of the members of the second income group lived entirely on landed income. The next group, whose annual income ranged between five to ten thousand Pounds, numbered 736 in England and a little above a hundred in Bengal. This group in England included a considerable number of salaried and professional men, though the landed people still constituted a comfortable majority with merchants and bankers forming a pretty large contingent. In Bengal, the break-up of the third section more or less resembled that of the second section. But unlike the third income group in England that in Bengal did not include a single professional or salaried person.

Around the mid-century, Bengali entrepreneurs and businessmen were being systematically nudged out of government patronage and debarred from the facilities of overseas markets and western technology, which were crucial in an otherwise crowded field already dominated by Europeans.[21] Some among the Bengali businessmen who had previously managed to survive the collapse of the Agency Houses (1830-34) were simply pauperised by the failure of the Union Bank. The case of the Dey brothers (Ashutosh and Pramathanath Dey, sons of Ramdulal Dey) furnishes with one of the most glaring examples of how constant loss of capital throughout the crises of 1830s and 1840s had impoverished and ruined some of the wealthiest families of Calcutta.[22] With illusions of Anglo-Indian commercial cooperation finally laid to rest, indigenous enterprise after the middle of the 19th century tended to confine itself to short-term money lending, barren rentierism, or at best petty speculation in the share market. People preferred investing in Company papers to venturing in trade and business.[23] A parliamentary return showed that of the £36,00,00,000 of the Indian debt in 1847, £13,00,00,000 (32%) were held by the Indians by way of Company papers.[24]

Ever since the foundation of the Bank of Bengal in 1808, the indigenous trading community was discriminated against and kept at bay in matters of advancement of credit by the bank authorities.[25] The Banks of Bengal and Madras had no Indian director on their boards between 1876, the year of their constitution as Presidency Banks, and 1921, the year of their amalgamation into Imperial Bank of India, except for a year or two during the closing years. The directors and senior officials of other major joint stock banks such as the Mercantile Bank, the Alliance Bank of Simla, or the Allahabad Bank were Europeans. All these joint stock banks, whose doors were closed to the Indians, had easy access to public deposits and overseas money markets to the benefit of the European traders only. Even outside this organized sector of credit, every obstacle was created on the path of the Indian trader by an interfering colonial state. Whenever, taking advantage of the stringency in the money market, Indian private moneylenders attempted to register a hike in the interest rate, the government stood on the way by floating money on low interest rates from its revenue deposits.[26] Thus, bias for European business was inherent in the official credit structure. The propensities attendant upon such prohibitive practices involved a growing unfamiliarity with and a complete detachment from institutionalized financing on the part of the indigenous traders. On being refused by the organized credit sector, Bengali traders, already handicapped by a chronic shortage of investible capital, had no other way but to turn to the local, indigenous, unorganized sector of private credit, where the rate of interest was considerably higher and credit was available on only short-term basis.

Changes in property laws and laws relating to indebtedness

As property laws in colonial India underwent profound changes, from mid 19th century onwards the number of litigations concerning landed property was on the hike. In Bengal, the number of such litigations exceeded the 600,000 mark a year.[27] It was in course of the second half of the 19th century that the traditional usury laws were weakened while the right to acquire ancestral property to meet the debts of individual joint family members was strengthened.[28] Although there were instances of members of Hindu families trying to restrict the chances of partition of their ancestral house and premises by entering into legal covenants,[29] the inevitable could not be averted. The court of law ruled that the fact that one member of the family was separate in residence and mess in no way affected his position as to the ancestral property until a separation in estate had taken place.[30] All this led to what an observer called 'the real "property" revolution in the Indian state'[31] under colonial rule.

The laws of contract with regard to indebtedness came under severe state vigil, while the judiciary went deeper into the terms of mortgages and debt contracts in the light of 'fairness'.[32] The Supreme Court in one of its rulings in 1851 established the right of a judgment creditor[33] to redeem a mortgage standing in the way of his execution.[34] Hitherto a judgment creditor had no such rights in India. Owners of real property, placed in pressing circumstances, raised sums of money by mortgaging portions of their immoveable property, and thus practically succeeded in keeping their creditors at bay. The equity of redemption[35] was not sizeable, and as long as the friendly encumbrancer declined being paid off, the lands were considered safe from all molestation by other creditors. The decision of the Supreme Court was thus a great boon to creditors holding unsatisfied judgments, where the debtor had lands mortgaged to an amount much below their actual value.[36]

The Calcutta High Court in its Original Civil Jurisdiction ruled in the late 1870s that the phrase in 11 and 12 Vict. c.21 s.51 relating to debts contracted ‘without having any reasonable or probable expectation at the time when contracted of paying them’ were pointed not at the case of a man who incurred a debt knowing that he could not repay that debt. The court further ruled that the provision in the same section, ‘if it shall appear that the insolvent’s whole debts so greatly exceeded his means of providing for the payment thereof during the time when the same were in course of being contracted, reference being had to his actual and expected property as to show gross misconduct in contracting the same’, applied not to this or that debt, or any particular class of debts, but to all the debts contracted for some years past.[37] Elsewhere, the Calcutta High Court ruled that the Court would afford no protection to persons who willfully and knowingly entered into extortionate and unreasonable bargains. It was only where a person had entered into an extortionate bargain, and it was shown that he was in ignorance of the unfair nature of the transaction, that the Court was justified in interfering.[38]

The provision in the rule of Hindu Law that more interest than the principal could not be recovered, had not been abrogated by Act XXVIII of 1855 in the case of Hindus living in Presidency towns, but were not applicable to the mofussil courts which were governed by Act VI of 1871.[39] On one occasion the court ruled that a stipulation in a debt bond that interest on the principal sum lent should be paid six-monthly, and if not paid, should be added to the principal and bear interest at the same rate, was not one of a penal nature.[40] Such judicial rulings must have encouraged professional usurers to charge interest at will. Although in an action against a surety for principal and interest payable on a promissory note the Calcutta High Court held in 1872 overruling the decision of the lower court that the creditor, by mere acceptance, without the knowledge of consent of the surety, of interest in excess of what was due on the promissory note, bound himself to give time to the principal debtor,[41] the decision seems to have little bearings on the supply of private credit in Calcutta. Under Act IX of 1871, the limitation on a promissory note payable on demand was three years from the date of making the demand.[42] However, Article 73 of the Second Schedule of the Indian Limitation Act XV of 1877 provided that the period of limitation for three years commenced from the date of the note, thereby though not altering the legal effect of promissory notes payable on demand, shortened the period of limitation prescribed for a suit to the discomfiture of the creditor.[43] This might have induced the creditor to further shorten the time of repayment.

