Chapter IV

CARR, TAGORE AND COMPANY

The most vigorous of the new agency houses established after the crisis of 1830-33 was Carr, Tagore and Company. During its thirteen-year history the firm led its rivals in the promotion of transportation, mining, and plantation industries, in the commercial application of steam power, and in the shaping of new forms of business organization. Soon after he launched the firm on 1 August 1834, Dwarkanâth wrote the governor-general, Lord Bentinck, predicting that his house would be an instrument of national regeneration and a model to be emulated by his countrymen. He denied "merely selfish and private ambition," and wrote that "my fortune, by inheritance and successful industry, places me above any necessity for applying myself to the labour and cares of common life." Instead, the new partnership was "calculated to introduce the natives of India generally to more immediate participation in the objects of European enterprises." His house would be "upon a par with, if not in advance of, the first houses of Calcutta . . . combining . . . the advantages . . . of European and native integrity, wealth and experience" and devoted to "unfolding the productive energies of the country."¹

This unusual letter from a businessman justifying his motives to the sovereign of British India served a number of purposes. First, Tagore wanted the governor-general to know that he had resigned his office as dewan not to escape the slander of his enemies, but to embark upon a more important and productive career. Furthermore, he wished to impress upon Bentinck the political significance of his act. Indians had now come of age and were ready to associate in public life as equals with Europeans. Finally, by stressing the social dimensions of his venture, he hoped for favorable consideration when

¹Dwarkanath Tagore to Lord William Bentinck, 20 Aug. 1834, in Bentinck Papers, Portland Collection, Nottingham University Library, Ref. no. PW JF 2091.
applying for concessions from the government. Implicit in the letter was Dwarkanath's faith in British intentions and his confidence that the government would do its utmost to encourage indigenous enterprise.

Dwarkanath had good reason for confidence in the government. His words reflected the well-known sentiments of the governor-general, who, for all his ethnocentric intolerance of Indian culture, was a zealous exponent of Indian economic and political development. By opening the lower echelons of government to Indians, Bentinck raised hopes of greater Indian participation in the future, and his sympathy for the new middle class created a sense of imperial loyalty among the educated Indian community of Calcutta. On his departure the community eulogized him as the governor-general who "first taught us to forget the distinction between conquerors and conquered, and to become, in heart and mind, in hopes and aspiration, one with Englishmen."²

In the Indian community, as in government circles, the climate of opinion was ripe for Dwarkanath's move. Ever since the commercial crisis of 1830, the idea of Bengalis launching modern business firms had been under discussion in the vernacular press. Many Indians resented that in 1830 baniyas had taken heavy losses in European-managed enterprises, whereas on the eve of the crash several of the agency-house partners had retired home with fortunes. All shades of Bengali opinion joined in a crusade that anticipated by fifty years the swadeshi movement of the late nineteenth century. The conservative Samachar Chandrika urged the zamindars to purchase and operate the European-owned indigo factories left idle by the crisis, mainly to forestall the colonization of the countryside by Europeans.³ The moderate Reformer, published by Prasanna Kumar Tagore and representing views close to those of Dwarkanath, called on the Bengalis to "compete with the nations of Europe and America, not only in English literature, but in the arts, Sciences and commerce." The editor pointed out that Hindus could no longer blame their religion for entrepreneurial backwardness because there were now "enough enlightened Hindoos who can lead the way."⁴ Furthermore,

⁴Reformer, 18 Mar. 1833.
the British now knew the country well enough to procure their own goods and no longer needed Indian baniars, hence the natives, in self-defence, must trade on their own account. Radical “Young Bengal,” voicing their opinions in the journal Jnananesan, urged their countrymen to cast off their “natural idleness and lethargy, and armed with the weapons of business, commerce, and industry, triumph over the enemies of their prosperity.” When Tagore launched his firm, “Young Bengal” had found a hero: “Foreigners come here and in a short time earn enough to live in comfort back home, and our country is being pumped dry in the process. Perhaps things will now change. Down-trodden Hindustan will now compete with other trading countries. May others follow the path shown by the Tagores and engage in similar ventures, which are beneficial and bold and deserve praise, and thus help remove the bad name of the Hindus as idle and ignorant.”

In founding his own agency house, Tagore was only the most prominent of many Bengalis who between 1830 and 1850 embarked on careers in western-style business. Most notable among the others were Motilal Seal and Ram Gopal Ghosh, both of whom followed the example of Dwarkanath and founded biracial agency houses. Many of the western-educated graduates of Hindu College turned to trade, and other Bengalis combined trade with silk and indigo production. Ocean shipping was a major area of investment, and by 1850, 45 percent of the ships registered in Calcutta belonged to Indians, primarily Bengali Muslims. In the 1840s, Indians were moving into enterprises formerly reserved for Europeans—pharmacy, hotel operation, and stablekeeping. In 1850, three Bengali firms were among the eight that tendered bids to build the first forty miles of railway in Bengal.

But no other Indian businessman so strikingly captured the public

5 Ibid., 24 Mar. 1833.
7 Jnananesan, 9 Aug. 1834, ibid., II, 339.
8 Kissor Chand Mittra, Mutty Lall Seal (Calcutta: 1869); Ram Gopal Sanyal, Bengal Celebrities, 2 vols. (Calcutta: 1889). I, 179-80, on Ram Gopal Ghosh; traders and producers are named in N.K. Sinha, ed., The History of Bengal (1757-1905) (Calcutta: 1967), p. 361; see also WBSCA, Board of Customs, Salt and Opium, Commercial, 16 Nov. (8) 1835, 19 Nov. (18) 1835, 2 Nov. (25) 1835, 8 Oct. (76) 1835, and Board of Trade, Commercial, 19 Mar. (39) 1835. Tradesmen and shipowners are listed in Bengal Directory and Annual Register and Bengal and Agra Directory and Annual Register (Calcutta: 1840 to 1850). Railway bidders are named in IO, Home Department, Railways, L/PWD/3, nos. 19-25, Agent of East India Railway Company forwards tenders received, 6 Aug. 1850.
imagination as did Tagore. His activities were closely followed in the press, and his sense of the dramatic enlivened the city's otherwise dreary public life. At the outset he defied the racial conventions of Calcutta's European society by forming an alliance with a Britisher on the basis of equality. Ten years earlier a Parsi, Rustomjee Cowasjee, had founded an interracial firm, but Parsis were classified as a Near Eastern community. A Bengali Hindu, on the other hand, was considered far beyond the pale of western civilization, enmeshed in "a web of exotic vices and superstitions." Except for a few enlightened individuals, most of the Britishers cited cultural differences to justify racial discrimination. Only recently had wealthy baniyans been permitted to enter agency-house offices wearing shoes, Indians were still not allowed to promenade around Tank Square in the evenings, and society was scandalized when Bengalis first began to attend the Chowringhee Theatre. Life in the mofassal was even more segregated, and Indians of high status were expected to dismount from their palanquins when passing a lowly British subaltern.

Again disregarding convention, Dwarkanath, rather than assuming the designation "banian," styled himself "merchant," a term customarily reserved for Europeans. Perhaps this was intended less as a challenge to racial snobbery than as a desire to be identified with a class of men he greatly admired. "Twenty years ago," he had said at a public meeting, "the Company treated us as slaves. Who first raised us from this state, but the merchant of Calcutta? And the first among them was the late much lamented John Palmer. . . . It was to the merchants, agents and other independent English settlers, that the natives of Calcutta were indebted for the superiority they possess over their countrymen in the Mofussil." By 1834 the merchants of Calcutta, once considered "interlopers" in the Company's dominions, had become proudburghers, a branch of the British middle class which, in the Reform Act of 1832, had won political power


11Kissory Chand Mittra, Memoir of Dwarkanath Tagore (Calcutta: 1870), pp. 53-54.
commensurate with their economic strength. To Dwarkanath the merchants were the "second estate" of the British Indian empire, a closely knit group of enlightened men who had led the fight against officialdom for a free press, for jury trial, against the stamp tax, and against the coolie trade. It was their tradition of enlightened laissez faire, political independence, and economic progress that Dwarkanath wanted to emulate and carry forward.

With another bold stroke Tagore propelled his firm into the first rank of agency houses. At the time of the signing of the deed of copartnership on 1 August 1834, Dwarkanath loaned the firm one million rupees. The loan was registered as a debt owed him by the firm on which Carr, Tagore and Company was to pay 8 percent interest, or Rs. 80,000, annually. It was kept in an account separate from his own personal account for dividends and profits and was not withdrawn during his lifetime.

The source of this one million rupees requires explanation. In December 1831 John Palmer had written of Dwarkanath: "I fancy he borrows to lend and to carry on his own concerns," and by Dwarkanath's own testimony, "in 1833 money was very scarce. Being pressed for money on MacIntosh's failure, I got a loan on mortgage from my personal friends." Yet Dwarkanath claimed in his will that the one million rupees loaned his firm in 1834 was "unborrowed" capital. His words can only be understood if we assume that most of the one million rupees deposited with the firm was not in the form of cash but in negotiable notes pledged against future revenues from his landed estates, the gross income of which was Rs. 1,30,000 per year. Like other export houses, the firm depended for its working capital on loans and advances from the government and from banians. But unlike many of the others its credit was unquestioned. It rested on the value of Dwarkanath's landed estates, and thus his zamindaris laid the foundation for his commercial and industrial enterprises.

Tagore not only provided the firm's capital but selected the partners, directed the investment strategy, and, throughout his lifetime, actively guided the house. Carr, Tagore and Company was, in fact, more a patriarchy than a partnership. Tagore gave his

12Bengal Hurkaru, 17 Jan. 1833.
13KNT Collection, Will and Codicil filed 24 Sept. 1846, Supreme Court, Ecclesiastical Side.
15Hurlal Tagore vs. Ashootosh Day, reported in Bengal Hurkaru, 25 Apr. 1836.
partners both the freedom and the means to plan and innovate. They were encouraged to hold directorships in the many joint-stock enterprises promoted by the firm and were so ubiquitous in their activities that Carr, Tagore and Company became a byword for jobbery, monopoly, and cliquism in the business world of Calcutta. In 1841, for example, William Prinsep was involved in the management of a dozen separate enterprises, Dwarkanath in six others and D.M. Gordon in two. The pattern continued as new partners inherited directorships from those who departed for home.\(^{16}\)

<table>
<thead>
<tr>
<th>Partner</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dwarkanath Tagore</td>
<td>1834–46</td>
</tr>
<tr>
<td>William Carr</td>
<td>1834–41</td>
</tr>
<tr>
<td>William Prinsep</td>
<td>1836–42</td>
</tr>
<tr>
<td>Thomas J. Taylor</td>
<td>March-December 1839</td>
</tr>
<tr>
<td>Donald McLeod Gordon</td>
<td>1840–48</td>
</tr>
<tr>
<td>Henry Barclay Henderson</td>
<td>1841–48</td>
</tr>
<tr>
<td>W.C.M. Plowden</td>
<td>1842–43</td>
</tr>
<tr>
<td>John Deans Campbell</td>
<td>1843–48</td>
</tr>
<tr>
<td>George Gordon MacPherson</td>
<td>1842–48</td>
</tr>
<tr>
<td>James Stuart</td>
<td>1847–48</td>
</tr>
</tbody>
</table>

Tagore selected his partners from varied backgrounds. William Carr was a seasoned merchant who had come to India in 1824 and joined John Palmer and Company, first as an assistant, then as a partner. In 1829 Carr was appointed secretary of the Union Bank and, from the fall of Palmer to the launching of Carr, Tagore, worked as an independent indigo broker. Tagore described him as a “gentleman who has for some years been favorably known to the commercial circles of Calcutta as joining, in his person, talents of the highest order and most varied description, with unblemished integrity, long experience in business, and a complete knowledge of mercantile affairs.”\(^{17}\)

\(^{16}\)Bengal Directory and Annual Register and Bengal and Agra Directory and Annual Register for relevant years.

