

CALCUTTA AND J.Z. HOLWELL, A MAN ON THE PERIPHERY

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ABSTRACT

WILLIAM ARMSTRONG BRANCH. Calcutta and J.Z. Holwell, a man on the periphery. (Under the direction of Dr. DAVID A. JOHNSON)

In the middle of the eighteenth century the trading city of Calcutta flourished by exporting three categories of goods; textiles, opium, and saltpeter. Of these three exports, saltpeter stood as the most important because it is used to formulate gunpowder. To support this trade a Bengali banking family, the house of Jaget Seths, developed a sophisticated financing structure. A network of native traders also developed. The Jaget Seths and the most successful native traders came from small religious groups and were social outsiders.

In 1756, the local Mughal ruler, Siraj-ud-Daulah captured the peripheral trading city of Calcutta. Siraj-ud-Daulah attacked the city hoping to regain a stolen treasure, of gold and jewels, as well as to throw out the East India Company. In retaliation, the East India Company invaded Bengal in 1757. Siraj-ud-Daulah died soon after losing the battle of Plassey. In the following years the East India Company looted the treasuries of Bengal and redesigned the banking and trading structure of Calcutta to conform to the norms found in London at that time. In doing so, they dismantled the peripheral system that existed before the invasion.

One man, John Zephaniah Holwell, triggered the events that led to the dismantling of the successful peripheral system in Calcutta and the British conquest of India. Holwell, a keen observer, recorded many of his observations when he returned to England as a wealthy man. Born in Dublin and an outsider in England, Holwell exemplifies the type of individual who flourished on the periphery.

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Dedicated to my wife, Barbara Ann Branch. She is the constant star by which I set my course.

INTRODUCTION

The East India Company invented Calcutta. Before the East India Company's traders arrived, only small villages and mud flats lined the shores of the Hooghly River. The East India Company founded Calcutta on the twin pillars of trade and finance. By 1750, these pillars supported a substantial economy. Trade occurred in organized markets that equaled or exceeded those of England. Extraordinary financial prowess resided in a single banking house, the Jagat Seths. The Jagat Seths' scope of activities and regional power in 1750 exceeded that of any single European private financial institution.

In the economy of Calcutta, the Jagat Seths provided the finance and the East India Company provided the international trade opportunity. Neither could thrive without the other. The elegant financial machine created by the Jagat Seth bankers sustained the East India Company at a time when London could not. In turn, trade with Europe caused the Calcutta economy to expand rapidly. By 1750, the economy of Calcutta exemplified a beautifully balanced system of commerce.

This thesis describes eighteenth century Bengal's highly effective, sophisticated, and thriving economy, which matched or exceeded the sophistication of the metropolitan economy in London. The expanding Bengali economy interacted with, and indeed financed, the East India Company's trade in Bengal. This peripheral economy ran smoothly until 1756, when the avarice of a single British citizen, J.Z. Holwell, destroyed this native system of trade and finance in the course of his great iniquity. The replacement system lacked the elegant structure of its predecessor and it forced the East

India Company to assume the expensive role of sovereign. In 1857, the East India Company failed in the role of sovereign and was replaced by the British government.

The best way to tell the story about the advanced economy of Calcutta and Mr. Holwell's "great iniquity" involves introducing you to a group of characters. I begin in chapter one, with a portrait of the peripheral city of Calcutta. In this section you will learn the city's history and geography. I reveal that while the city's most notorious export was opium, the city's most strategically important export was saltpeter. I will also write about the *Farman* of 1717, a document that propelled the East India Company into a position of trade dominance in Bengal.

Cities are made up of men and women. In the second chapter, on J. Z. Holwell, I shall introduce you to a successful resident of a peripheral city. The qualities that lead to success on the periphery differed from the ones needed for success in the metropole. The periphery was often home to the social outsider, who by reason of birth or temperament, did not fit comfortably in the metropole. John Zephaniah Holwell fits that description. In this chapter I explain how Holwell built his fortune and conjecture about the type of life he likely lived.

All economies float on a sea of liquidity and finance. The third chapter focuses on the Jagat Seths and introduces the reader to the greatest banking family in eighteenth-century Bengal. This family rose to the pinnacle of power, and though they never performed an act of violence, they overawed sovereigns and merchants alike. The Jagat Seths intimidated the East India Company, because without the loans provided by the Jagat Seths, the East India Company's operation in Bengal would grind to a halt. Like Holwell, the Jagat Seths were outsiders.