'Informal' creditors of Bengali traders

A sizeable section of the creditors of the indigenous debtors in 19th century Calcutta came from the latter's own respective occupational communities. According to this general pattern, creditors of a cloth merchant were mostly other cloth traders or men connected with cloth trade; the creditors of a rice trader were generally other rice traders; even the creditors of a clerk were usually clerks and writers. Existing credit relations revealed that the contracting parties in such 'informal' credit relationships were bound together by more than a cash nexus: they were often also friends, neighbours or fellow businessmen. As in Victorian England, in Victorian Bengal too such 'networks of mutual lending … encouraged all parties to surround their contractual agreements with a scaffolding of extra-legal customs, obligations and expectations'.[44]

Should a merchant be suddenly pressed for a sum of money, even to the amount of 200,000 or 300,000 rupees, he would find no difficulty in procuring the sum from his brother merchants at only six % interest. But for others the demand would be 12, 18, 24, or even 30%, according to the risk involved.[45] Thus, the indigenous merchants charged a rate proportionate to the security or good faith of the borrowers. Almost 80% of the debts of Kisto Chunder Holder, a cloth trader, at the time of his insolvency in 1865 were repayable to fellow cloth merchants and firms of Burra Bazaar.[46] Issur Chunder Bose and Nilcomul Mitter, cloth merchants, were indebted to 42 creditors in 1860. More than 90% of their liabilities were claimed by other cloth merchants and cloth dyers of Calcutta.[47] During his second insolvency in 1864, Isser Chunder Mookerjee, dealing in cloth, had 27 creditors, of whom 18 were cloth shopkeepers.[48] Again, 11 out of 13 creditors of Kassinauth Paulit, a cloth shopkeeper to turn insolvent in 1863 were cloth sellers.[49] All the creditors of Koylas Chunder Bagchee and Kadarnauth Dey, both cloth merchants, who went broke respectively in 1862 and 1873, were cloth sellers of Calcutta.[50] Fellow cloth traders of Burra Bazaar topped the creditors' list submitted before the court by Kallychurn and Shamloll Khettry, dealers in cloth, at the time of their joint insolvency in 1865.[51]

Similarly, all the creditors of Kassee Nauth Mondle and Bhuggoban Chunder Ghose, rice merchants to become insolvent in 1865, were traders in rice.[52] The claimants of almost 65% of the total debts of Kally Kinkur Chuckerbutty, a linseed merchant, were other linseed traders who constituted more than 73% of his creditors.[53] About 95% of the entire liabilities of Kallydoss Bannerjee, a marine store supplier, were repayable to other suppliers.[54] Likewise, 59% of the business liabilities of Muttyloll Bose and Kadernauth Ghose, ships *banias*, were to be repaid to traders and suppliers dealing in articles for anchored ships.[55]

Outside the circle of traders and businessmen, the same rule applied, though partially, to some of the insolvent clerks as well. Other clerks claimed the lion's share of 58% in the entire debt of Kissen Chaund Mitter, a clerk who went broke in 1875.[56] Kally Churn Ghose collected 41% of his loans from fellow clerks and writers before he went bankrupt in 1872.[57]

Thus, a sizeable portion, and in some cases the majority of the creditors of the debtors in late 19th century Bengal belonged to the same occupational group to which the debtor himself belonged. The reason behind this seems to be that most of the business transactions in late 19th century Calcutta were held on mutual trust. The traders purchased their trade articles from local suppliers either on credit or on partial payment on the understanding that within a stipulated time the suppliers would realise back their due. There were numerous court cases where the defendant executed to the plaintiff a bond for the payment of the balance found to be due from the defendant to the plaintiff upon an adjustment of the account of their mutual dealings. Such bonds generally contained the following stipulation: 'I shall pay the money after causing the payment to be entered on the back of this bond or after taking a receipt for the same; I shall not lay any claim to any payment made except in this way'.[58] Bulk sales were held on cash payment and indulgence up to three or four months on the bills of such sales was permitted.[59] Such a practice was widely in vogue within indigenous trading circles because of two reasons: i) Bengali tradesmen were generally petty traders with little investible capital, and ii) the organized credit sector, so effectively monopolized by the Europeans, was inaccessible to the indigenous traders of Calcutta.

Professional moneylenders

Apart from the 'informal' creditors, there did exist in 19th century Calcutta a distinct class of professional moneylenders whose sole occupation was short term usury. Changes in property laws and laws relating to indebtedness from about the middle of the nineteenth century made money-lending a lucrative occupation. However, the extension of the insolvent debtor laws to India[60] had made it difficult to procure loans of money whether for mercantile or other purposes. The fear of punishment alone induced a great number to pay their debts, and that the punishment was lessened with the advent of insolvency regulations, neglect or refusal to pay was the consequence.[61] This might have given rise to short term loans on very high interest rates in local unorganised circles of credit. The time for repayment of loans with interest was usually one year, which could be extended up to two to three years depending upon the mutual relation of the creditor and the debtor, financial condition of the debtor, and other related factors. The usual rate of interest was 12% per annum, considered a century earlier even by the Home authorities as 'exorbitant' and hence 'rank poison', 'which eats deep and insensibly'.[62] However, the interest rate could be increased or lowered depending on the credibility of the debtor, his repayment capacity, availability of credit, terms of contract, stipulated time for repayment, condition of money market etc. Loans on pledging or security deposit normally carried lesser interest rates, while loans on promissory notes, hand notes, *hautchittahs*,[63] *khuts*[64] *and hoondees*[65] involved higher rates of interest. The interest rate in small loans where the borrower pawned some article such as ornaments or household vessels varied from 19% to 37½% per annum, while in larger transactions the rate varied from 12% to 24% a year. When a loan involved a mortgage upon houses or lands, the rate varied from 12% to18%.[66] A few big indigenous banking establishments had cropped up in Calcutta.[67] A favourite mode of keeping accounts was the Gunga-Jumna, by which the creditor was allowed interest on the original debt till the entire loan was liquidated.[68]