\(^{17}\)Dwarkanath Tagore to Lord Bentinck, 20 Aug. 1834. References to William Carr are found in IO, Despatches to Bengal, vol. 96, p. 1039, Commercial Department, 21 July 1824, par. 12 granting William Carr Free Merchant's indentures. Also Bengal Directory and General Register (Calcutta: 1827); Bengal Past and Present, vol. 24 (1922), p. 124, Kissory Chand Mittra, Memoir, p. 84. Carr may not have been Tagore's first choice. He had been considering R.C. Jenkins, who subsequently joined Fergusson and Company, leaving "Carr and Dwarkanath adrift." Palmer Papers, Engl. Lett. c. 124, Palmer to C.B. Palmer, 2 May 1834 and c 125, Palmer to James Caulfield, 15 Sept. 1834.
When Carr joined Tagore in 1834 he insisted that a place be found for his friend William Prinsep. 18 Prinsep worked as an assistant in the firm for two years and became a partner in 1836 when Carr departed for Europe. He was both an experienced merchant and a creative entrepreneur who generated many of the ideas adopted by the firm. A gift for innovation was his birthright: his father, John Prinsep (1746–1831), had been the leading entrepreneur of Bengal in the late eighteenth century, the first Englishman to manufacture indigo, and a promoter of cotton-textile manufacturing, shipbuilding, and the minting of copper coins. Upon his retirement to England, John Prinsep became an M.P. and a director of the Sierra Leone Company. Before his death he had made and lost two fortunes and had bequeathed seven of his sons to service in India. 19

John Prinsep’s fourth son, William, arrived in Calcutta in 1817 at the age of 23, joined Palmer and Company as an assistant and soon became a partner. Palmer found William, and his elder brother George who later joined the firm, too “restless and speculative” and blamed them for the ruin of his house. George in particular “plunged into every new project occurring to himself or suggested to him by others.” 20 After the fall of Palmer and Company, William Prinsep worked as an indigo broker and as agent for a large silk company established by his wealthy brother-in-law, George Haldimand. 21 As a member of Carr, Tagore and Company, William Prinsep was given the scope to exercise his creative powers. The most important and lasting of his many ventures was the establishment of the Indian tea

industry on a commercial basis. In 1842 he retired to England, and until his death in 1874 served on the London Board of the Assam Company.²²

Because of Prinsep's extensive promotional activities, Tagore undoubtedly felt the need for a new partner who would devote his full time to mercantile affairs. He selected Donald McLeod Gordon, a relative of his old friend from Mackintosh days, George James Gordon. The Gordons had worked together in the opium trade backed by Dwarkanath, and in 1836 Donald McLeod Gordon was hired as an assistant in Carr, Tagore and Company. He became a full partner of the firm on May 1, 1840.²³

On the eve of Prinsep's departure, his place was taken by another man of unconventional talents, Major Henry Barclay Henderson. Henderson had come to Calcutta in 1824 as an accountant and had worked his way up to the second-ranking position in the Auditor General's Department. The major was a man of literary pretensions, who alluded in one of his sketches of Calcutta life to a distaste for what he called "haggling, bartering, gain seeking calculating trade." But he reconciled himself to a career in business when the ghost of John Palmer appeared to him in a dream and impressed upon him that "even the painter, and the poet achieved his immortality only, when the sun of commerce shed its beams and blessings upon his labours."²⁴

In the final years of the firm, Tagore brought in John Deans Campbell, a merchant-promoter, and George Gordon MacPherson, a civil surgeon and amateur scientist who had served most of his life in the mufassal. James Stuart, the last British member, became a partner in 1847 after the death of Dwarkanath. Stuart, first hired as


Dwarkanath’s personal secretary, was in time acknowledged by his fellow merchants to be one of the most able accountants in the city.

Two of Tagore’s partners were with the firm only briefly and would hardly deserve mention except for what their selection reveals about Dwarkanath himself. The first, Captain Thomas J. Taylor (1804–1839) of the Madras Cavalry, had been raised by his actress mother, a granddaughter of William Pitt, in London theatrical circles. Taylor cut a dashing figure in Madras society until Bentinck brought him to Calcutta to serve on a committee to prepare new regulations for the Indian postal system. In March 1839 he resigned the service and accepted a partnership in Carr, Tagore and Company, but died prematurely the following December. His selection may well reflect Tagore’s enchantment with the theater and those associated with it.25 The second was Charles Metcalf Plowden (1820–60), who joined the firm in 1843. Young Plowden had no particular qualifications, but his father, Trevor John Chicheley Plowden, had been one of Dwarkanath’s first British friends and patrons. When Trevor failed to obtain a writership for his son, Tagore felt obligated to take in the young man. But Charles, unsettled and distraught, ran off to Abyssinia while enroute to England and severed his connection with the firm. 26

Next in rank below the partners was Alexander Garrcock Mackenzie, a self-styled engineer who directed the technical operations of the house in steamshipping and coal mining. The firm employed a large number of assistants, some of whom were Indians, supervised by the long-term head assistant Francis Pinto, an Indo-Portuguese. At various times Dwarkanath’s relatives worked for the firm—his cousin Prasanna Kumar, his nephews Chunder Mohun Chatterjee and Nabin Chandra Mukherji, and his sons Debendranath and Girindranath. The firm also employed Indian banians engaged in purchasing and sales on commission. 27

27 One of these was Tacoor Lall Mullick, who began working for the firm in 1843 or 1844. One of his jobs was to accept bills for Carr, Tagore and Company. Although he took these in his own name, they were in reality loans to the firm. All went well until the firm closed its doors in 1848, leaving Tacoor Lall Mullick with heavy debts. The *Delhi Gazette* editorialized on the case, brought before the Insolvency Court, as an illustration of the commercial immorality of Calcutta. “Why, to what a miserable peddling concern would he reduce the Firm!” Quoted in *Bengal Hurkaru*, 31 Oct. 1849.
Within the firm there was some formal attempt at a division of labor. In a commercial directory of 1841, Prinsep was assigned "Correspondence and Export" and Gordon, "Imports." When the coal company was organized, one partner was designated to head the "Coal Department" and act as managing director of the company. Coal sales were handled by another partner, and Dwarkanath himself managed personnel and legal matters. But it was more usual for assignments to be rotated, and the norm was generalization rather than specialization. Each partner was expected to participate in all of the multiple activities of the firm—the import-export trade, mufassal industries, estate management, and ocean shipping—and finally, to serve as directors or managers of the many joint stock enterprises promoted by the firm.

Of the nine Europeans associated at one time or another as partners, three—Carr, Gordon and Campbell—were sound commercial men. Two others, Henderson and Stuart, were accountants of obvious value to the firm, and one, MacPherson, was a "man of science." Taylor's career was cut short and Plowden contributed nothing. To none of these men can be attributed the prodigious entrepreneurial achievements of the firm. Credit for them must go to William Prinsep and Dwarkanath Tagore, the only two partners who evidenced the imaginative flair characteristic of the creative entrepreneur. Prinsep appears to have been the initiator of the Bengal Tea Company and the Bengal Coal Company and the energetic promoter of many lesser enterprises. Some of his schemes were financial disasters, and Dwarkanath, like John Palmer before him, may have regretted the association. Nevertheless, Prinsep retired to England on friendly terms with Dwarkanath, and there is no evidence of any hard feelings between them. After accounting for all the contributions to the firm made by his British partners, Dwarkanath Tagore himself stands out as the force behind its entrepreneurial activity. He had shown evidence of entrepreneurial imagination long before acquiring partners, and, through year after year of innovative activity, he was the only continuing member of the firm.

The "bread and butter" business of the firm was its export trade in raw silk, silk piece goods, indigo, sugar, rum, saltpeter, hides, timber, and rice. Until 1842, shipments to Britain were consigned to a

29See advertisements in Bengal Hurkaru, 22 Jan. 1838, 28 Aug. 1840, 17 July 1844 and 6 Feb. 1845. Also WBSA, Board of Customs, Salt and Opium, Customs, 4 Aug. (17A) 1837; 5 Oct. (84) 1842, and 13 Mar. (53-54) 1845.
corresponding house in the city of London, Rickards, Little and Company, and thereafter, to Roberts, Mitchell and Company. The firm also shipped to continental ports. In France, goods were consigned to Robin and Company of La Havre.\textsuperscript{30} Unfortunately, figures for the total volume of exports are lost, and only records of exports hypothecated to the East India Company survive. During the four years 1835 through 1838, Carr, Tagore and Company exported goods under the hypothecation system valued at C.R. 14,04,003. Included were raw silk, silk piece goods and sugar, valued at C.R. 11,00,082; indigo at C.R. 2,13,262; hides at C.R. 13,938; and saltpeter at C.R. 13,000. The gross sales of these goods in England were about £35,000 per year. If one were to calculate roughly a profit of 10 percent, Carr, Tagore and Company would have netted £3,500 profit annually from its hypothecation trade alone.\textsuperscript{31}

One of Tagore's objectives was to achieve as much vertical integration as possible—to control the production, processing, and shipping of the goods exported and sold by his firm. In this strategy he followed the lead of the old agency houses such as Palmer and

---

\textsuperscript{30} WBSA, Board of Customs, Salt and Opium, Commercial, 9 May (10) 1836, 27 June (1) 1836, 7 July (8) 1836, and 26 May (69) 1842. NAI, Financial, India, 17 Nov. (25) 1841 and 24 Nov. (19) 1841.

\textsuperscript{31} Compiled from WBSA, Board of Customs, Salt and Opium, Commercial, 1835–38. During the period 1835 to 1840, the value of exports from Bengal increased 86.76 percent—the largest increase during any five-year period from 1830 to 1905. See Journal of the Statistical Society of London, vol. 19 (June 1856), p. 108, and N.K. Sinha, ed., The History of Bengal, 1757–1905 (Calcutta: 1967), p. 334, which gives the figure of 61.5 percent increase. K.N. Chaudhuri in "India's Foreign Trade and the Cessation of the East India Company's Trading Activities, 1828–40," Economic History Review, Second series, vol. XIX, no. 2 (August 1966) gives the index numbers for value and volume increase of these three commodities for India as a whole.

Exports: Index Number of Selected Commodities, 1828 = 100 (for India as a whole)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw silk:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value</td>
<td>57</td>
<td>95</td>
<td>48</td>
<td>82</td>
<td>79</td>
</tr>
<tr>
<td>Volume</td>
<td>68</td>
<td>100</td>
<td>62</td>
<td>85</td>
<td>77</td>
</tr>
<tr>
<td>Sugar:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value</td>
<td>61</td>
<td>113</td>
<td>185</td>
<td>179</td>
<td>185</td>
</tr>
<tr>
<td>Volume</td>
<td>78</td>
<td>120</td>
<td>218</td>
<td>197</td>
<td>181</td>
</tr>
<tr>
<td>Indigo:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value</td>
<td>70</td>
<td>60</td>
<td>63</td>
<td>70</td>
<td>104</td>
</tr>
<tr>
<td>Volume</td>
<td>132</td>
<td>86</td>
<td>90</td>
<td>88</td>
<td>120</td>
</tr>
</tbody>
</table>
Company and Alexander and Company, which had combined trade with control over extensive mufassal properties. The larger of the new houses, such as Cockerell and Company and Gilmore and Company, also owned extensive indigo and sugar factories. But Tagore was more deliberate in his strategy and may have been the only Indian zamindar to integrate his landed estates directly into his commercial schemes. He exploited his ancestral estate of Berhampore, for example, as the chief source of the indigo, sugar, and silk exported by his house.

An opportunity to enter raw-silk production came in 1835. The East India Company, which produced four-fifths of India’s exportable raw silk, was called upon by the Charter Act of 1833 to give up its commercial operations in India and dispose of its silk factories at auction. In November 1835, Tagore purchased Jungypore filatures, one of the East India Company’s eight important silk-producing centers in Bengal, for Rs. 47,300. At the same time he entered a bid on the Commercally filatures, the finest of the company’s silk factories, located in the midst of his ancestral zamindari, Berhampore.

The Commercally silk works consisted of four filatures, extending over a radius of forty-three miles. Each filature was a large, lofty building housing copper basins for steeping cocoons and machines for winding the silk. After winding, the skeins of raw silk were baled and shipped to Britain, where they were washed, thrown, and spun into thread for weaving. The sixty-thousand maunds of cocoons needed each year were purchased from growers in the neighborhood, who in turn fed their worms on mulberry leaves bought from other peasants, all of whom were tenants of Dwarkanath Tagore. Commercally’s four filatures employed at least 5,000 workers, who operated the reeling machines, carried cocoons and fuel, collected and packed the skeins, cleaned the building, and supervised operations. They produced 150,000 lb. of silk annually, which sold on the British market for

33 WBSA, Board of Customs, Salt and Opium, Commercial, 23 Nov. (15–16) 1835. It was purchased in the name of M. Laurleto. Jungypore was located in Murshidabad District, twenty-five miles north of Murshidabad city. For a history of the silk industry in Bengal, see H. R. Ghosal, Economic Transition in the Bengal Presidency, 1793–1833 (Patna: 1950), pp. 46 ff.
34 For a description of the process of silk manufacturing, see Rev. Dionysius Lardner, A Treatise on Silk Manufacture (Philadelphia: 1832).
£ 75,000 to £ 150,000. Without precise data on the price of cocoons, the wages of workers, or the cost of shipment to Europe, Tagore’s profits must remain unknown. 35

Although the Board of Trade set the value of the four Commercolly filatures at Rs. 1,75,000. 36 Tagore brazenly offered Rs. 60,000. He referred to his “entire or partial control” of the properties encircling Commercolly and in guarded terms warned that this control would “so much reduce the value of the Commercolly filatures to any other persons whatever . . . we should have but little competition to fear under a much less favorable offer.” The indignant export warehouse keeper refused to forward his offer to the government. 37 Other potential buyers declined to bid against Tagore, and the governor-general turned down an offer to reserve the Commercolly works for a silk company formed in England. Not only would any rival depend on Tagore’s cooperation as landlord of the mulberry and cocoon growers, but, as Auckland pointed out, the Commercolly complex would require £ 150,000 of ready capital to operate. 38

After almost two years of haggling, Carr, Tagore and Company purchased Commercolly and its outfactories in late August 1837 for Rs. 84,500. 39 No sooner had they taken possession of Commercolly than a struggle ensued between the firm and the East India Company’s commercial resident, R. Richardson. It took the form of minor disputes over some firewood and over the refusal of Richardson to vacate his residence before Carr, Tagore and Company had paid in full for the property. But Richardson’s feelings ran deeper. He and his predecessors had devoted years of hard work to developing the