Middlemen are often despised and always essential. In eighteenth century Calcutta these middlemen were the native traders. The fourth chapter describes three of these traders. Like Holwell and the Jagat Seths, they too were outsiders, who flourished by trading between their periphery and their metropole. In this chapter we see the metropole and peripheral structure dynamically reproduced on the regional level.

For commerce to thrive stable governments must exist. The fifth chapter gives a brief portrait of the government of Bengal. It reveals a classic, highly centralized structure with a powerful head. As the saying goes, “a fish rots from the head” and so was true of eighteenth-century Bengal. In this chapter I introduce Siraj-ud-Daulah, a deeply flawed and rapacious ruler. Siraj-ud-Daulah chose to fight the East India Company rather than cooperate with it. This contest for dominance exploded in the battle for Calcutta

In the chapter on the battle for Calcutta all these characters collide in a cataclysmic confrontation that will leave the East India Company reeling and Great Britain in peril of losing access to a critical strategic commodity.

Finally, the seventh chapter examines the aftermath of the battle for Calcutta. The reader learns what became of each character and how the subcontinent of India was forever changed by a single act of perfidy that led to the destruction of an elegant peripheral economic structure.

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A PERIPHERAL CITY

Greed created Calcutta; fear animated it. Greed for wealth motivated British merchants and estate owners to form the East India Company to better exploit the wealth of what they called the orient. Greed drove the crown to sell monopolistic rights of trade to the East India Company. Greed for personal gain brought traders and soldiers to the door of the East India Company looking for jobs and private trade. Greed for profit also brought Bengali traders and bankers to the malarial shores of the Hooghly. Greed would also be the undoing of Calcutta in 1756, when a rapacious *Nawab* sought to capture the wealth of the city by force.

Calcutta existed solely for business, and the two great forces of business are greed and fear. Fear of an early death, or worse, financial ruin, animated Calcutta. Fear fostered strange alliances of natives, Arabs, and Europeans. Fear caused forts to rise on the banks of the Hooghly. Fear of financial ruin and risk gave birth to some of the most advanced futures markets in the world. Fear of war in Europe forced the East India Company to protect strategic resources like saltpeter. Without the saltpeter required to formulate gunpowder the cannons of Great Britain would stand silent. Without these cannons, safe trade would be impossible and the East India Company would collapse. Calcutta was a city built on greed and fear.

In a remarkable transformation, Calcutta, a collection of three sparsely populated villages of mud huts with no European presence in 1690, expanded to a city of twelve hundred European residents and over one hundred thousand natives by 1757.¹ Mud huts gave way to homes, churches, water tanks, a fort, barracks, parade grounds, taverns,

¹ Blechyden, *Calcutta Past and Present*, 23.

whorehouses, distillers, silversmiths, teahouses, temples, artisans, and banks. Calcutta owed its founding to one man, Job Charnock and its prosperity to another, John Surman. Without Charnock and the Surman, Calcutta would have remained a broad space in the Hooghly River supporting a small group of native farmers.

By the late 17th century, the East India Company, as chartered by Queen Elizabeth, controlled all British trade emanating from the orient.² Perhaps the most desirable trade originated in Bengal, one of the most populated and agriculturally rich regions on the sun continent. Bengal's appeal derived from its position on the Ganges River. Tariffs on trade and land taxes had long made the rulers of Bengal wealthy. The newly arrived British traders bridled against the rapacious nature of the *Nawab*, the political leader of Bengal. However, with no military presence, the British remained powerless.³ When Job Charnock succeeded William Hedges as Company chief, things began to change.⁴ Charnock pursued a strategy of conquest against the *Nawab* of

² The economic historians Peter Cain and Anthony Hopkins assert the East India Company's very existence depended on economic developments in London. Primarily, the impetus to aggregate small amounts of excess capital to form a new body, a limited liability corporation led to the creation the EIC. This act of creation released an entirely independent economic Golem into the business community. In theory, a board of directors acts as the brain of corporation. Machinery, ships, stockjobbers, guards and traders assumed other functions of this great new body. For Cain and Hopkins, the board, the figurative brain, with its rational objective of growing profits for stockholders led to innovation by issuing edicts. The other organs responded to the cognitive directives of the board. "Cain and Hopkins reassert the view long held by theorists of empire such as Hobson and Lenin, that the origins of British Imperialism lay principally in the economic development of the Metropole." [Anthony Webster, *The Debate on the rise of the British Empire*. (Manchester, Manchester University Press, 2006) 147.