12% was the legal rate of interest in India.[69] However, the indigenous moneylender had many ways of evading the legal rate, one of which was simple enough. The lender would actually advance sixty, seventy or eighty per cent of the entire loan agreed upon, the undelivered residual being considered as security of the borrower – good, bad, or indifferent. A bond was drawn out for a hundred at 12% interest, and a couple of witnesses were then called in to witness the bond, before whom the borrower was acknowledged to have received cent per cent of the loan, and the matter was settled. Should a suit be filed for the debt, the witnesses swore to the above effect, and a decree was given as a matter of course.[70] Another favourite practice was frequent making up of accounts at high interest. In such cases, either the debtor was required to sign a new bond, or to sign an acknowledgement that the account was right, upon which fresh interest was charged.[71]

The indigenous credit market was represented by moneylenders and shroffs, as also by traders and landowners combining their actual occupation with short-term usury.[72] Calcutta High Court insolvency papers are replete with references to professional moneylenders, both big and small, ranging from big banking institutions to the *nakadi mahajans*,[73] the mortgage lenders, shroffs, and people advancing ready-money on *hautchittahs* or *khuts.* Available information suggests wide variations in the social standing of this money-lending community in late 19th century Calcutta. Money-lending was hardly the monopoly of any single caste group.[74] Professional lending of money at high rates of interest was common amongst a host of castes. Some of them advanced credit on mortgages, some on promissory notes and *khuts*, some others on illiquid securities, while still some others simply on business trust. With the circulation of a unified coinage all over the country, the local shroffs had switched over to full-scale moneylending. Surnames of Bengali moneylenders available in the insolvency documents include Chatterjee, Mookerjee, Ganguly, Ghosaul, Chuckerbutty, Bose, Mitter, Ghose, Roy, Dutt, Bysack, Baugchee, Holder, Nundi, Day, Pyne, Dhur, Doss, Saha etc. Moneylending was comparatively more common among people bearing the following surnames: Bose, Mitter, Day, Holder and Dhur. Most of the moneylenders were purely professional, whole time usurers. But many of them were big or petty traders, shroffs, bankers, *banians*, agents, brokers, clerks, cashiers and landlords advancing loans on short term basis.

Credit had ever been the linchpin of trade and commerce. Commenting upon the subject of imprisonment for debt of British insolvent debtors before the House of Lords in June 1844, Lord Ashburton contended that nothing might be done injurious to the system of credit, for 'credit there must always be; and it had hitherto been to the praise of this country that her credit was unimpeachable.' The system of credit was extended from the greatest merchant down to the smallest trader, and 'any bill which should be injurious to their interests could not fail of being detrimental to the interests of the country.'[75] After having resigned from office in India, back home, William Bentinck admitted in reply to a letter from A. Rogers, Master of Calcutta Trade Association that 'the state of credit in India stood upon the most rotten footing—the fraudulent and unprincipled alone profited by it—the honest buyer and seller were the victims.'[76] However, a high interest rate was not considered a ground for invalidating a debt.[77]

Notes of demand such as *khuts* and *hautchittahs* were at times payable in installments and contained a stipulation that on default in payment of the first installment, the whole amount was to become due.[78] As per the Stamp Act XVIII of 1869, Schedule II, Section 5 affixing of stamp at the head of the account in the *hautchitttahs* was made mandatory for admissibility in evidence of any claim before the court. Want of required stamps made any claim inadmissible before the eyes of law.[79] Bigger loan amounts could be arranged on government securities, company papers, mortgages of real property, and other kinds of illiquid assets. The atmosphere of confidence bred by the new legal system and judicial establishment ran so high that it was not altogether impossible to secure fresh loans for a trader even after insolvency.[80]

About one-half of the cases which the colonial courts were called upon to decide were simple demands for debt, foreclosing of mortgages, or release from mortgages.[81] Instances of creditors claiming their dues back from defaulting clients on account of various court decrees including those of small causes courts abound the insolvency documents of late 19th century Bengal.[82] Equipped with the new legal arrangements, urban and mercantile capitalists felt induced to claim a share in their defaulting debtors' assets. This led capital away from productive investment and kept it confined to mere relations of rentierism, commodity speculation and short term usury. Even landlordial profits displayed similar tendencies in Bengal. Quite a substantive portion of landlordial profits was being reinvested in short term usury. For instance, almost 46% of the debts of Kally Churn Ghose, a clerk in a European attorney firm, were repayable to landlord-moneylenders in 1872.[83] Money-lending seemed to be a secure occupation in which, despite the risk of confronting defaulting clients and bad debts, there was ample opportunity for reaping handsome returns. Besides, the court was always there to protect the interest of the creditor-moneylender.

The case of Kristololl Gossain carrying trade and business as general dealers and painters at Bentinck Street under the name and style of Bengal Printing Company in co-partnership with one Woomesh Chunder Gossain may be cited as a glaring example of how moneylenders and creditors received court protection against their defaulting clients. Kristololl Gossain, on the brink of bankruptcy in 1873, had five business creditors and thirteen private creditors, his debt to each of the two groups of creditors being Rs.24,652-0-9[84] and Rs.5,582-1-0 respectively. Nearly 98% of his debt to the first group of creditors was payable on account of a number of High Court decrees issued in favour of the creditors.[85] The following statement is likely to reveal the nature and extent of Kristololl Gossain's liability to his business creditors:

Creditor No.1

Joygopaul Bysack of Calcutta, Moneylender – Amount due: Rs.2751-10-8 – Date of Contract: 20 February 1873 – Admitted – This creditor lent and advanced Rs.2,500 on a joint and several promissory notes signed by me and my partner Woomesh Chunder Gossain on 29th July 1872, and has obtained a decree from the High Court in its Ordinary Original Civil Jurisdiction against me and my said partner for Rs.2751-10-8 with costs and interests at 6% per annum.

Creditor No.2

Kissory Mohun Roy of Hautkhollah, Calcutta, Merchant – Amount due: Rs.5,743-5-4 – Date of Contract: 24 February 1873 – Admitted – This creditor lent and advanced Rs.5,000 on a joint and several promissory notes signed by me and the said Woomesh Chunder Gossain on 29th June 1872 and has obtained a de3cree from the High Court for Rs.743-5-4 with costs and interests.