36 N.A.I., Board of Trade, 5 Mar. (1) 1835.

37 WBSA, Board of Customs, Salt and Opium, Commercial, 9 Nov. (7 and 8) 1835.


39 The Court of Directors noted with some annoyance the wide differences between the original valuation placed on the property and the final sale price. IO, Despatches to India and Bengal, vol. XX, pp. 1145–46, 24 July (23) 1839. The factories were purchased in the name of David Andrew, Jr. WBSA, Board of Customs, Salt and Opium, Commercial, 31 August (14) 1837. Dwarkanath and his partners sued Andrew in 1843 for repayment of a bond executed for Rs. 3,00,000, and won the judgment.
Commercally factory and he felt that Carr, Tagore had purchased it too cheaply. "Too much indulgence has already been shown the firm," he wrote his superiors. "I have been upwards of forty years in the country and never dealt with such screws before." When Richardson finally departed, there was no one to restrain the employees of the firm from tyrannizing over local villagers. Their complaints reached the joint magistrate of Pabna, who wrote his superiors that the chapprasis of the company, wearing badges with the initials "C T & Co", went about the neighboring districts seizing cocoons from the growers. "The Servants of the Commercally factory are not the quietest people in my district. They entertain a mistaken though very prevalent notion that their masters in purchasing the Commercally factories have purchased with them some peculiar privileges of trade." Indigo, Tagore's second major export, was the leading mufassal plantation industry of Bengal. Tagore was a large producer even before he founded his firm. He started his first indigo factory, Syllidah in Pabna, in 1821, and claimed that in consequence, the income from Berhampore, once insufficient to meet the government assessment, began to show a "handsome profit." Five of the seven indigo concerns eventually owned by Tagore and his firm were situated in the Pabna-Nadia area on his Berhampore and Shahazadpur estates. Two others were in Murshidabad district, at Burra Jungypore and Chota Jungypore, where he also produced silk.

40 WBSA, Board of Customs, Salt and Opium, Commercial, 25 Jan. (31 and 33) 1838 and 8 Feb. (32) 1838. Indeed, he had dealt with Dwarkanath Tagore once before. In 1824, as President of the Embankment Committee of Jessore District, Richardson had battled Tagore over the construction of embankments opposed by Dwarkanath on the ground that their construction would have flooded hundreds of bigahs of his land. WBSA, Territorial Revenue Department, 28 May (10-12) 1824 and 9 Apr. (23-24) 1824.

41 WBSA, Judicial Department, Criminal, 16 June (44-47) 1840.

42 Alexander's East India Magazine, vol. I, no. 3 (February 1831), pp. 211-12; Syllidah remained in the family and Debendranath Tagore was listed as its owner in 1861. New Calcutta Directory (Calcutta: 1861).

43 The five in Pabna and Nadia were Syllidah, Rynuggur, Meerpore, Dobracole, and Comidpore. See Bengal Hurkuru, 23 June 1834 and Bengal Directory and Annual Register (Calcutta: 1827, 1831 and 1835) listing Samuel Shuttleworth, who, along with D.E. Shuttleworth, was in Tagore's employment as indigo planter at Rynuggur Concern, Commercally. See also testimony of Alexander Forbes, Report of the Indigo Commission, pt. 3, pp. 60 ff. The New Calcutta Directory (Calcutta: 1858) lists Gordon, Stuart and Company, successors to Carr, Tagore and Company, as owners or agents of Jungypore Concerns. The Union Bank loaned Carr, Tagore and Company 18
Tagore cultivated indigo under the *raiyati* system, whereby the ryots themselves purchased the seed and owned the implements. But whereas most of the European planters obtained their indigo plant from ryots who were tenants of neighboring zamindars, Tagore was landlord of the ryots who grew his plant, and as a result his labor force was more docile and his supply of indigo more secure. His seven concerns were all of moderate size, but taken together may have produced 1,600 maunds of indigo per year, which would have brought Tagore Rs. 2,00,000 in Calcutta, thus making him one of the larger indigo producers of Bengal.

Tagore’s sugar operations were not as successful. Cane sugar production in India had a checkered history, typified by Tagore’s own experience. The peasants produced a crude product called *gur*, adequate for domestic consumption, but not saleable on the international market. Those interested in exporting sugar could either refine *gur* purchased from the peasants or buy raw sugar cane and refine it with modern machinery on the West Indian model. In the late eighteenth century, the East India Company tried to promote sugar as an export staple and encouraged a large number of experienced West Indian planters to take up production in all parts of British India. Almost all of these failed, with heavy losses. The industry languished until the period from 1830 to 1860 when another wave of experiments ensued, partly given impetus by the equalization of West and East Indian sugar duties in 1836. Unfortunately, these experiments also failed, and attempts to develop an Indian sugar industry were not renewed until the twentieth century.

Dwarkanath entered the sugar business during its second phase, and, evidently unaware of eighteenth-century attempts, claimed to

---


45*Production figures compiled from Report of the Indigo Commission*. Although figures are for production ten to twenty years later, it is probable that there were no radical changes during the interval.


be "the first person who commenced cultivating sugar-cane by the European process, and under European superintendence, in India." 48 In about 1830 he hired T.F. Henley to supervise his sugar factory in Barripore in the southern part of the 24 Pargannas. 49 There Tagore planted 600 bigahs of land with Otaheite cane and set up horizontal sugar mills operated by a steam engine, but was able to produce only a few seers of sugar. After experimenting with other varieties of cane, he sent Henley to Mauritius to study sugar production, and on Henley's return tried a third time, but could not produce enough sugar to cover the cost of his original investment. After losing Rs. 2,00,000 by the experiment in Barripore, he tried similar experiments in Ghazepore district near Benares and at Syllidah in Pabna district, also under European superintendence. Tagore had high hopes for success and wrote his manager at Syllidah, S.F. Rice, that "if economy be observed in every department of the Sugar Factory, I am still of opinion that it will succeed." 50 But after three seasons of failure, he gave up the experiment. He continued to manufacture sugar, but instead of processing his own cane, bought gur from the peasants at one-fourth the cost. 51 By 1838 only the Syllidah factory remained in operation, as perhaps the only sugar mill managed by a European in Bengal. 52

Tagore, along with other planters who tried the West Indian method of refining, failed for a number of reasons. At Barripore the soil was unsuitable and the Otaheite cane was susceptible to destruction by white ants. But even with suitable soil and cane, the experiments failed because of the raiyati system of cultivation. The plant was cultivated by peasants scattered over a wide area, and by the time the cane was brought to the factory it had lost much of its moisture. Later commentators suggested that the West Indian


49 Ibid., p. 101. Interestingly, Watt does not mention Tagore as the promoter, but credits Henley with starting the experiment.

50 KNT ms., letter from Dwarkanath Tagore to S.F. Rice, Syllidah via Commercolly, 22 Dec. 1835.

51 N.C. Sinha, Indo-British Economy, p. 84.

method would succeed only if the factory was centrally located close to the cane fields.\textsuperscript{53}

As a by-product of sugar manufacture, Tagore produced rum for export. The rum distillery was located at Rynuggur, presumably in the neighborhood of his indigo plantation, and was also under the superintendence of S.F. Rice. Rum was sent to Calcutta in casks for export to Britain. If it met the standards of strength called "London proof" it was exempted from export duty, but if it fell below that, it was assessed eight annas per gallon as "country liquor." Tagore manufactured about 5,000 gallons of rum each year and sold it in Calcutta for twelve annas to one rupee per gallon.\textsuperscript{54}

Tagore was not the only zamindar to produce export staples, nor was his house the only one that held plantations and factories in the mufassal. But he appears to have surpassed his contemporaries in developing his zamindaris as an adjunct of his export trade. Thus, his zamindari holdings served a dual purpose—to enable his firm to obtain superior financial credit and to give it control over the production and supply of goods exported.

Among the other activities carried on by Carr, Tagore and Company, in common with other large agency houses, was estate management. Here again Tagore tried to bridge old and new systems. The government followed principles of revenue collection inherited from the Mughal Empire, and, at least for the estates under his management, Tagore tried to rationalize an archaic and cumbersome system. In 1839 his firm requested permission from the accountant general to make a single payment each month into the general treasury at Calcutta on behalf of all the estates it managed, instead of presenting a separate payment for each estate at a local district office. The firm, which paid revenues totaling Rs. 1,00,000 per month, wanted to facilitate the transfer of funds and eliminate the fee collected on each separate payment, but the government refused to allow the concession.\textsuperscript{55}

This massive revenue payment accounts for the claim that the extent of Tagore's dominions was second only to those of the Raja of

\textsuperscript{53} Watt, \textit{Economic Products}, VI, 2, 97 ff.
\textsuperscript{54} WBSA, Board of Customs, Salt and Opium, Customs Proceedings, 3 Feb. (63-65) 1837, 10 Feb. (35-37) 1837, 14 July (2) 1837 For price of rum, see Watt, \textit{Economic Products}, VI, 2, 98-99.
\textsuperscript{55} N.A.I., Finance, India, Index for 1839, reference to Consultation 3 Apr. (8 and 9) 1839.
Burdwan. Under the firm's management were three classes of estates: first, Dwarkanath's personal estates (Berhampore, Kaligram, Pandua, and Shahazadapur), later placed in trust for his sons; second, those of the Tagore family, which, combined with his own, paid one-fifteenth of the total land revenue of the Lower Provinces of Bengal; and third, estates purchased for speculation and investment. Among the latter was Mandleghat, a large and valuable property located in Howrah district, on three-fourths of which Carr, Tagore and Company held a lien and paid a revenue of Rs. 2,33,000 annually. Although Mandleghat was clearly a speculation involving the firm as a whole, some of the estates acquired for speculation were his personal property. These included, among others, three zamindaris in Pergonna Khashpore, 24-Pargannas, acquired around 1830; Swarupur in Rangpur district, acquired from Prasanna Kumar Tagore in 1834; four estates in Mohungunj, near Patna, and three estates in Jessore District. One of the last-mentioned, Dwarbansini, yielded Rs. 30,000 to 40,000 profit per year and was put up for sale for Rs. 2,50,000 by Dwarkanath in 1846. Whether the estates were his own, his family's, or the firm's, all of his zamindari affairs were conducted from his office at Carr, Tagore and Company.

Finally, the firm engaged in another traditional agency-house activity, ocean shipping. Dwarkanath himself owned major shares in at least six ships and the firm acted as agents for five others. Tagore's pride and joy was his clipper barque Waterwitch, 363 tons, built to order at the Kidderpore dockyards in 1831. He owned half the ship, and ownership of the other half was divided between William Storm and the ship's commander, Captain Andrew Henderson. The Waterwitch was the third clipper built at Calcutta, after the Red Rover in 1829 and the Sylph, built in 1831 at Howrah Dockyards for the Parsi merchant Rustomjee Cowasjee. During the 1830s, when opium shipments increased three-fold, clippers had an advantage over

56 Bengal Hurkaru, 19 Sept. 1846.  
57 WBSA, Criminal Department, 15 Dec. (1-3) 1840.  
59 WBSA, Territorial Revenue Proceedings, 8 July (10) 1833 and 15 Jan. (17) 1834.  
61 KNT ms., Dwarkanath Tagore to Marquez, 1835.  
62 KNT ms., Dwarkanath Tagore to Debendranath Tagore, 22 May 1846.  
63 Basil Lubbock, The Opium Clippers (Glasgow: 1933), pp. 93-94.
conventional ships because they could sail into the northeast monsoon and reach China in the winter months when prices were at their peak. 64 The populace of Calcutta laid their wagers and watched with excitement as Rustomjee and Dwarkanath raced their barques to and from Canton. In 1838 the Waterwitch proved her superiority by beating out all rivals on a voyage from Canton to Calcutta in the record time of twenty-five days. 65

Her finest hour, however, came during the Opium War. Tagore had joined with other leading merchants to request a government mail charter from Calcutta to Suez, bypassing Bombay, but, until the war made rapid communications urgent, their request was denied. Finally the government agreed to accept Tagore’s offer on condition that the Waterwitch complete the voyage in forty days, and, though the odds were against success, Tagore accepted the challenge. His ship left Calcutta on July 1, 1839, with a cargo of mail and coal and reached Aden in thirty-eight days, three less than customary on the much shorter Bombay-Aden voyage. Although her topsail sprung at Aden, the mails were carried on another ship to Suez in time for the steamer to Britain, a triumph for Tagore and the merchants of Calcutta. The government paid Tagore Rs. 8,000 for the charter, one-sixth of her usual freight for carrying opium. 66

Dwarkanath owned two other opium clippers, the 371-ton Ariel, built at Kidderpore in 1837, and the 112-ton Mavis, built at Akyab in 1833. The Ariel was one of the clippers forced to surrender her cargo to Commissioner Lin, and during the war she was chartered by the government to carry the mails from China to Aden. The Mavis was destroyed by lightening in 1842. 67 Two other sailing ships owned by the firm, the Lord Amherst and the Sophia, were engaged in the country trade. Tagore’s largest ship was the 510-ton Zenobia, built at Calcutta in 1815 for the Indo-British trade. Tagore purchased her for Rs. 55,000 from the estate of James Calder after the failure of Mackintosh and Company. 68 The firm served as agents for, and