³ The rulers of Bengal were often referred to as Nawabs. The term Nabab is also sometimes used.

⁴ Philip J. Stern, *The Company-State, Corporate Sovereignty & The Early Modern Foundations of the British Empire in India* (Oxford: Oxford University Press, 2011), 81.

Bengal.⁵ Though he lacked enough men and ships to defeat the *Nawab* on land, Charnock's complete dominance of the sea allowed him to control all international trade. The conflict became a standoff. So, in 1690, Charnock compromised with the *Nawab* of Bengal and concluded a treaty. Importantly, the treaty allowed the East India Company a permanent port. Charnock cobbled together his port by merging three villages - Sutannuti, Givindpur, and Kalikata - to form Calcutta.⁶

With Calcutta under Charnock, the East India Company "established (trade) on a fixed basis and their policy of armed industrialization formed."⁷ This strategy employed both the pocketbook and the sword to establish and protect trade. By 1692, Charnock "worn by 36 years of hard work and considerable suffering in Bengal, broke down: his mind gave way" and yet he refused to resign.⁸ The outpost avoided tragedy only because Governor Charnock suddenly died on the 10th of January 1692.⁹

⁵ In his book, *The Company-State, Corporate Sovereignty & Early Modern Foundations of the British Empire* Philip Stern offers us "a book about a 'trading' corporation that has much less to say about trade and far more to say about corporations" (Ibid, vii). His book 'approaches the early company (East India Company) differently: as a form of government, a corporation, a jurisdiction, and a colonial power' (Ibid. vii). Stern argues that large multi-national corporations and other non-national bodies 'often act as political communities in their own rights' (Ibid. vii) in the pursuit of their stakeholder's best short term and sometimes long term interest. As with Bayly, Stern sees deep strings of interconnectivity between regions, times, and economies, this interconnectivity and complicated set of motivations have long been attributed to nations. Stern states these conditions apply equally to non-state actors such as corporations. A trade policy of subjugation and expropriation stands in perfect alignment with the East India Company's mercantile goals. It has been said that the expansion of the East India Company dragged a reluctant British Empire into India.

⁶ Stern, *The Company-State*, 84.

⁷ C.R. Wilson and W.H. Cary, *Glimpses of the Olden Times: India Under the East India Company*, ed. Amarendranath Mookierji (Calcutta: East Light Book House, 1968). 103.

⁸ Blechyden, *Calcutta Past and Present*, 9.

⁹ In addition to founding Calcutta, Charnock's domestic life became legendary when he rescued a beautiful young widow from the *Sati* flames and made the native girl his wife.⁹ This theme of rescue reappears again and again in the British narrative of Bengal. Job Charnock rescued an innocent beauty from cruel superstition and brought her into his world of European enlightenment. We do not know what the widow thought; perhaps like many Indian wives she simply experienced a change of masters. The young widow was first subjugated by tradition and then subjugated by her English husband, with neither master offering freedom of choice.

In 1696 the construction of a fort began as Portuguese, Armenian, and Arab traders settled among the British, and the outpost grew.¹⁰ The English traders of Calcutta earned income both as salaried employees of the East India Company and through private trade done off the books. Wages at the East India Company were low, “Writers were paid £5 a year, Factors £15, Junior Merchants £30, and Senior Merchants £40 ... It was impossible to maintain a genteel standard of life in a settlement already notorious for its expensiveness, let alone to save anything for a return to Britain.”¹¹ Private trade supplemented the base salary offered by the East India Company. Private trade created a bifurcated system of company service and private profit in dynamic tension. Despite this conflict of interest, the cash poor East India Company with minimal land based military assets, had little choice but to allow private trade to continue. Economic compromise on the periphery allowed innovative solutions, like private trade, to develop.

As a result of private trade the East India Company lost some profits but conserved much needed cash. This balance of present cash flow need against lost future profits is familiar to any student of the periphery. For peripheral economies, liquidity has always been a stubborn problem. It should be noted here, that of the three primary trade goods - textiles, saltpeter, and opium - only the compact opium ball lent itself easily to private trade. Thus, opium and private trade stood hand in hand as a partial solution to the East India Company's liquidity need.