Creditor No.3

Chundermohun Soor of China Bazaar, Calcutta, Shop keeper – Amount due: Rs.2,171 – Date of Contract: 14 May 1873 – Admitted – This creditor has obtained a decree from the High Court against me and the said Woomesh

> Chunder Gossain for money lent and advanced with costs and interests at 6% per annum.
>
> Creditor No.4
>
> Ram Perunjee of Hookaputty, Burra Bazaar, Calcutta, Merchant – Amount due: Rs.13,436-9-6 – Date of Contract: 25 February 1873 – Admitted – This creditor has obtained a decree from the High Court against me and the said Woomesh Chunder Gossain for Rs.12,411-5-6 with costs, which having been taxed, amounted to Rs.1,025-4-0.
>
> Creditor No.5
>
> Shamuldhone Dutt of Calcutta, Attorney – Amount due: Rs.550 – Date of Contract: 3 May 1872 – Admitted – This creditor lent and advanced this amount to me and the said Woomesh Chunder Gossain in one joint and several promissory notes bearing interest thereon at 24% per annum.[86]

Money-lending had become such a secure occupation that most of the Indian traders were in a habit of investing a portion of their business profits in short term usury. The aforesaid general dealer and printer Kristololl Gossain lodged a claim due from his private debtors (to be distinguished from his business debtors) of an unrealized credit of Rs.10,880, more than 76% of which was repayable to him on account of 'money lent and advanced'.[87] This tendency of employing mercantile profits in short term usury diverted an appreciable portion of business capital to unproductive investments.

The Bengali middle class borrowed regularly from such indigenous private moneylenders. More than 50% of the entire debt of Kally Coomar Mullick, a shopkeeper, was repayable to private moneylenders of Calcutta.[88] A produce merchant, Kader Nauth Chowdry, owed private usurers nearly 80% of his total liabilities drawn on *hoondees*.[89] Again, 85% of the entire financial burden of Khetter Mohun Naug, an employee in the Bank of Bengal, was borrowed from Calcutta moneylenders on promissory notes.[90] Bengali moneylenders of Calcutta accounted for nearly 35% of the liabilities of Kally Kinkur Chuckerbutty, a linseed merchant.[91] 96.65% of the total debts of Kessub Chunder Naug, an *arrutdar* (stockiest) at Posta, Calcutta was repayable to professional moneylenders on account of bonds issued and Bengali *khuts* signed from 1861-62 onwards by this trader.[92] Similarly, 72% of the entire liability of the confectioner Mudoosooden Mudduck in 1857 was claimed by moneylenders on account of unmet loans advanced on to him on promissory notes and *hautchittahs*. Issen Chunder Sen, a merchant-cum-agent, had 80.60% of his entire liabilities repayable with interest to urban mercantile men, bill brokers, shroffs and merchant-moneylenders of Calcutta, Lucky Sarai, Monghyr, Patna and Arrah in 1877.[93]

Female moneylenders

Women moneylenders played a significant role in the local, indigenous credit market of Calcutta in the late 19th century. Hailing from both Brahmin and non-Brahmin families, most of the female moneylenders were dwellers of the city and were professional usurers. They offered loans normally on promissory notes and property mortgages. Even women from affluent families lent out liquid cash on interest and on mortgage.[94] The interest rate was usually 12% a year, while amount of loan varied from Rs.25 to Rs.2,500 though advancement of still higher sums of credit was not altogether rare.

Out of the whole female population of Bengal 28,621,785 were reported to be not employed in 1881. The remainder, i.e. 6,200,255 was found employed and were duly distributed into 288 separate occupations. But so small was the number in most cases that only in 42 cases did the total exceed the 10,000 mark.[95] However, below this 10,000 mark, usury and money-lending had occupied an enviable position among various occupations joined by women, registering a membership of 8,961 [see Table 2]. The number of female moneylenders becomes significant once it is placed in mutual proportional comparison with the total number of females grouped together as the ‘commercial class’ in Bengal proper. This ‘commercial class’ comprised a wide range of persons including merchants, bankers, brokers, agents, moneylenders, bill discounters, *cowry*[96] sellers, moneychangers, money dealers, pawn brokers, shopkeepers, general dealers, hawkers and peddles whose total number in Bengal proper was 52,506 in 1881.[97] Thus, 17% of the entire female work force employed in the commercial sector in Bengal was in some way or other associated with money-lending in 1881.

Table 2

Statement showing a few principal occupations of the female population of Bengal by religion in 1881

Occupations	Hindus	Muslims	Others	Total
Thread spinner	225,799	122,031	6,742	354,572
Shop keeper	130,768	23,162	1,659	155,589
Weaver	58,534	37,087	4,590	100,211
Landowner	37,912	11,707	368	49,987
Moneylender	7,387	1,499	75	8,961
Tenure holder	7,214	6,051	1,244	14,509
Merchant	2,227	640	52	2,919
Lease holder	1,333	914	14	2,261
Moneychanger	409	28	61	498
Auctioneer	23	8	1	32
Banker	16	1	--	17

Source: Table No.XXVIII, *Report on the Census of Bengal, 1881,* vol. III, Calcutta, 1883, pp.901-3

Table 3

Statement showing distribution of females associated with indigenous private sector of credit in urban and rural Bengal in 1881

Occupations	Towns	Villages
Banker	2	37
Cowry seller, Moneychanger, Money-dealer	50	463
Moneylender, Bill discounter	1397	9629

Source: Table No. XXIX, 'Statement showing the principal occupations of the female population by locality', *Report on the Census of Bengal, 1881,* vol. III, Calcutta, 1883, p.916.

As Table 3 suggests, the number of females associated with the money market was much greater in villages than in towns. However, whether in towns or villages, the Hindus occupied the foremost position among female moneylenders [see Table 4]. By far, the Hindus constituted the absolute majority among the mercantile womenfolk that included merchants, bankers, brokers, agents, moneylenders, moneychangers, bill discounters, money dealers and *cowry* sellers; and that too not only in Calcutta, but in the surrounding districts, from where the Bengali traders borrowed a considerable portion of business capital on interest [see Table 4].