65 Besil Lubbock, The Opium Clippers (Glasgow: 1933), pp. 140-41.
66 Ibid., pp. 166-67. N.A.I. Marine Proceedings, 15 May (17 and 18), 22 May (10 and 11), 5 June (6 and 7), 12 June (15-17), 26 June (14-16), 17 July (1 and 2) 1839. Tagore and his heirs retained half-ownership in the Water Witch until 1848, when the ship was purchased by the Canton firm of Lancelot and John Dent. Lubbock, The Opium Clippers, p. 94.
68 India Gazette, 20 May 1833.
possibly owned shares in, the Imam of Muscat, the Threlkeld, the Christopher Dawson, the steamer Tudor, and the Emerald Isle, large ships engaged in the Indo-British trade. 69

Thus, Tagore had been a ship-owner, indigo planter, and zamindari agent for some years before he founded his house, and after the liberal charter of 1833 he anticipated expansion into new areas. By establishing Carr, Tagore and Company he acquired a base of operations for his activities and a staff of managerial associates and clerical assistants to facilitate his business. His long-term plan of travel to Europe made the institutionalization of his business affairs urgent. From his office at the firm’s headquarters at Colvin’s Ghat, off Hastings Street, Dwarkanath directed both his own investments and the business of the house indiscriminately. He worked hard, put in long hours, and, according to James Stuart, wrote a “most excellent letter,” spoke English well and was “a good man of business.” He also knew how to win the loyalty of his employees. When he presented Stuart with a fine horse, valued at Rs. 1,200, the secretary wrote his parents: “It is not the amount of the present that pleased me, as I consider that my services are worth more than that above my salary . . . but it was the kind manner in which Dwarkanath did it that I was better pleased than if twice the amount had been given me. The more I see of Dwarkanath the more I like him.” 70

Dwarkanath enjoyed his work. Possibly to compensate for the earnest and purposeful way in which he pursued his pleasures, his approach to the game of business was playful and high spirited. At once hard-headed businessman and good-humored friend, he wrote chatty and entertaining letters to his mufassal constituents. Writing, for example, to a young army officer whose investments he handled, Dwarkanath quickly dispensed with business and related the local gossip, with particular attention to the young ladies of Calcutta’s European society. Along with frivolous advice that the young man keep his “health and red cheeks” by marrying a “Begum of 95 years with her fortune,” Dwarkanath counseled his friend to stay abreast of

69 In 1837 the Emerald Isle was chartered by the Australian Association of Bengal and fitted by Carr, Tagore and Company with provisions to take a large group of settlers to Australia, but according to the irate passengers the provisions were inadequate and inedible. Englishman, 16 June 1838. For agency see Bengal Hurkaru, 6, 21 Jan., 17 Feb. 1841. See also lists of ships registered in the Port of Calcutta in various issues of Bengal and Agra Directory and Annual Register.

70 KNT ms., letters from James Stuart to his family dated January 1841, April 1844, and August 1844.
politics by reading the Merut Observer and the Universal Magazine. In a
postscript alluding to Prasanna Kumar Tagore, he noted that “the
Reformer is sitting beside me and begs to be remembered to you.”71

Tagore’s congeniality, his intimacy with the British, and their high
regard for him were of incalculable value to the firm. His personal
qualities no less than his material assets help to account for the
primacy of his house in the business world of Calcutta. In its early
years, however, the firm was not unlike its contemporaries. Only in
1836, two years after its founding, did Carr, Tagore and Company
begin its metamorphosis from a typical agency house into the leading
entrepreneurial organization of its day in India.

71KNT ms., letter from Dwarkanath Tagore to Lt. J. Cameron, Ghazepore,
Merrut, 20 Nov. 1835.
Chapter V

RANIGANJ

The heart of Dwarkanath Tagore's business empire lay not in Calcutta but 130 miles to the northwest in the wilderness of Burdwan district. There, at Raniganj, was the coal mine, purchased by Tagore in 1836, that gave him virtual control over the supply of fuel in the Bengal presidency. In 1836 Raniganj was the oldest, largest, and richest coal mine in India. British prospectors had known since 1774 that there was coal in the area, but it was not until 1815 that serious mining began. In that year the government advanced the celebrated entrepreneur William Jones Rs. 40,000 at 6 percent, secured by Alexander and Company, to start a mine in Burdwan. Jones obtained a lease for 99 bigahs of land from the Rani of Burdwan, and operated the mine at a loss until his death in 1821. Alexander and Company paid off Jones's debts and sold the mine on mortgage to one Captain Stewart who worked it for a few years, again without commercial success.

In 1824 Alexander and Company foreclosed on Stewart and began to operate the mine on their own account, with startling success. Annual production increased from 4,000 bazaar maunds in 1824 to 2,07,000 in 1827 and, when Alexander and Company failed in December 1832, production had reached 4,00,000 maunds, or about 15,000 tons. The creditors of the firm considered the mine the "best and safest property held by the house" and continued to operate it at a profit of Rs. 70,000 per year. In July 1834 and again in February 1835 the trustees of Alexander and Company offered to sell the mine. Dwarkanath showed no interest in it at the time, but when it was offered a third time, on July 2, 1836, he purchased it for Rs. 70,000. ¹

¹For the early history of the mine, see "Notes on the Right Bank of the Hooghly," Calcutta Review, IV (July-December 1845), pp. 478-81; H.D.G. Humphreys, "History of the Bengal Coal Company, 1843-1861," ms. in archives of Andrew Yule and Company, Calcutta; L.J. Barraclough, "A Further Contribution to the History of
The purchase of Raniganj was the most important single transaction of Dwarkanath’s business career. Operation of the mine provided a focus for the diverse activities of Carr, Tagore and Company and transformed a loose partnership into an effective managerial team. The firm had all the requirements for success—managerial and technical skills, a distribution system and sales experience, legal talent, influence with both the government and local magnates, and capital resources. All of these helped the firm take advantage of the expanding demand for coal and the exploitation of newly discovered coal seams in the Raniganj area.

But from the viewpoint of C.B. Taylor, Tagore’s manager at the mine site, conditions appeared far from optimum. Taylor had come out to the jungles of eastern Burdwan as a prospector in 1830, and for a mere Rs. 300 per month lived with his family in the isolated wilderness, struggling against great odds to mine and ship coal for his employers. As Tagore’s manager he faced enormous problems—floods, fires, engine breakdowns, cash shortages, labor strikes, and desperate struggles in the fields and lawcourts against rival operators over mine labor, riverside wharves, and mining leases. In 1843, after six trying years at Raniganj, Taylor, with Tagore’s support, left to work his own mine at Rajharrah, an even more desolate area 200 miles west of Raniganj. When this venture failed, he worked for a short time at the firm’s Amta coal depot and then found employment with W. Theobald, who had formed a rival company, the Indian Coal, Coke and Mining Company. Taylor, one of the many self-trained “engineers” whose extraordinary feats laid the foundations for Indian industrial development, had little to show for twenty years of toil and sacrifice.  

When Taylor left for Rajharrah his place was taken by Thomas Watkins, who was less vigorous but more even-tempered and emotionally balanced than Taylor. Watkins had been superintendent of the government tea plantations in Assam where, in addition to tea planting, he had mined coal on his own account. After four years at Raniganj, Watkins was replaced by one Mr. Biddle and joined Taylor in Theobald’s firm. 

---

2 A vivid portrait of Taylor emerges from his letters in the Bengal Coal Company Papers, 1840–45.

From their headquarters at Raniganj, Taylor, and later Watkins, directed all the mining operations of Carr, Tagore and Company. In addition to Raniganj these included a number of small mines and quarries, the most important of which was Chinakuri, twenty miles west of Raniganj, purchased by Tagore in 1837. Under the local superintendence of Mr. DaCosta, Chinakuri was a relatively deep mine and produced coal as fine as that of Raniganj, though only one-sixth the quantity.

Taylor's chief talent was engineering. When Dwarkanath purchased Raniganj the mine had fifteen shafts, each about 100 feet deep, to work a seam of coal nine feet wide. Coal was mined according to the pillar-and-stall method, 50 percent of the coal being left in place as pillars to support the roof. In 1840 Taylor decided to depillar the mine and substitute props of brick or wood for the coal. Inexperienced in this difficult and dangerous task, he relied on mining manuals for guidance, and although the operation was only partly successful, it was a remarkable engineering feat. After depillaring, the mine caved in and a fire caused by spontaneous combustion smoldered for many years. Although the old mine was abandoned in 1842, a new mine adjacent to it was available, and production was not affected.4

Another of Taylor's technical problems was the accumulation of water in the pits during monsoons. Although not deep by British standards, Raniganj required regular pumping by a huge, antiquated steam engine of 4 to 5 horsepower. The engine, constantly in need of repair and new parts, was tended by a full-time engineer, Mr. Cearns, who, for a monthly salary of Rs. 150, also attended the engine at Chinakuri. By 1847 the old engine had been replaced by a 20-horsepower Fawcett Preston.5

Recruiting, training, and keeping a skilled mining force was one of Taylor's perennial problems. As evidence of his recruiting ability, the number of miners employed at Raniganj rose from 150 in 1840 to 586 in 1845. The miners were tribals from the surrounding villages—Santals for Raniganj and Bauris for Chinakuri. The Santals, originally instructed in mining by William Jones, mined with crowbars and

---

5Bengal Hurkaru, 22 May 1847.
. wedges; the Bauris, instructed by the former owner of Chinakuri, Betts, used picks. The pick was the superior implement; the crowbar left more waste in broken and crushed pieces of coal. On one occasion the Chinakuri miners were brought to Raniganj to teach the Santals to use the pick, but were driven out by the Santals and their houses burnt down. 6

The miners of Raniganj, using crowbars, chipped out small hollows near the bottom of the face of the coal and brought down the coal from above with wedges and hammers. Then they removed the coal from the sides of the face. When the pick was used, miners made a deep groove near the bottom of the face and then knocked out the top. Deep in the pit, young boys scurried about carrying chunks of coal to large buckets at the bottom of the shafts. Each bucket held about 500 pounds of coal, and a miner, paid by the amount he mined, filled about two buckets of coal per day. 7 The buckets were attached to ropes and raised by “gins” to the pit heads. A “gin,” derived from the word “engine,” was situated at each pit head and consisted of a large circular wooden drum with a rope wound around it and four arms attached on a vertical axis. The “gins” were covered by shelters to protect them from rain. On each of the four arms, six to nine women or girls, chanting as they worked, pushed the arm around and wound up the rope, raising one bucket and lowering another simultaneously. The coal was removed from the bucket by a gin coolie and transferred into bullock carts for transport to mounds at the mine or riverside. 8 Gin sircars kept count of the number of buckets, 9 gariwalas drove the bullock carts, boat coolies loaded the boats at the ghats, and boatmen carried the coal down the river. Taylor presided over the entire operation as well as over an office staff.

Despite the primitive conditions and the hazardous nature of the work, there were few serious accidents. Taylor was zealous about mine safety and would not permit miners to enter the pits if there was


7Bengal Coal Company, Taylor to Carr, Tagore, 20 Apr. 1842.