Table 4

Statement showing proportional distribution of mercantile women by religions in some areas of Bengal in 1881

Places	Hindus	Muslims	Others	Total
24-Pergunnahs	219	49	--	268
Suburbs	61	15	3	79
Nuddea	628	164	--	792
Moorshedabad	211	107	--	318
Burdwan	478	34	--	512
Hooghly	425	44	--	469
Howrah	88	14	--	102
Calcutta	90	7	31	128

Source: Table No. XXVII, 'Statement showing the occupations of the female population by religions', *Report on the Census of Bengal, 1881*, vol. III, Calcutta, 1883, pp.831-91.

Instances of female moneylenders advancing short term and modest amounts of credit to both traders and non-traders abound the insolvency documents of colonial Bengal. The court papers of Mon Mohun Mitter, a *soorkey*[98] mill contractor, contain the names of Pannamoyee Dosse, Soorodhanny Dossee, Rammonmoney Dossee and Prosonnomoyee Dossee whose respective amounts of credit to Mon Mohun Mitter in 1874 were Rs.200, Rs.300, Rs.400 and Rs.25.[99] More than 33% of the total debt of Muttyloll Khettry, a shawl merchant, was repayable to female creditors in 1863.[100] As much as 48% of the liabilities of Muddoo Soodun Bannerjee, a Calcutta broker, were to be repaid to women moneylenders in 1865.[101]

More than 50% of the total debt of Kally Coomar Mullick, a Burra Bazaar shopkeeper, was held as credit by indigenous moneylenders in 1879, while the share of female usurers amounted to more than a quarter of the total claims of the moneylenders.[102]

Bengali female moneylenders included both upper and lower caste women. Participation of ladies from respectable Brahmin families in short term usury, though not considerable, was not rare either. One comes across the name of Khiroda Dabee (wife of Harran Chunder Chatterjee, Head Master of the Government school at Nowgong, Assam in the 1870s), who held as unrealized credit a sum of Rs.2011-8-0 due on a promissory note from Kader Nauth Chowdry, a produce merchant of Calcutta.[103] The only female creditor of Kristo Mohun Sircar, a coolie supplier at the Calcutta Coolie Emigration Office, belonged to a Bengali Brahmin family accounting for 11% of the entire debt of the supplier.[104] Again, names of three Brahmin women figured in the list of creditors submitted before the insolvency court by Koylas Chunder Sen in 1872.[105]

The number of female moneylenders belonging to non-Brahmin families was greater than that of those coming from Brahmin families. Here, a good number of women seemed to have taken to money-lending as full time occupation after losing their husbands. Indeed, widow moneylenders were a distinctive feature in Calcutta's credit sector in the latter half of the nineteenth century.[106]

The female usurers generally lent modest amount of money on interest. However, some of them did advance credit that at times exceeded the 10,000 mark. Mohes Chunder Dutt, a Calcutta merchant, had borrowed Rs.12,650-13-6 on a promissory note dated 1st June 1849, payable on demand with interest at 12% per annum from some Govindmoney Dossee of Hautkhollah.[107] The same merchant was indebted to Soorjeemoney Dossee, another female usurer of Hautkhollah, upon two separate promissory notes—one dated 14th July 1847 for Rs.9650, and the other dated 13th January 1848 for rs.7500, both payable on demand with interest at 12% a year.[108] A resident of Simla, Calcutta and a wholesale and retail cloth merchant Kisto Chunder Holder ran several cloth shops in Bonfields Lane and at Khangraputty, Burra Bazaar in the early 1860s. Of his 41 creditors 8 were professional usurers, of whom 4 were female moneylenders accounting for more than 60% of the total credit advanced by the usurers to this cloth merchant.[109]

The rate of interest charged by the female moneylenders on loans was usually 12% per annum. But there are instances of demanding exorbitantly high interest rates amounting to two annas per Rupee per month (i.e. 150% per year).[110] Loans against property mortgages normally bore the usual 12% rate of interest. Sreemutty Ramdhone Dossee lent Moddoosoodun Dey Rs.385 in 1843 at the rate of 12% per annum. The principal sum was secured by the deposit of Muddoosoodun’s title deeds of a house situated in Burra Bazaar, Calcutta.[111] Advancement of loans on pledging of valuable articles as further security in addition to signed hand notes was not rare either. Modosuddun Seal of Burra Bazaar, a *sircar*[112] by occupation, borrowed Co. Rs.882 in 1852 from some Chund Coomaree Dossee, a Calcutta moneylender. 'This sum was received by me in part of a note granted by me to this creditor for 1000 Rupees. I did as further security for the repayment of this sum pledged with this creditor gold ornaments of the value of Co. Rs.1,000.'[113]

Women moneylenders lending business credit to Calcutta traders were usually inhabitants of Calcutta, though some were residents of the neighbouring districts such as 24-Pergunnahs, Burdwan, Hooghly and Howrah. Within Calcutta, however, Burra Bazaar, Hautkhollah, Baug Bazaar, Colootollah, Jorasanko, Sindooriaputty, Gurranhattah, Nimtollah Street, Pyratollah Street, and Rambagaun had developed into busy local pockets of indigenous private credit, from where the female usurers operated.[114] Local knowledge of the female moneylender had to be impeccable and thorough as she was required to weigh up the credit-worthiness of her clients for advancement of cash. It was a routine process for regulars and neighbours, but for those whom the female lenders hardly knew production of credentials and/or collateral securities was a must.

Conclusion

Power relations within the colonial market place were devised to ‘serve’ an uneven economic arrangement for privileging White racial interests. Law, in the hands of the colonial masters, became an instrument of power that was at once complex and partial. The Bengali trader after mid 19th century learnt to negotiate around this truism by coming to terms with the process of reinvention of the structure of power and privileges mapped within the ordered domain of trade and commerce. The indigenous traders were now induced to come to terms with the reality and forge a new understanding of their subservient position in a market society run by the newly devised normative codes of a *free* market economy. The structured form of the colonial market place, with its effects of prohibition, thus needs to be re-read in the context of a number of extra-legal mechanisms.

If one examines the demand side of the equation it is easy to see why the market for loans in Victorian Calcutta always remained strong. Apparently, a chronic shortage of business capital accounted for the discomfiture of the Bengali traders. The large majority among them had practically no paid up capital and ran business on borrowed money and trust-purchase. Business capital was borrowed from the local, indigenous sector of credit, where rate of interest was unusually high than that in the organized sector. This unorganized, private sector of local credit was the only resort for the Bengali traders especially after the mid-century more in view of their relative inaccessibility to the organized sector of credit, which had long grown into a White collective monopoly in eastern India. Almost none of the insolvency documents of the Bengali traders in the late nineteenth century included names of European banks in the lists of creditors. Bengali traders were deprived of the advantages of long term credit advanced at a lower rate of interest. This relative disability of the Bengali traders kept them handicapped from the very beginning.

The indigenous credit market was represented by professional moneylenders and shroffs, as also by men combining their actual occupation with short-term usury. The stipulated time for repayment was usually one to two years, and could scarcely be extended up to three years. Most of the creditors of the Bengali debtors were Bengalis and residents either of Calcutta or of the suburbs, and were in some way or other associated with Calcutta's trading world. The fact that the creditors for the most part supplemented their actual occupation by money-lending suggests that private usury had cropped up as a lucrative profession within indigenous circles. Even people of humble resources took to money-lending for supplementing their income. As for the female lenders, they usually needed very small capital sums to fund their business. They normally advanced modest sums and catered to the needs of the ordinary. Apart from lending money, some of these women would have the cushion of a side business or the husband's income. However, a great many of the female creditors were widows, and, as insolvency papers suggest, some were residents of red light areas such as Rambagaun or Gurranhattah.

The social composition of the ‘informal’ creditors shows that a significant portion of them were part of the same community as those who borrowed from them. A good number of creditors were members of the same trading community to which the debtor himself belonged. This tends to suggest that the social reverses involved in the process of insolvency were largely absorbed within and remained confined to the very same community of people. In other words, the financial benefits accruing out of the insolvency of a given insolvent trader remained largely confined to his own community; bankruptcies and insolvencies did not necessarily facilitate the rise of a new ginger group within the Bengali mercantile community at the expense of the bankrupt traders.

However, the social and cultural relations created by credit continued to play a major role in the lives of the related classes in late-nineteenth century Calcutta. Existing practices of mutual lending often revealed social relations that were extended beyond hardcore market considerations. This partly explains the widespread phenomenon of sale on trust and/or on credit. It is here that credit was endowed with a distinct social and cultural character. This added distinct cultural epithets to economic exchange in a remarkably vivid way, demonstrating how extra-market considerations of customs, obligations and expectations often shaped the course of economic transactions. Economic activity remained a fundamentally social activity, embedded in historically specific cultural norms and expectations that often curb the efficacy of analytic categories derived from classical political economy. Why else should Ramgopal Ghose, before a few days of his death in January 1868, burn all the debt bonds and hand notes worth forty thousand of rupees due to him by his friends?[115]

Endnotes:

[1] John Russell (18 August 1792—28 May 1878) was a liberal Whig reformist Parliamentarian to become the Prime Minister of England twice—1846-52, and 1865-66.

[2] *The Indian News and Chronicle of Eastern Affairs*, London, 21 February 1850.

[3] Ania Loomba, *Colonialism/Postcolonialism*, Routledge, 1998, 1st Indian Reprint, 2009, p.11.

[4] Henry Peter Brougham (19 September 1778—7 May 1868) was a famous British statesman of the 19th century to become the Lord Chancellor of Great Britain.

[5] Brougham quoted in John Davidson, 'England's Commercial Policy Towards Her Colonies Since the Treaty of Paris', in *Political Science Quarterly*, vol.14, No.1 (March 1899), p.56 accessed and downloaded on 15.11.2013, at

http://www.jstor.org/stable/2140075

[6] A.K. Bagchi, *The Evolution of the State Bank of India: The Roots, 1806-1876, Part I: The Early Years, 1806-1860,* Bombay, OUP, 1987, p.165.

[7] A. Tripathi, *Trade and Finance in the Bengal Presidency, 1793-1833,* Bombay, 1956, p.228. Cf. Blair B. Kling, *Partner in Empire, Dwarkanath Tagore and the Age of Enterprise in Eastern India,* Calcutta, Firma KLM, 1981, p.50.

[8]J.A. Mann, 'On the Cotton Trade of India [with Discussion]', in *Journal of the Royal Asiatic Society of Great Britain and Ireland*, vol.17 (1860), pp.350, 368, accessed and downloaded on 15.11.2013 at

http://www.jstor.org/stable/25581238 .

[9] John Dickinson, 'The Judicial System', in *India Reform, No.VI, The Government of India Under a Bureaucracy*, London, 1853, p.74.

[10] J.A. Mann, 'On the Cotton Trade of India [with Discussion]', in *op. cit.*, p.374.

[11] Blair.B. Kling, *op. cit.*, p.4.

[12] N.K. Sinha, *Itihas Gabeshana*, Calcutta, 1988, p.4.

[13] Hindoo Patriot, 11 January 1855, in Benoy Ghose, *Selections from English periodicals of Nineteenth Century Bengal, Vol.III, 1849-56,* Calcutta, Papyrus, 1980, p.157.

[14] Quoted in Blair B. Kling, *op. cit.*, p.223.

[15] For a discussion on 'power' interpreted purely in negative terms see Michel Foucault, *Power/Knowledge, Selected Interviews and Other Writings, 1972-1977,* Colin Gordon (ed.), N.Y., Pantheon, 1980, Chapter 7.

[16]The multifarious social connections, the informal meetings and the club-life ties between the White businessmen and White officialdom in eastern India had earned the former, to the detriment of the Indian businessmen, 'the silent sympathy from the mystic bond of racial affinity with the rulers of the land, which procured them invisible, but not less effective, advantages in their competition with the indigenous rivals.' For a detailed discussion on White collective monopoly in the commercial world of eastern India, see A.K. Bagchi, *Private Investment in India, 1900-1939*, Cambridge, CUP, 1972.

[17] 'The Bazaar Memorial, the Memorial of the Master, Wardens, and Members of the Calcutta Trade Association to William Cavendish Bentinck, Governor-General of India, dated 31 January 1835', in *Report of the Proceedings of the Calcutta Trade Association, from its Foundation in 1830 to December 1850, with Appendix*, Calcutta, 1852, p.170.

[18] Akshay Kumar Dutt, for example, vehemently attacked the system of eldest son inheriting the entire ancestral property to the detriment of his siblings. See *Dharmmaneeti, Pratham Bhag*, Calcutta, 1863, p.173.