9Bengal Coal Company, Taylor to Carr, Tagore, 25 Nov. 1842.
the slightest danger of flooding. For years he pleaded in vain with his employers to send him a doctor, and was even willing to contribute, along with Da Costa and Cearns, to the doctor’s salary. As a further incentive he pointed out that, if conversant with chemistry, the doctor could be of use in testing ores. In 1843, after a personal appeal to Dwarkanath, a doctor was sent, at a salary of Rs. 150 per month. 10

For Taylor, mining the coal was less a problem than getting it transported to Amta en route to Calcutta. All shipping was done during a ten-day period in the rainy season when the Damodar was high enough to support the boats. Hundreds of boats were tied to the ghats of Carr, Tagore and Company; each was loaded with 200 to 600 maunds of coal and sent downstream to Amta in western Howrah District. The coal was piled at the Amta Depot, under the supervision of Mr. Martin, and in time transshipped to coal depots near Calcutta. Meanwhile the boatmen returned to Raniganj for another load, the average boat carrying three to four loads per season. The boatmen, a temperamental lot who frequently went on strike, were paid by the load but were given advances to keep them available for the dash. If the river was too low, they would dump coal overboard along the way, and invariably less arrived at Amta than left Raniganj. Dwarkanath estimated the cost of conveying coals from Raniganj to Calcutta at Rs. 10 per 100 maunds. 11

The coal was taken from the Amta depot by boat down the Damodar to the Hooghly and thence up to Howrah and Calcutta. It was stored in the Howrah Yard, the Kidderpore Depot, or on floating rafts anchored in the river. Some was also stored near steam engines such as those of the New Mint, the Cossipore Mills, and, at times, at Sibpore for the many users there. A perusal of surviving coal orders received by the firm gives some notion of the central importance of Tagore’s coal to the nascent industry of Bengal. Rubble was ordered by the Calders for their Cossipore foundary, by Haworth Harman and Company for the Cossipore Mills, by Sherrif and Company for their brickworks, by the Assam Company for their steamer and sawmill, by W.E. Jenkins for the Fort Gloster Mills, and by many small upcountry agents for distribution to local indigo, silk, sugar, and rice mills. 12

10Ibid., Taylor to Carr, Tagore, 13 Feb. 1842; Watkins to Dwarkanath Tagore, 17 July 1844, and Watkins to Macpherson, 1 Apr. 1845.
12Bengal Coal Company, Samuel Smith to Carr, Tagore, 9 April 1840; J.H
Steamboats were the major customers. Private steamers numbered five in 1840, three of these controlled by Carr, Tagore and Company. By 1849 there were fifteen privately owned steamers, three of which were thousand-ton P. & O. liners.¹³ Not all used coal from Burdwan; some used English coal, and occasionally wood was burnt. But the Calcutta Steam Tug Association and the India General Steam Navigation Company, established in 1844, were both managed by Carr, Tagore and Company and used Tagore's coal. During twelve years of operation, from 1836 to 1848, the Steam Tug Association consumed twenty lakhs of Burdwan coal.¹⁴

The firm's most important customer was the government, which in 1840 had nine steam vessels, four of them Ganges boats, with a total horsepower of 600. The low-pressure Maudlin engines consumed ten pounds of Burdwan coal per horsepower per hour.¹⁵ If the average boat was in operation fifty hours a week, the annual consumption of this flotilla would have been 7,500 tons per year, or more than two lakhs of the total Raniganj output of seven lakhs. By 1849 the government had nine seagoing steamers and ten riverboats. Coal selected for the use of river steamers belonging to the government, the Assam Company, and the India General Steam Navigation Company was transported from Calcutta to river coal depots belonging to Carr, Tagore and Company. These included Rajmahal, Cutwa, Berhampore, Coolna, Commercolly, Surdha, Colgon, Monghyr, Dinapore, Ghazipur, Mirzapur, and Allahabad.¹⁶ Some of the coal destined for Dinapore, the river depot near Patna, and for other depots on the Ganges above Patna, was shipped directly from the Rajharra mines up the Koel and Son rivers.¹⁷

A Ganges steamer could carry no more than a quarter of the fuel it needed for the trip from Calcutta to Benares and therefore made frequent refueling stops along the way. In the late 1840s the Bengal Coal Company defined four coal-distribution regions:¹⁸


¹³Bengal and Agra Directory and Annual Register (Calcutta: 1840, 1847).
¹⁴Bengal Hurkaru, 19 May 1848.
¹⁶Ibid, p. 84.
¹⁸WBSA, Marine Proceedings, 18 Mar. (56) 1852. Prices were about one anna less in the mid-forties.
<table>
<thead>
<tr>
<th>Region</th>
<th>Price of coal per maund (annas)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Calcutta</td>
<td>7</td>
</tr>
<tr>
<td>2. Lower Bengal, Dacca, Commercolly, etc.</td>
<td>8.8</td>
</tr>
<tr>
<td>3. Patna</td>
<td>13.76</td>
</tr>
<tr>
<td>4. Patna to Benares</td>
<td>15.36</td>
</tr>
</tbody>
</table>

When the government advertised for "Best Burdwan," only Carr, Tagore and Company or their agents could supply it. The prices charged—between six and twelve annas per maund—varied with the quality, quantity purchased, and place of delivery. Within this range a limit was set by the price of imported English coal, which, delivered at Calcutta, usually sold for a few annas more than the Burdwan. The earliest reports on Burdwan coal stated that the user would require twice as much coal to do the same work as he would with English coal. But by the 1840s, Best Burdwan was tested to average as high as 90 percent as good as English coal for use in steam engines. 19

Nevertheless, the firm's records are filled with complaints from the government and other users concerning inferior coal supplied by Carr, Tagore and Company. 20 The reason for the discrepancy between the samples tested and the coal marketed was that Burdwan coal lay in mounds at the various coaling depots, exposed to the elements for twelve to eighteen months before distribution. English coal, on the other hand, was mined, immediately transported in enclosed shipholds, and arrived in Calcutta free from the ravages of weather. 21

Although Taylor's responsibility ended when the coal reached Amta, his job was the most arduous of the entire undertaking. Problems of mining and transport were compounded by the presence of rival coal-mining operators in the area. His most immediate rival was Jeremiah Homfray, manager and part owner of Naraincoory, a

---

19 S.G. Tollemache Heatly, "Contributions towards a History of the Development of the Mineral Resources of India," *Journal of the Asiatic Society of Bengal*, vol. XI (1842). The test was made in 1775. Bengal Coal Company, "Report of J.H. Johnston, Controller, Government Steamers, 12 February 1842." One long-term user reported that Best Burdwan was 75-80 percent as good as English coal and that average Burdwan was 60-65 percent. See "An Account of Coal Working in the Damodar Valley," *Bengal Hurkarn*, 22 May 1847.

20 See, for example, Bengal Coal Company, Johnston to Carr, Tagore, 29 Aug. 1844 and I.O., Financial Department, Letters and Enclosures Received from Bengal, vol. 91, 2 Apr. 1844, letter from M.N. Forbes, Mintmaster, to P. Melville, 21 Mar. 1844.

21 Homfray pamphlet cited in *Bengal Hurkarn*, 29 July 1847.
large mine only a mile southeast of Raniganj. Naraincoory had been mined since 1830, at first by Homfray in partnership with George Jessop of the Calcutta engineering firm. After Jessop sold his share to Gilmore and Company in 1836, Homfray and Gilmore worked as partners until their failure in 1842. Thereafter, for about a year, the mine was held by a London group called the “Naraincoory Proprietors,” creditors of Gilmore and Company. In 1843 they joined with Carr, Tagore and Company to form a joint-stock association, the Bengal Coal Company, which remained under the management of Carr, Tagore and Company.

From 1836 until the amalgamation of the two mines in 1843, Jeremiah Homfray and C.B. Taylor were bitter rivals for supremacy in the area. Fighting most of their battles in the courts, each tried to drive his rival from the area, take away his land under one pretext or another, prevent him from obtaining laborers, block his roads to the ghats, fight him for possession of the riverfront, and destroy the confidence of his employers. Because Taylor had the superior mine and facilities, Homfray was more often the instigator of trouble. In fact, so inferior was Naraincoory coal that the first action of the Bengal Coal Company was to close down the mine. Even though Carr, Tagore and Company was a far stronger firm than Gilmore, Taylor was a mere employee, whereas Homfray was a partner who could not be dismissed. Homfray barraged Gilmore and Company with various false charges against Taylor to be taken up by Gilmore with Carr, Tagore and Company. In Calcutta the two agency houses were on good terms and easily reached agreements over labor and ghats, but these were always violated in the field.\(^2\)

Taylor’s second important rivals were the Erskine brothers, not as exasperating as Homfray, but potentially more dangerous. His major dispute with the Erskines involved a bed of good coal called Munglepore, situated 3½ miles northeast of Raniganj, over which the Erskines successfully fought Taylor in the courts as well as with lathiyaals. Though they remained in the coal mining business into the latter half of the nineteenth century, the Erskines were principally indigo producers, and Taylor was eager for his firm to retaliate and manufacture indigo at Raniganj. Soon after the Erskines began

\(^2\)Bengal Coal Company, Taylor to Carr, Tagore, various letters during this period.
dabbling in coal, Taylor planted indigo and gave advances to ryots near one of Erskine's factories. 23

Between suits and countersuits involving Homfray, the Erskines, and a number of local Indian landholders, Taylor and Watkins found themselves in court much of the time. Taylor once wrote his employers that only one of their many estates was not then involved in a lawsuit either as plaintiff or defendant. 24. No contestant was squeamish in the use of forged documents, bribes, coaching of witnesses, and establishing dubious counterclaims. But Homfray, for one, was somewhat more ruthless than Taylor, as would be expected of the underdog in a contest for mastery of the coalfields. Against the Erskine brothers, Taylor and Watkins had other disadvantages. They were employees with little social standing whereas the Erskines, as resident indigo planters with vast estates, were prominent members of local European society. Consequently, Carr, Tagore and Company lost many more suits than they won.

Taylor filled his letters with complaints against the local political agents, magistrates, and judges, who were especially friendly to the Erskines. The Erskines were permitted to mine coal on property attached by the courts pending appeal; the testimony of their false witnesses was accepted by the courts; and they were permitted to trespass freely on the property of Carr, Tagore and Company. Prasanna Kumar Tagore appealed at least one decision to the deputy governor of Bengal in council. Watkins, though less intemperate than Taylor, wrote his employers about one official: "Mr. Cardew's open and undisguised advocacy of the Erskines has given rise to a belief in this part of the country that he has a share in their coal business. Be this as it may, there appears to be good reason for suspecting that all their aggressions upon this property has (sic) been counselled and directed by that officer." 25

23 Bengal Coal Company, Taylor to Carr, Tagore, 12 Feb. and 21 May 1842. Also, see Decisions of the Sudder Dewanny Adawlut, Recorded in Conformity to Act XII of 1843, in 1849 (Calcutta: 1850), pp. 366-70. This was an appeal by Carr, Tagore and Company from an earlier decision against them in regard to Munglepore. The point orginally at issue was whether their patta or that of Erskine was the legitimate one. Carr, Tagore claimed to have received theirs from the Talukdars of Munglepore and the Erskines from a gomasta named Soor Singh. Carr, Tagore also had claimed that Alexander and Company, their predecessors, had received a patta from the Talukdars as early as 1830, but the court ruled this patta a forgery.

24 Bengal Coal Company, Taylor to Carr, Tagore, 2 Mar. 1840.

25 Ibid., Watkins to Macpherson, 8 Apr. 1845. For Taylor's complaints, see letters of 14 Sept. 1840, 30 Mar. 1842, 4 April, 15 May, 4 and 28 Nov. 1842. For Watkins,
Whether deliberately or not, the action of local officials was directed toward opening up the industry and encouraging competition. A letter from A.G. Mackenzie to Woomesh Chunder Roy, the Bengal Coal Company’s local attorney, reveals the grand strategy of Carr, Tagore and Company. The company tried to destroy every rival and to become the sole supplier of country coal in eastern India. All the other coal producers in the Raniganj area were at their mercy. The small mine at Munglepore, over which they contended with the Erskines, was too far from the river and of little commercial value, but Carr, Tagore and Company was determined to prevent anyone else from mining it. The Erskines’ old ghat ten miles south of Raniganj was silting up, and, desperately trying to establish a new ghat, they were encroaching on the riverfront near Raniganj. Mackenzie wrote Woomesh: “We have been for some time in possession of all the riverfront occupying that distance . . . and they must be defeated by any means.” He urged Woomesh to get documents and witnesses ready for a court fight and explained: “Our object is to secure all the lines of ghats for ten to twelve miles below Naraincoory to prevent parties in the interior from getting their coals shipped out there.”

As part of his feud with the Erskines, Taylor began in January 1842 to build vats and boilers for the manufacture of indigo. He advanced Rs. 5,000 to the neighboring ryots to induce them to plant indigo and by July had erected five indigo factories, one adjacent to an indigo factory of the Erskines. Taylor asked his employers to send him a watch, essential for timing the steeping process. He had given his own to the Raja of Pachete along with a music box, to influence the Raja to expel a prospector who was trying to open a coal mine in the Raja’s territory. Because of inundations, the first year of indigo planting ended with a loss, but the company continued to manufacture indigo until 1845, when Watkins, asserting it was not worth his time, persuaded the company to sell the works to one Mr. Savigny. Watkins wanted them sold, even at loss, rather than abandoned completely because some of the employees were involved

---

26Bengal Coal Company, “Information regarding Colliery Matters for Woomesh Chunder Roy’s perusal on his visit to all collieries, 31 March 1845.”
27Ibid., Taylor to Carr, Tagore, 31 Jan., 12 Feb., and 12 and 17 July 1842.
28Ibid., Taylor to Carr, Tagore, 12 July 1842.
in the firm’s lawsuits and might have gone over to its opponents if dismissed. 29

Taylor and Watkins tried to interest the company in exploring other new enterprises—Taylor in timber 30 and Watkins in iron. In 1845, Watkins noted that the new railway companies were anticipating expenditures of 1,000 lakhs of rupees for iron and felt that “the time has arrived when the splendid iron ore of this district might be ‘turned to very profitable advantage.’” 31 He sent Macpherson a sample of metalliferous sand found in great abundance near Rani-ganj and predicted that extensive ore deposits would be found in the neighboring hills. The land from which the sand was taken belonged to one of the hill rajas from whom mining rights could easily be obtained. 32 When two agents of the railway company on a search for building materials stopped at Raniganj, Watkins informed them that he could supply them with any quantity of building stone from the firm’s quarry at Charulene. He reported this to Macpherson and added, “If you take up the project of an iron company in earnest we should also be able to supply them with any quantity of that article.” 33 Iron mining, he wrote his employers, “offers the most alluring opportunities for the profitable investment of capital which has (sic) occurred in our time.” 34

There is no evidence that the home office ever acted upon Watkins’s suggestion. Coal itself could absorb all of the capital, their own or borrowed, that Carr, Tagore and Company cared to invest. Tagore and his partners could look back with satisfaction over a decade of continual expansion in both the production and consumption of coal. From 1836 to 1846, production in the Burdwan fields had doubled, and Carr, Tagore and Company had maintained their share of 60 to 70 percent of the total and almost 100 percent of the better-quality coal produced in India: (See table 4).