[19] Letter to Editor, *Somprakash*, 2 February 1863.

[20] The Hindu law of inheritance developed by the twelfth-century lawgiver Jimutvahana was known as *dāyabhāga*. It referred to equal partition of familial property between brothers, and was in opposition to *Mitāksharā* applying to the whole of India except Bengal and Assam, which provided for succession in favour of the eldest son.

[21] A.K. Bagchi, *State Bank*, *op. cit.*, p.217.

[22] *Bengal Hurkaru*, 2 May 1848; *Allen's Indian Mail and Official Gazette from British & Foreign India, China, & All Parts of the East,* London, 27 March 1848 and 2 May 1848. Also, *The Indian News and Chronicle of Eastern Affairs*, London, 5 January 1849.

[23] Mohendronauth Mitter *vs.* Koylasnauth Bannerjee, 25 July 1864; also Sm. Bamasoonderee Dossee *vs.*Nilmoney Chunder and Others, 8 August 1864 in Edgar Hyde, *Reports of Cases Argued and Determined During the Year 1864, in the High Court of Judicature at Fort William in Bengal in its Ordinary Original Jurisdiction and on Appeal therefrom*, Calcutta, Messrs. Thackers Spink & Co., 1865, pp.121-125, and pp.200-201. See also, Letter to the Editor, *Sambad Prabhakar*, 8 December 1849. The *Samachar Chandrika* reported on 6 August 1877 that company shares worth 24 crore of Rupees were sold within only three days.

[24] *Friend of India*, cited in *Allen's Indian Mail and Register of Intelligence for British and Foreign India, China, and All Parts of the East,* London, 29 April 1853.

[25] Sabyasachi Bhattacharya, *Oupanibeshik Bharater Arthaneeti, 1850-1947,* Calcutta, Ananda, 1396 B.Y., p.100.

[26] For a discussion on the colonial government's domination of Calcutta's money market see A.K. Bagchi, *The Evolution of the State Bank, op. cit., Part I*, pp. 106, 109-10.

[27] *Bengal Provincial Reports on the Administration of Civil Justice,* Annual Series, 1860 onwards.

[28] See Elizabeth Whitcombe, *Agrarian Conditions in Northern India,* California, 1972, Chapter 5.

[29] Ramdhone Ghose *vs.* Annundchunder Ghose, 16 May 1864, in Edgar Hyde, *op. cit.*, pp.93-103.

[30] D. Sutherland, *The Digest of Indian Law Reports: A Compendium of the Rulings of the Several High Courts in India and of the Privy Council from 1876 to 1881, vol. II,* Calcutta, Thacker, Spink & Co.,1881, p.16.

[31] D.A. Washbrook, 'Law, State and Agrarian Society in Colonial India', in *Modern Asian Studies,* 15, 3, 1981, p.671.

[32] *Ibid.*, p.674.

[33] A party that wins a monitory award in a suit of law is a judgment creditor. A judgment creditor is legally entitled to enforce debt-claims on the losing party (the judgment debtor) with court assistance.

[34] *Bengal Hurkaru*, 10 December, 1851.

[35] Equity of redemption is the aggregate of the mortgagee's rights in the mortgaged property. It refers to the right of the mortgagee over the mortgaged property, particularly the right to redeem the property on payment of the principal, interest, and costs.

[36] *Bengal Hurkaru*, 10 December, 1851.

[37] D. Sutherland, *op. cit.*, p.101.

[38] *Ibid.*, p.103.

[39] *Ibid.*

[40] *Ibid.*

[41] Kali Prasanna Roy vs. Ambica Charan Bose in *Lawrance's Bengal Law Report Being Decisions of the High Court at Calcutta, and of Her Majesty's Most Honorable Privy Council on Indian Appeals*, vol. IX, 1872, Republished, Bangalore, 1884, pp.261-274.

[42] P. O'Kinealy (ed.), *The Calcutta Law Reports of the Cases Decided by the High Court, Calcutta, also Judgments of H.M.'s Privy Council*, vol. II, Calcutta, Brown & Co., 1878, p.626.

[43] Omritolall Dey vs. A. Howell in *Ibid.*, pp.426-27. See also, The Administrator General of Bengal vs. Kedar Nauth Moitry, 24 February 1879, in G.S. Henderson (ed.), *The Calcutta Law Reports of Cases Decided by the High Court, Calcutta, also Judgments of H. M.'s Privy Council*, vol. IV, Calcutta, Brown & Co., 1879, pp. 102-06.

[44] Margot Finn, *The Character of Credit, Personal Debt in English Culture, 1740-1914*, Cambridge, CUP, 2002, p.95.

[45] Frederick John Shore, 'On the Usury Laws', in *Notes On Indian Affairs*, vol. II, London, John W. Parker, 1837, p.293.

[46] Calcutta High Court, Original Side, Insolvency Papers (Old) [hereafter CHCIP] No.4322, computed from List of Creditors.

[47] CHCIP No.4204, computed from List of Creditors.

[48] CHCIP No.4206, List of Creditors.

[49] CHCIP No.4324, List of Creditors.

[50] CHCIP Nos.4332 & 4338, Lists of Creditors.

[51] CHCIP No.4315, List of Creditors.

[52] CHCIP No.4330, List of Creditors.

[53] CHCIP No.4300, computed from List of Creditors.

[54] CHCIP No.4345, computed from List of Creditors.

[55] CHCIP No.5254, computed from List of Creditors.

[56] CHCIP No.4349, computed from List of Creditors.

[57] CHCIP No.4365, computed from List of Creditors.

[58] D. Sutherland, *op. cit.*, p.27.

[59] *Samachar Darpan*, 7 May 1836.

[60] The earliest rudiments of insolvency legislation can be traced to sections 23 and 24 of the Government of India Act, 1800, which conferred insolvency jurisdiction on the Supreme Court at Fort William and Madras and the Recorder's Court at Bombay. Laws for the relief of insolvent debtors were enacted for the East India Company's provinces in 1806. The passing of Statute 9 Geo. 4, c. 73, passed in 1828 can be said to be the beginning of special insolvency legislations in India. However, the previous enactments regarding insolvency were repealed by the Indian Insolvency Act, being 11 and 12 Vict., c. 21 passed in 1848. It was an act of the British Parliament entitled 'An Act to Consolidate and Amend the Laws Relating to Insolvent Debtors in India'. The Indian Insolvency Act of 1848 incorporated all existing and future enactments passed in England for admissibility in evidence of any debt claim before the court.