The decade ahead looked even more promising. New railways, including one promoted by the firm itself, meant undreamed-of

29Ibid., Watkins to Macpherson, 24 Nov. 1845.
30Ibid., Taylor to H.B. Henderson, 3 Jan. 1842.
31Ibid., Watkins to Macpherson, 20 Aug. 1845.
RANIGANJ

Table 4. Coal Production, 1836–46

<table>
<thead>
<tr>
<th>Date</th>
<th>Maunds</th>
<th>Date</th>
<th>Maunds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1836–39</td>
<td>10,00,000</td>
<td>1837</td>
<td>7,27,531</td>
</tr>
<tr>
<td>1840</td>
<td>12,25,000</td>
<td>1839</td>
<td>8,00,000</td>
</tr>
<tr>
<td>1841</td>
<td>14,50,000</td>
<td>1840</td>
<td>7,00,273</td>
</tr>
<tr>
<td>1842</td>
<td>16,75,000</td>
<td>1842</td>
<td>10,00,000</td>
</tr>
<tr>
<td>1843</td>
<td>16,50,000</td>
<td>1844</td>
<td></td>
</tr>
<tr>
<td>1844</td>
<td>17,50,000</td>
<td>1844</td>
<td>13,79,813</td>
</tr>
<tr>
<td>1845</td>
<td>20,50,000</td>
<td>1845</td>
<td>14,01,170</td>
</tr>
<tr>
<td>1846</td>
<td>25,00,000</td>
<td>1846</td>
<td>15,47,360</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1847</td>
<td>17,00,000</td>
</tr>
</tbody>
</table>

*Source of data: Bengal Coal Company Papers; Bengal Hurkaru, 29 July and 16 Nov, 1847.

expansion in demand as well as the possibility of opening new fields and facilitating the transport of coal from Burdwan to Calcutta. Raniganj alone could absorb all the capital the firm could raise. The mine was far from exhausted, and existing operations could be expanded.

In the early forties, the cost of producing a maund of coal was 3 pice; in the later forties, under Watkins, about 2½ pice. To produce ten lakhs of coal in the later years of C.B. Taylor the annual expenditure was roughly as shown in table 5. If Carr, Tagore and Company sold eight of the ten lakhs of coal at an average price of 5 annas per maund their gross income would have been Rs. 2,50,000. If their expenditures were Rs. 1,75,000 they would earn a net profit of over 40 percent on capital invested. Notwithstanding these profits, the mining operation was always short of cash. Receipts from coal sales went into the general treasury of the firm, to be used for commercial and other purposes. C.B. Taylor continually complained about the shortage of cash and at one point threatened to resign if the

35 Three pice are equal to 0.047 rupee. Bengal Coal Company, Taylor to Carr, Tagore, 7 Nov., 1 Mar. 1842.
36 Ibid., and Bengal Hurkaru, 16 Nov. 1847.
37 In 1833, Alexander and Company reported that Raniganj alone had yielded a profit of Rs. 70,000, hence the figure of Rs. 75,000 is a low estimate. The prospectus of the Bengal Coal Company, drawn up in 1843, estimated income from the combined Carr, Tagore and Narainchowry mines at between Rs. 80,000 and 1,20,000 per annum. Quoted in L.J. Barraclough, "A Further Contribution," p. 7.
Table 5. Annual Expenditure of Carr, Tagore and Company on Coal Production, 1842

<table>
<thead>
<tr>
<th>Operation</th>
<th>Rupees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian labor</td>
<td>50,000</td>
</tr>
<tr>
<td>European salaries at mines</td>
<td>6,000</td>
</tr>
<tr>
<td>Legal expenses</td>
<td>4,000</td>
</tr>
<tr>
<td>Rents and land taxes</td>
<td>10,000</td>
</tr>
<tr>
<td>Transport, boat hire, storage at depots</td>
<td>1,00,000</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Total annual expenditure</strong></td>
<td>1,75,000</td>
</tr>
</tbody>
</table>

The firm did not send him money to meet his monthly expenses of Rs. 4,000 to 5,000. Under Watkins and the Bengal Coal Company the situation did not change materially.

Important as Taylor and Watkins were, the offices of Carr, Tagore and Company in Calcutta maintained tight control over the operation. The correspondence indicates that the smallest decisions were referred to headquarters, perhaps more so in the case of Taylor than of Watkins. Taylor wrote almost every day, sometimes twice in one day, usually addressing his letters to “Carr, Tagore and Company,” but sometimes to a specific member of the firm. The letters reached Calcutta within two days and were opened by the head clerk, Francis Pinto, who summarized their contents and forwarded summary and letter to the “Coal Department.” William Prinsep was the first partner to serve as head of the coal department. He visited Raniganj in November 1836 to arrange compromises of the firm’s lawsuits with Gilmore and Company, and while there first conceived of uniting Raniganj, Chinakuri and Naraincoory into one mining company. In 1837, Carr, Tagore and Company took the first step in that direction by buying Chinakuri from Betts, but it was not until 1843, when the firm assumed control of Naraincoory as managing agent of the Bengal Coal Company, that Prinsep’s dream became reality.

The second partner to head the coal department was Captain T.J. Taylor, who joined the firm in March 1839. He was a personal friend of C.B. Taylor’s arch foe, Jeremiah Homfray, and on a visit to the mines in October 1839 to settle disputes with Homfray agreed to let Naraincoory share part of the ghat belonging to Raniganj and to a division of villages between the two mines as sources for the

---

38 Bengal Coal Company, Taylor to William Carr, 23 Mar. 1840.
39 Ibid., Taylor to Cdr. Tagore, 6 Apr. 1842.
recruitment of labor. Both agreements were to the disadvantage of Carr, Tagore and Company and caused the firm endless trouble until the unification of the mines. 40

After Captain Taylor's death in December 1839, William Carr, who had returned from England for a short period, took charge of the coal department, 41 but by September 1840 he had passed the job on to Donald McLeod Gordon. 42 From January 1842 to September 1843, H.B. Henderson, who in 1837 had been a member of the government's Committee for Investigating the Coal and Mineral Resources of India, 43 took charge. The coal department was next headed by Captain A.G. Mackenzie, who relinquished it to G.G. Macpherson, first Managing Director of the Bengal Coal Company.

Various other members of the firm were involved in special aspects of the coal business. D.M. Gordon gathered evidence for lawsuits and prepared documents for the merger operation. 44 Taylor often wrote directly to A.G. Mackenzie on matters relating to the steam engines and implements, Prasanna Kumar Tagore planned the legal strategy, 45 and William Carr and his brother John were involved chiefly in sales. Overall coordination was the job of Dwarkanath Tagore. His special functions included personnel decisions, relations with government, finance and merger negotiations, and legal problems relating to the purchase and leasing of land.

Carr, Tagore and Company held Raniganj under two separate pattas or deeds of lease from the Burdwan Raj. The first had passed down to the firm from William Jones, who in 1812 had received from the Rani of Burdwan a patta for the mine itself, 133 bigahs of land on which the buildings had been erected and the shafts sunk. The second patta had been acquired by the firm from Alexander and Company, a patta received in 1826 from the Raja of Burdwan for three villages comprised in the Raniganj Talook—Raniganj, Hurradhanga and Sibgung. These villages, originally dedicated to religious purposes, had been exempt from government tax and assigned to a

40 Ibid., Taylor to D.M. Gordon, 12 Sept. 1840, to Carr, Tagore, 14 Sept. 1840, 26 Apr. 1842
41 Ibid., Taylor to William Carr, 23 Mar. 1840
42 Ibid., Taylor to D.M. Gordon, 26 Sept. 1840
43 Report of a Committee for Investigating the Coal and Mineral Resources of India (Calcutta: 1838), I.O., Record Department (26) 708/1
44 Bengal Coal Company, Taylor to D.M. Gordon, 26 Feb. 1842
particular individual during whose lifetime the rent could not be raised.\textsuperscript{46}

In March 1840 the deputy collector of Burdwan measured and assessed the taluk, preparatory to abolishing its revenue-free status. Taylor considered this beneficial to the company: so long as the government tax was paid, the company’s tenure would be secure and free from arbitrary enhancement or cancellation by the Raja of Burdwan. For additional security the new patta could be made out in the name of Carr, Tagore and Company rather in the name of Dwarkanath Tagore.\textsuperscript{47} In April 1842 Taylor went to the Raja’s court to open negotiations to change the lease from revenue-exempt to taxable, but the Burdwan officials, including the Raja and his father Parun, saw an opportunity for extortion and threatened to auction the property if Taylor did not come forward at once with at least Rs. 2,500. Taylor held his ground, knowing that the firm’s undenture, the original William Jones patta, was secure and offered the Raja a few hundred rupees for a new lease.\textsuperscript{48} Despite months of haggling and several visits to the court, Taylor failed to accomplish his mission.\textsuperscript{49}

Taylor would have been saved considerable trouble if Dwarkanath had been at home instead of in Europe during 1842. Tagore returned to Calcutta on January 5, 1843, and on January 17, together with his friend Longueville Clarke, one of the leading barristers of Calcutta, he wrote a letter to the Raja of Burdwan that settled the matter once and for all. The Raja, Mahtab Chand, replied with a courteous letter to Dwarkanath and Clarke on February 9 stating that he would have his amlas “make ready the papers of Raneegunge” and that as soon as they were ready he would notify Tagore’s attorneys.\textsuperscript{50} The agreement was executed on 13 September 1842, giving Dwarkanath Tagore as agent of the Bengal Coal Company a patta for Raniganj, Shibgunj, and Harodangah.\textsuperscript{51}


\textsuperscript{47}Bengal Coal Company, Taylor to Carr, Tagore, 27 Mar. 1840.

\textsuperscript{48}Ibid., 11 Apr. 1842.

\textsuperscript{49}Ibid., 16 Apr., 10 Aug., 24 Aug., and 4 Sept. 1842.

\textsuperscript{50}Ibid., Maharajah Mahatub Chund Bahadoor, Burdwan, to Dwarkanath Tagore, 9 Feb. 1842.

\textsuperscript{51}Ibid., indenture dated 1 Dec. 1862 between Debendranath Tagore and the
In addition to heeding some strong words from Longueville Clarke, it could well be that the Raja was reminded of the important part Dwarkanath had played in saving his throne. In 1834 there appeared a sanyassi who claimed to be Protab Chand, the natural son of the former Raja, Tej Chandra. Protab had died in 1821, but the sanyassi claimed he was Protab, had never died, but had been wandering as an ascetic for fourteen years and now returned to claim his inheritance. In a great lawsuit that ensued, all of Bengali society took the part of one side or the other. Dwarkanath sided with Mahtab and testified that Protab, who had been a friend of Rammohun Roy and Gopi Mohun Tagore, had often visited Calcutta. This sanyassi, he claimed, bore no resemblance to the young Protab, and his testimony had much to do with the final decision of the judges in denying the claim of the sanyassi.52

Taylor also wrote Dwarkanath directly for help in negotiations with a zamindar of Chota Nagpur, Kissanauth Roy. The zamindar owned more than forty villages in the vicinity of Raniganj, covering an extensive coal field and containing scores of villagers who could be persuaded to work in the collieries. Similarly Taylor informed Dwarkanath of the latest status of various lawsuits, a sign that legal problems were one of Dwarkanath’s particular areas of competence and interest.53

Personnel matters were another province that engaged Dwarkanath’s attention. Once, in a letter defending the integrity of his accountants, and his clerks, Taylor warned the supervisor of the coal department that they had been appointed by Dwarkanath Tagore, “and of course you must use your discretion in removing them all immediately.”54 Taylor also appealed to Dwarkanath for improvement in the terms of his own employment. In 1840 he wrote complaining that he was no better off than when he had come to “these jungles” ten years before, but when approached by other mining companies had refused to change employment out of loyalty to Carr, Tagore and Company. He asked Tagore specifically for some shares in one or two of the small collieries he had opened for the firm that year and said he would be happy “to start his own colliery right under Homfray’s nose.”55

Bengal Coal Company, Ltd.

53Bengal Coal Company, Taylor to Dwarkanath Tagore, 16 and 25 Feb. 1840.
54Ibid, Taylor to Carr, Tagore, 19 May 1842. Dwarkanath was in Europe at the time.
55Ibid., 30 Oct. 1840.
Notwithstanding Taylor's extraordinary contribution to the firm, Tagore's settlement with him was peculiarly ungenerous. They arranged for Taylor to open and operate a mine at Rajharrah in Palamau District, 200 miles west of Raniganj. In exchange for Taylor's meager property in Howrah and a mortgage on the new mine, the firm was to advance him Rs. 500 per month for three years. Taylor left Raniganj with his family on February 1, 1843, and struggled for three years with little success. Steam captains refused to use his slow-burning, smokeless, flameless coal which turned to powder on exposure to air. Eventually the Bengal Coal Company took over the mine and sold its coal as low-grade domestic fuel.  