[61] Frederick John Shore, *Notes On Indian Affairs*, vol. I, London, John W. Parker, 1837, p.86.

[62] Sushil Chaudhuri, 'European Companies and Pre-modern South Asian Commercial System—A Study of Bengal in the Eighteenth century', in *The Calcutta Historical Journal*, vol. XI: Nos.1-2, July 1986-June 1987, p.146.

[63] Hand notes.

[64] Written debt contracts.

[65] Indian bills of exchange.

[66] W.W. Hunter, *A Statistical Account of Bengal, vol. I, Part I, Statistical Account of the District of 24*-Parganas, (London, Trubner & Co., 1875), Calcutta, W.B. Govt. Reprint, 1998, p.176.

[67] *Ibid.*

[68] *Index to the First Seven Volumes of the Select Reports of Regular Cases; Together with an Appendix, Being an Index to the First Volume of the Select Reports of Summary Cases of the Sudder Dewanny Adaulut*, Calcutta, J.C. Sherriff, Military Orphan Press, 1849, p.ii.

[69] Frederick John Shore, 'On the Usury Laws', in *op. cit.*, vol. II, London, John W. Parker, 1837, p.292.

[70] *Ibid.*, p.293.

[71] *Ibid,*, pp.293-4.

[72]Biharilal Chattopadhyay, *Achabhuyar Bombachak,* 1880, in Jayanta Goswami, *Samajchitre Unabingsha Shatabdir Bangla Prahasan,* Calcutta, 1974, p.930.

[73] Dealers in ready money.

[74] Insolvency papers suggest this. Similar observations may be found in S.N. Mukherjee, *Calcutta: Myths and History*, Calcutta, 1977, p.33.

[75] HL Deb 21 June 1844, vol. 75, c.1194, in *Hansard's Parliamentary Debates,* 3rd Series.

[76] Letter of William Bentinck to A. Rogers, Master of Calcutta Trade Association, *Report of the Calcutta Trade Association,* Calcutta, P.S. D'rosario & Co., 1852, p.199.

[77] D. Sutherland, *op. cit.*, p.16.

[78] *Ibid.* p.179.

[79] Brojender Coomar Roy Chowdhry vs. Sreemutty Brommomoyee Chowdhrain in P. O'Kinealy and G.S. Henderson (eds.), *The Calcutta Law Reports of Cases Decided by the High Court, Calcutta, also Judgments of H. M.'s Privy Council,* vol. III, Calcutta, Brown & Co., *1879,* pp.520-22.

[80] See for instance, CHCIP No.4206, Schedule.

[81]Frederick John Shore, 'On the Formation of a Code of Laws', in *op. cit.*, vol. I, p.223.

[82] See for instance CHCIP Nos.4201, 4342, 4365, 4366 and 4369: Lists of Creditors.

[83] CHCIP No.4365, computed from List of Creditors.

[84] 24,652 Rupees 0 *Annas* and 9 *Pies.* Rupee *Anna Pies* (Re. a. p.) was the standard currency in India before the introduction of the decimal system. The standard denomination was 12 *pies* = 1 *anna*, 16 *annas* = 1 rupee. The East India Company's Rupee valued sometimes below, seldom above 2shillings. The Indians further divided the *anna* into 5 *puns*, the *pun* into 20 *gundas*, and the *gunda* into 4 *cowries*. See Anon., *Anglo-Indian Domestic Life: A Letter from An Artist in India to His Mother in England*, 2nd Edn., Calcutta, Thacker, Spink & Co., 1862, p.98.

[85] CHCIP No.4370, computed from List of Creditors.

[86] *Ibid*, List of Creditors.

[87] *Ibid.*, List of Private Debtors.

[88] CHCIP No.4363, computed from List of Creditors.

[89] CHCIP No.4366, computed from List of Creditors.

[90] CHCIP No.4368, computed from List of Creditors.

[91] CHCIP No.4300, computed from List of Creditors.

[92] CHCIP No.4303, computed from List of Creditors.

[93] CHCIP No.4201, computed from List of Creditors.

[94] Umasundari, mother of the self-made rich man of Calcutta Yogesh Chandra Ghosh, accumulated huge money by usurious practices before she decided to renounce home and spend the rest of her life at Vrindaban. See Girish Chandra Ghosh, *Prafulla*, 1889, Ashutosh Bhattacharya (ed.), Calcutta, Sahitya Prakash, (1998) 2005, p.2.

[95] *Report on the Census of Bengal, 1881*, Calcutta, 1883, vol. I, p.185.

[96] In Bengal, low value exchanges were carried out by the cowry currency. The shells of *Cypraea montena*, money cowries, most abundant in the Indian Ocean, were mainly imported to Bengal from the Maldives.

[97] Table XXVII, *Report on the Census of Bengal, 1881*, Calcutta, 1883, vol. III.

[98] Brick-dust.

[99] CHCIP No.5239, Estate Paper Pursuant to the Sixth Rule of the Court, Disbursements of July 1874.

[100] CHCIP No.5146, computed from List of Creditors.

[101] CHCIP No.5152, computed from List of Creditors.

[102] CHCIP No.4363, computed from List of Creditors.

[103] CHCIP No.4366, Creditor No.16.

[104] CHCIP No.4361, List of Creditors.

[105] CHCIP No.4347, List of Creditors.

[106] CHCIP Nos.4359, 4363, 4366, 4368, 5152, 5254. See Lists of Creditors.

[107] CHCIP No.5083, Creditor No.1.

[108] *Ibid.*, Creditor No.2.

[109] CHCIP No. 4322, Schedule, List of Creditors.

[110] CHCIP No.4361, Creditor No.2.

[111] Edgar Hyde, *op. cit.*, pp.14-15.

[112] A purchasing clerk or an agent who collected debts and cash drafts for his employer.

[113] CHCIP No.5088, Creditor No.12.

[114] CHCIP Nos. 4347, 4359, 4361, 4363, 4366, 4368, 5083, 5088, 5146, 5152, 5254.

[115] Shibnath Shastri, *Ramtanu Lahiri o Tatkalin Bangasamaj*, Calcutta, Bishwabani, 1983, p.95.