Among Tagore's most important assignments was negotiation with the government, the firm's largest customer. In these negotiations the firm held the upper hand, and Tagore put this to every possible advantage. Although the government tried to free itself from dependence by encouraging British imports and developing new fields, Tagore was usually able to corner the market. At the same time, he reacted to the slightest rumor of government negotiations with other possible suppliers by reminding the government of its professed intention to encourage the development of an Indian coal industry. Tagore skillfully outmaneuvered the government by alternately exploiting his near-monopoly of the coal industry and sanctimoniously appealing to broader principles of state policy.

The contest between Tagore and the government began months before his firm had actually become legal owners of Raniganj. Carr, Tagore and Company inherited Alexander and Company's contracts to supply coal to government vessels, and when the Marine Board advertised for tenders for a new three-year contract, to begin on 1 June 1836, Tagore won the award. But in April there was a severe drought, the Damodar was shallow, and it was impossible to float coal down the river to fulfill Alexander's old contract. When Tagore asked for indulgence, the board had no alternative but to agree, not

56Augustus Prinsep, then district officer of Palamau, first brought the government's attention to the coal deposits in that area. Ironically, Homfray, in his testimony before the Committee for Investigating the Coal and Mineral Resources of India, made extravagant claims for Rajharrah coal and these misled Taylor, who was ruined by his faith in Rajharrah. See Report of above committee, p. 64. See also Barracough, pp. 11–14; Bengal Coal Company, Taylor to Carr, Tagore, 23 Dec. 1842, Taylor to D.M. Gordon, 13 Dec. 1842, and Taylor to Carr, Tagore, 1 Oct. 1842. For complaints about the coal from users, see Guildhall ms. 9925, Assam Company, Calcutta Minute Book III, 30 Aug. 1844, and Bengal Coal Company, J.H. Johnston to Carr, Tagore, 29 Aug. 1844.
only because no one else could supply the coal, but because no other firm could have fulfilled the three-year contract that was to begin in June. Nor was it to Tagore’s disadvantage that one of the members of the Marine Board was his old friend, H.M. Parker. 57

A year later, Tagore, with the help of Parker and the Marine Board, won a second round against the government. The Board of Revenue had ordered that tolls be equalized all along Tolly’s Nullah, an inlet from the Hooghly. Tagore’s Kidderpore Coal Depot was located near the entrance and, despite Tagore’s argument that his boats should pay a smaller toll than boats traveling far up the channel, the Board refused to concede a differential toll rate. Under the urging of the Marine Board, however, it did permit Carr, Tagore and Company to raise the price of their coal to be supplied to the government under the three-year contract, as compensation for the increased toll. 58

Nevertheless, the government was determined to free itself from Tagore’s stranglehold, and in January 1837 Lord Auckland established a Committee for Investigating the Coal and Mineral Resources of India. 59 C.B. Taylor, who had just gone to work for Tagore, was not consulted, but the committee relied for expert advice on Homfray and the Erskines. Homfray was paid to investigate Rajharrah, and his report, made on the basis of a few surface scratchings, was a fraud. 60

The committee reserved most of its enthusiasm for Assamese coal, causing the distinguished geologist, William Blanford, who reviewed the report in a paper delivered in 1861, to remark: “It is singular to find that the Committee, who would seem almost systematically to have exaggerated all accounts of distant coal fields, should have so much neglected the far more valuable deposits in the neighborhood of Calcutta.” 61 He attributed this to the difficulty of transporting coal from Raniganj to Calcutta, but a more likely reason for the neglect of Raniganj was the government’s desire to build up a rival to Carr, Tagore and Company. 62

57WBSA, Marine Proceedings, General, 13 July (14) 1836.
59The members were W. Carcroft, James H. Johnston, H.B. Henderson, W.N. Forbes, James Prinsep, and J. McClelland.
60Taylor to Carr, Tagore, 1 Mar. 1841, quoted in Barraclough, p. 12.
Notwithstanding Auckland’s entreaties, no action was taken on the coal committee’s report, and the pending expiration of Tagore’s three-year contract with the government lent urgency to the governor-general’s search for an alternative supply. His secretary wrote Captain Johnston, Controller of Steam Vessels, that Auckland wanted Sylhet and other coal tested before renewal of the contract became necessary. “Can nothing be made out of the Cheera Poonjee and other coal beds? Lord A. has been desirous that before July next when we shall be thrown if unprepared on the mercy of the present.” Auckland suggested that it might be wise to renew Tagore’s contract for only one year and to try during the next rainy season to ship Cheera coal by boat to Calcutta. But the outbreak of the Opium War in November 1839 threw the government almost completely into the hands of Dwarkanath. In March 1842, Captain Johnston listed a dozen steam vessels employed or about to be employed in the China seas. They had a total horsepower of 2,050 and a daily coal consumption of 193 tons. If they steamed every day they would have consumed about 13 lakhs of coal per year, more than the annual output of Tagore’s mines at the time. In addition, the riverboat, tugboat, and industrial demands for coal had to be met.

In their search for coal supplies other than those from Burdwan, the government turned to England, but this too involved dealing with Dwarkanath. In April 1840, Carr, Tagore and Company sold the government 1,300 maunds of English coal for 12 annas per maund. Upon delivery it was found to be so poor in quality that the Marine Board, through its secretary, C.B. Greenlaw, refused to pay more than 6 annas. After a prolonged controversy, in which the firm refused to accept less than 10 annas per maund, the issue was referred for arbitration to T.E.M. Turton, the acting advocate general. Turton ruled in favor of Carr, Tagore and Company, and the

His report, alluding to the superior coking coal of Burdwan, was hailed by the friends of the Bengal Coal Company, including the editor of the Bengal Hurkaru. See Bengal Hurkaru editorial, 25 May 1847.

63B.M. Additional Manuscripts 37693, Auckland Private Letterbook V, J.R. Colvin at Simla to J. McClelland, Calcutta, 3 July 1838.

64B.M. Additional Manuscripts 37694, Auckland Private Letterbook VI, Colvin to McClelland, 10 Aug. 1838.

65 Ibid., Colvin to Johnston, 24 Oct. 1838. The Shillong plateau in Assam is indeed the site of a large and rich coal field, but because of transportation problems the field was still undeveloped as late as 1957. See Spate, India and Pakistan, p. 557.

66PRO 30/12/53, Ellenborough Papers, Memorandum of 14 Mar. 1842.
government was obliged to pay the firm at the rate of 10 annas per maund. 67 Significantly, the dispute coincided with the struggle between Greenlaw and Turton for support in the Calcutta community for their rival schemes for a steam route from Calcutta to Europe, and Tagore and his partners were among the leading supporters of Turton and his "Precursor" scheme.

Severe floods in Burdwan in 1840 exacerbated the shortage of coal, and the contractors were raising their prices. Auckland appealed to the East India Company to offer a bounty to ships from Newcastle, Glasgow, Liverpool, and Bristol that would carry coal to India in ballast. 68 The government agreed to guarantee to take any good steam coals brought to Calcutta for 8 annas per maund. But there was nothing to prevent the shippers from selling coal on the open market in Calcutta, and the first two shipments sold for 9 annas per maund, forcing the government to compete with other buyers for coal. 69 Carr, Tagore and Company was among the buyers and had 90,000 maunds of English coal to sell in 1842. After fulfilling its contract and supplying the government with 3,00,000 maunds of Burdwan coal at 6 annas per maund, Tagore sold the remainder of his Burdwan at 8 annas and his English at 9 annas. 70

In the closing months of the Opium War, prices had risen to over 12 annas per maund. The government ordered 6,000 tons (1,62,000 maunds) directly from Carr, Tagore and Company, and Greenlaw planned to buy "quietly" another 6,000 tons on the Calcutta market to prevent Carr, Tagore and Company from cornering the supply. 71 The British coal industry was no less avaricious than the Indian and, unlike Dwarkanath, dealt with a sympathetic government. When prices reached 13 annas per maund, the East India Company shipped 8,000 tons to Calcutta, a windfall for British producers. 72 As Greenlaw wrote, the Marine Board "have read with attention and

69Ibid., 37705, Auckland Private Letterbook XVII, Auckland to James C. Melville, 9 June 1841.
71PRO 30/12/53, Ellenborough Papers, letter from C.B. Greenlaw, Secretary, Marine Board, to Ellenborough, 18 Mar. 1842.
72PRO 30/12/53, Ellenborough Papers, letter from East India House, 29 Mar. 1842, and PRO 30/12/53, C.B. Greenlaw to Ellenborough, 30 Apr. 1842.
consideration" of "the evident desire and intention of Her Majesty's Government rather to keep up the supply [of coal] from England than from India." 73

When prices returned to normal after the war, and India was no longer attractive to British coal producers, the Marine Board had no alternative but to fall back on Carr, Tagore and Company. The board was chastised by the Court of Directors in January 1844 for entering into a new contract with Carr, Tagore and Company three months before the old one had expired, for not having taken security for the performance of the engagement, and for not demanding repayment of a balance due to the government under the old contract. The board begged off in part by arguing that "in dealing with firms so respectable as that of Messrs. Carr, Tagore and Company it has not been usual to take any other security than that of the parties themselves." 74

Whenever an actual threat appeared to shake Tagore's monopoly, he eloquently appealed to the higher principles of free enterprise and the government's duty to develop the resources of India. In 1844 a report circulated that the government had entered into an agreement with someone in Calcutta to supply three lakhs of coal from the Cheera Poonji mines at cost price only to have the opportunity to work the Assamese mines which belonged to the government. Dwarkanath Tagore, as managing director of the newly established Bengal Coal Company, wrote the government that a joint-stock company had just been established to work the "most eligible collieries in Burdwan," that some seventy "respectable gentlemen" had invested eleven lakhs of rupees in the collieries and expected to bring to Calcutta twenty lakhs of maunds annually. The company, he pointed out, employed over 5,000 persons at the mines and 1,500 boats with crews totaling 9,000 men to bring the coal to Calcutta. All the company wanted, he explained, was a fair chance to compete on the open market for government contracts and to earn a fair profit on their investment. The government replied that there was no substance to the rumor and that it would continue to contract for the best and cheapest coal on the market. 75

73Ibid., Greenlaw to Ellenborough, 17 May 1842.
74I.O., Despatches to India and Bengal, vol. 42, pp. 846-48; Bengal Marine Department, 3 Jan. (2) 1845, ref. Bengal Marine Department, 17 Jan. (2) 1844.
Again, when the Marine Department advertised in March 1846 for wood to use in government steamers, Tagore expressed surprise that a government that had always been "desirous of encouraging the mining of coal" and "the development of this as well as the other mineral resources of the country" would permit the use of wood in its steamers. The government replied that it advertised for wood only because the price of coal was 13 annas per maund and the Marine Department could, by using wood, save Rs. 60,000 per year.  

The government’s dependency on the Bengal Coal Company continued until the railway age stimulated the growth of the industry. By 1860, fifty collieries were at work in the Raniganj field and were producing 92% percent of Indian coal. The Bengal Coal Company maintained its leadership and is still the largest producer of coal in the private sector.

Dwarkanath Tagore’s final contribution to the coal industry was his role in the formation of the Bengal Coal Company. Although the idea of uniting the two largest producers, Raniganj and Naraincoory, had been voiced by William Prinsep as early as 1836, Homfray, who was part owner of Naraincoory, opposed the merger. After the failure of Gilmore and Company in 1842, in which Homfray had also lost his share in the mine, there was a new interest in unification. Ownership of Naraincoory reverted to a group of creditors of Gilmore and Company who called themselves the “Naraincoory Proprietors.” They were represented by William F. Fergusson of Fergusson and Company, a leading Calcutta agency house, and he and Dwarkanath were the principal negotiators.

By the terms of the agreement, the capital stock of the company was placed at Rs. 11,00,000, divided into 1,100 shares of Rs. 1,000 each. The Naraincoory proprietors received 400 of these and Carr, Tagore and Company 700. Thus, on paper at least, an investment of Rs. 70,000 made in 1836 had grown in value to Rs. 7,00,000 by 1843. On the other hand, the Naraincoory proprietors contributed somewhat less than 4/11 of the total assets of the Bengal Coal Company. Homfray himself admitted that the Naraincoory mine was exhausted of good coal, and their Barakar mines, though potentially rich, were

79 Bengal Coal Company, Taylor to Carr, Tagore, 6 Apr. 1842.
<table>
<thead>
<tr>
<th>Table 6. Raniganj Proprietors a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dwarkanath Tagore b</td>
</tr>
<tr>
<td>H. B. Henderson b</td>
</tr>
<tr>
<td>J. Deans Campbell b</td>
</tr>
<tr>
<td>D.M. Gordon b</td>
</tr>
<tr>
<td>William Storm, merchant</td>
</tr>
<tr>
<td>Debendranath Tagore b</td>
</tr>
<tr>
<td>Rustomjee Cowasjee, merchant</td>
</tr>
</tbody>
</table>

### Naraincoory Proprietors

<table>
<thead>
<tr>
<th>Name</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antonio Pereira</td>
<td>139 shares</td>
</tr>
<tr>
<td>Alexander Rogers</td>
<td>90 shares</td>
</tr>
<tr>
<td>R.S. Cahill</td>
<td>60 shares</td>
</tr>
<tr>
<td>William Sloan</td>
<td>33 shares</td>
</tr>
<tr>
<td>James Fergusson</td>
<td>25 shares</td>
</tr>
<tr>
<td>William F. Fergusson</td>
<td>20 shares</td>
</tr>
<tr>
<td>H. Gouger</td>
<td>16 shares</td>
</tr>
<tr>
<td>J.D. Dove</td>
<td>16 shares</td>
</tr>
<tr>
<td><strong>Total Shares</strong></td>
<td>400 shares</td>
</tr>
</tbody>
</table>

a Source of Data: Bengal Coal Company, W.F. Fergusson to J. Deans Campbell, Managing Director, Bengal Coal Company, 21 Apr. 1844.

b Member or associate of Carr, Tagore and Company.

situated too far from the Damodar to be economical. 80 Aside from the mines, the Naraincoory proprietors contributed only their ghats on the river and their recruiting rights in nearby villages.

It appears, then, that Dwarkanath gave away more than he gained by the merger. As an individual, however, he made substantial gains. By creating a joint-stock company with marketable shares, he was able to dispose of his ownership at a large profit. At the same time, under the terms of the agreement, Carr, Tagore and Company was vested with the management of the company in perpetuity. 81 In addition, the nominal value of the stock, assigned to it by the shareholders themselves, was highly inflated. 82 It was stipulated in the agreement that before any of the Naraincoory proprietors could sell any of their 400 shares, 300 shares belonging to Carr, Tagore and Company had to be sold at par. These 300 shares were deposited with

80 Ibid., Homfray to Fergusson, 4 June 1844; Watkins to Macpherson, 7 June and 26 Oct. 1845.
81 *Bengal Hurkaru*, 17 Apr. 1848.
82 Humphreys, ms., “History of the Bengal Coal Company.”
the Union Bank as security for a loan of Rs. 2,00,000 to be liquidated as the shares were sold off.\(^{83}\) On 19 July 1844, Fergusson, in order to establish the liquidity of the 400 Naraincoory shares, offered to buy all of the 300 shares still unsold.\(^{84}\) Thus, Tagore sold out at par, Fergusson slightly below. By 1852, shares had declined more than 40 percent in value, and the actual victims were those who had bought shares at par and held onto them.\(^{85}\)

The first five years of the company were the most difficult. When organizing the company* and assessing its capital position, the founders had neglected to provide for operating expenses. These amounted to Rs. 1,00,000 annually to mine the coal and Rs. 2,00,000 to transport it to Amta, all of which had to be disbursed before any coal could be delivered. In fact, twelve to eighteen months were required from the time coal was mined until it reached the customer.\(^{86}\) The effects of this shortage of operating expenses were acutely felt at the mine. In January 1845, Watkins wrote Mackenzie: “Do, for heavens sake, my dear Mackenzie, take pity on our poor people who are literally starving for want of food and clothing.” He enclosed a statement showing that Rs. 26,823 were needed to clear the firm’s immediate debts. At the end of the year he warned Macpherson that if they did not pay the wages due they would lose their miners to Erskine.\(^{87}\)

Initially, Tagore and Fergusson had provided for a cash credit of Rs. 1,00,000 to 1,50,000 from the Union Bank on the security of the company and the collateral security of 16,00,000 to 18,00,000 maunds of coal. This was to be liquidated on a monthly basis as the coal stocks on hand, amounting to Rs. 2,17,592, the outstanding bills of Rs. 35,744, and the outstanding advances to boatmen of Rs. 38,113 were received by the firm.\(^{88}\)

Yet, perhaps on orders from Dwarkanath to maintain the market price of the shares, the management, instead of reserving operating

\(^{83}\)See “Prospectus of Bengal Coal Company” in Barraclough, “Further Contribution,” pp. 6-7.

\(^{84}\)Bengal Coal Company, W.F. Fergusson to Dwarkanath Tagore, 19 and 23 July 1844.

\(^{85}\)Bengal Hurkaru, 27 Mar. 1852. By 1849, the largest shareholder was R.C. Jenkins, with 161 shares. Homfray had become a shareholder, as had Digambar Mitra. Ibid., 12 Nov. 1849.

\(^{86}\)Ibid., 16 and 22 Nov. 1847.


funds from income, divided the whole of the profits among the shareholders. At the first annual meeting of shareholders in November 1844, a 9-percent dividend was declared, and at the second annual meeting, one of 12 percent. Only gradually, and under the pressure of higher interest rates, did the firm begin to reserve some of the profits for working expenses. In 1846 the management again reported a 12-percent profit, but recommended, that some of the dividend be returned to the company by issuing new shares and giving each shareholder an option to buy one-quarter new share for every share owned. But the shareholders failed to exercise their options and only 30½ new shares were issued, out of 275. At the next annual meeting the management went a step further. Profits had risen to 16 percent, but that amount was to be paid only to shareholders who had taken up the new shares. The others were to receive 8 percent, and the remaining 8 percent was credited to each shareholder's account, bearing an interest of 10 percent per annum. Finally, in 1848, the management admitted their previous mistake in paying cash dividends, and, in order to pay off part of its enormous debt of Rs. 2,70,000 and to reserve the total needed for working capital, they declared no dividend at all. By 1850 the company had paid off its entire debt, and by 1853 it had a working capital of Rs. 3,00,000.

The history of dividend payments illustrates the gradual development of a new and sounder attitude on the part of shareholders and management alike. Those companies fortunate enough to escape the ravages of the commercial crisis of 1847–48 emerged into a new era of responsible management and patient investors. Another indication of this new attitude on the part of shareholders was open criticism of management. Management responded by publishing fairly complete financial reports in the newspapers prior to the annual meeting, in place of the customary cursory statement designed to screen their activities. The first of these was dated September 30, 1847.

When Gordon, Stuart and Company, the successors of Carr, Tagore and Company as managing agents of the Bengal Coal Company, assumed management they were attacked by shareholders

89Bengal Hurkaru, 22 Nov. 1844 and 8 Nov. 1845.
90Ibid., 10 Nov. and 5 Dec. 1846.
91Ibid., 16 Nov. 1847.
92Humphreys, ms., “History of the Bengal Coal Company,” p. 52.
93Bengal Hurkaru, 16 Nov. 1847.
## Chart 3. Bengal Coal Company
### Statement of Accounts (A)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Ca</th>
<th>Dr.</th>
</tr>
</thead>
<tbody>
<tr>
<td>BLOCK</td>
<td></td>
<td>CAPITAL ACCOUNT</td>
</tr>
<tr>
<td>Amount of Block as per deeds</td>
<td></td>
<td>Amount of original</td>
</tr>
<tr>
<td>of conveyance from the Proprietor</td>
<td></td>
<td>subscribed Capital ......11,00,000 0 0</td>
</tr>
<tr>
<td>of the Raneeegunge and</td>
<td></td>
<td>Amount paid of increased</td>
</tr>
<tr>
<td>Naraincooree Collieries to the</td>
<td></td>
<td>Capital 30,250 0 0</td>
</tr>
<tr>
<td>Trustees of the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bengal Coal Company</td>
<td>11,00,000 0</td>
<td></td>
</tr>
<tr>
<td>CASH</td>
<td></td>
<td></td>
</tr>
<tr>
<td>at Union Bank</td>
<td>9,019 11 9</td>
<td></td>
</tr>
<tr>
<td>In hand</td>
<td>9,430 0 0</td>
<td></td>
</tr>
<tr>
<td>Outstanding bills in course of realization</td>
<td>56,425 8 2</td>
<td>74,875 3 11</td>
</tr>
<tr>
<td>COALS</td>
<td></td>
<td>SHAREHOLDERS</td>
</tr>
<tr>
<td>Moochecollah 2,00,000 mds. at 4½ as per md.</td>
<td>56,250 0 0</td>
<td></td>
</tr>
<tr>
<td>Omptah 13,00,000 mds. at 3½ as per md.</td>
<td>2,84,375 0 0</td>
<td></td>
</tr>
<tr>
<td>Coals delivered in September</td>
<td>41,275 14 11</td>
<td></td>
</tr>
<tr>
<td>Do. at upcountry stations on the way</td>
<td>1,56,224 8 5</td>
<td></td>
</tr>
<tr>
<td>Do. delivered from the stations to the steamers—receipts in hand</td>
<td>41,665 1 2</td>
<td>5,89,790 8 6</td>
</tr>
<tr>
<td>Advances already made on account of next season</td>
<td>24,740 0 0</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co. Rs.</td>
<td>17,89,405 12</td>
<td>16,07,790 13 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>16-4-1 per cent 1,81,614 15 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Co. Rs. 17,89,405 12 5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Calcutta, 30 September, 1847

who called for their dismissal and the appointment of new managers.94 They were defended by Fergusson and other large shareholders and won reappointment.95 But thereafter they were careful to subordinate their steamship operations to those of the coal

94Ibid., 16 Nov. 1847, 28 Nov. 1848 and 12 Nov. 1849.
95Ibid., 17 Apr. 1848 and 13 Nov. 1849.
PARTNER IN EMPIRE

CHART 4. BENGAL COAL COMPANY
STATEMENT OF ACCOUNTS (B)


<table>
<thead>
<tr>
<th>Place</th>
<th>Coal mined (maunds)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranee gunge</td>
<td>13,70,061</td>
</tr>
<tr>
<td>Chinacooey</td>
<td>2,27,227</td>
</tr>
<tr>
<td>Doomarconda (Barakar)</td>
<td>69,010</td>
</tr>
<tr>
<td>Apprentice mines</td>
<td>5,787</td>
</tr>
<tr>
<td>Realized from Colleries</td>
<td>8,041</td>
</tr>
<tr>
<td></td>
<td>17,10,126</td>
</tr>
<tr>
<td>Total maunds despatched to Omptah</td>
<td>17,10,126</td>
</tr>
<tr>
<td>Remaining surplus up to 30 Sept.</td>
<td>1,37,781</td>
</tr>
<tr>
<td>Total maunds of coal mined</td>
<td>18,44,907</td>
</tr>
<tr>
<td>Calcutta, 30 Sept. 1847</td>
<td></td>
</tr>
</tbody>
</table>

H.B. Henderson,
Managing Director,

Statement of Sale of Coals for last Season and of Coals on Hanu on 1st Oct. 1847
Cash realized for sale of Coals from 1st Oct. 1846 to
30 September 1847 ................................................. 4,55,782 14 11
Bills under Realization ........................................... 56,425 8 2
Deliveries in Sept. 1847 for which receipts are in hand ................................................. 41,275 8 2

5,53,483 15 3

Stock of Coals on Hand 1st October 1847—mds.
Mines ................................................................. 1,34,781
Omptah ............................................................. 13,00,759
Moocheecollah ....................................................... 2,00,000
Upcountry depots ................................................... 1,25,453
In progress on the River to ditto ................................ 1,00,000

Total Maunds
Calcutta, 30 Sept. 1847 E.E.

H.B. Henderson,
Managing Director

company. Gordon, Stuart and Company remained in control until 1859, when the shareholders again grew dissatisfied with the company’s neglect of mining operations in favor of their commercial interests. They were limited to clerical functions until they retired from business in 1867. The proprietors operated the company through a superintendent until 1908, when the Bengal Coal Company was returned to its original form of management by the appointment of Andrew Yule and Company as managing agents.96

96Humphreys, ms., "History of the Bengal Coal Company."
The coal company was Dwarkanath's first major enterprise. Yet he almost destroyed his own creation and certainly took little interest in it after the formation of the Bengal Coal Company. One reason was his need for cash to preserve and continue his style of life. He was ambivalent about his role. Was he merchant or prince? Was his first priority entrepreneurship or public activity? Another factor was his lack of sustained interest in an enterprise after it had become established and after British merchants whom he considered able, such as William F. Fergusson, R.C. Jenkins, and William Storm, began to take an active interest in the enterprise. Instead of devoting himself to established enterprises, he was always on the search for new directions and new opportunities. He was the entrepreneur, the founder, the initiator, the promoter, but not the routine manager. This characteristic that reappears again and again in the histories of the joint-stock companies born or nourished under his wing.

**Chart 5. Improved Position of Bengal Coal Company**

**Operating Position (end of year)**

<table>
<thead>
<tr>
<th>End of Year — 1847</th>
<th>1848</th>
<th>1849</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coal on hand valued at</td>
<td>6,33,118</td>
<td>5,39,134</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans on interest at 12%</td>
<td>3,51,016</td>
<td>2,71,283</td>
</tr>
<tr>
<td>Increased capital and reserved fund and unclaimed div.</td>
<td>30,250</td>
<td>1,20,516</td>
</tr>
<tr>
<td>Profit on Sales</td>
<td>2,51,852</td>
<td>1,47,335</td>
</tr>
</tbody>
</table>

(16% div. rec. 8% going to reserved fund unless shareholder had bought additional shares) 6,33,118 5,39,134 5,82,000

(As of Nov. 12)

(Dispensed as dividend of 5%)