In 1715 the English traders, desiring to increase their profits, sought a financial advantage. They resolved to bribe the Mogul Emperor, Farruk Syar, for an exemption

¹⁰ Ibid., 112.

¹¹ P.J. Marshall, *East Indian Fortunes: The British in Bengal in the Eighteenth Century* (Oxford: Clarendon Press, 1976), 159.

from taxation by the *Nawab* of Bengal. Early in that year, John Surman, Edward Stephenson, an Armenian interpreter, and a party of men departed for Delhi, the Mughal capital, with carts of goods and gifts. The emperor received the men and accepted the gifts but forestalled issuing a proclamation of tax exemption. The mission might have ended there, except that during their stay the emperor fell gravely ill. The court physicians failed to find a cure. It seemed the ruler would soon die. Among Surman's entourage a ship's surgeon, Mr. William Hamilton, stepped forward to offer his services. In desperation, the Emperor accepted the foreigner's help and miraculously recovered. The grateful Farruk issued the *Farman* of 1717 as a reward to the English.¹² The *Farman* of 1717 exempted the British from Bengali taxes and tariffs.¹³ Thus, the *Farman* of 1717 granted the East India Company and the English traders a generous advantage in the market place. The British traders exploited this financial advantage for the next fifty years.¹⁴

With the *Farman* of 1717 in hand, The East India Company expanded rapidly in Calcutta. According to the historian C. R. Wilson, the company ordered improvements for the Fort, now called Fort William. Trading facilities also improved; new warehouses, called *godowns*, and new docks, called *ghats*, arose near the shore of the Hooghly River.¹⁵

¹² In Imperial Bengal legal proclamations were called a *Farman*.

¹³ Hamilton returned to Calcutta a hero, but did not survive the year. Farruk continued as Emperor until 1720, when he was dragged from his throne, blinded and cast into prison by rebellious courtiers. After two months of captivity, the courtiers slaughtered the blind emperor in his cell.

¹⁴ Blechyden, *Calcutta Past and Present*, 159.

¹⁵ C.R. Wilson, *Indian Record Series: Old Fort William in Bengal: a Selection of Official Documents Dealing with its History* (London: John Murray Publishing, 1906), 100-111.

The Hooghly provided the primary means of transportation for Calcutta. It offered the best route from the wealthy trading center of Patna, on the shores of the Ganges, to the Bay of Bengal. The shallowness of the river created both inconveniences and security for Calcutta. Large ocean going warships could not navigate up river, but neither could the large East India Company merchant ships, called Indiamen. At Ballasore Roads, native pilots boarded the large ocean going Indiamen and took them through the treacherous waters of the lower Hooghly to Diamond Head or Kedgerree.¹⁶ Once moored off of Kedgerree or Diamond Head, the ships offloaded to smaller boats like European style Pinnances, elephant headed Filcehra, peacock tailed Morpankhi, barge- like Bajra, or galley-like Pansi.¹⁷ These smaller craft blended into a constantly flowing flotilla of exotic boats transporting persons and goods from the large Indiamen to Calcutta.

In Calcutta these exotic craft met the less luxurious barge type boats arriving from Patna, up river. These barges bore names like Bangles, Katras, Ulaks, and Palwars.¹⁸ The transport barges from the north were river craft and less sea worthy. They could not safely proceed beyond Calcutta. Like the ships that took goods to the Indiamen, they came in a wide variety of styles. All of the riverboats tied up along the river at *ghats*, where they off-loaded to the enormous *godowns* that lined the river. The *godowns* held raw cotton, inexpensive textiles, stinking saltpeter, and precious opium.¹⁹ They also sheltered manufactured goods, weapons, and gold bullion destined to go up river during the great annual Patna expedition.

¹⁶ Robert L. Hargrave, *Boats of Bengal: Eigtheenth Century Portraits by Balthazar Solvyms* (New Delhi: Monohar, 2001), 78.

¹⁷ Ibid., 17-48.

¹⁸ Ibid., 83-110.

¹⁹ Kumkum Chatterjee, *Merchants, Politics, and Society in Early Modern India, Behar: 1733 -1820* (Leiden: E.J. Brill, 1996), 26.

During the eighteenth-century, the annual Patna expedition offered the traders of Calcutta a chance to directly negotiate with landowners and merchants of central Bengal. Patna stands in the center of Bengal. It is located within the wealthy province of Behar and rests at the confluence of five major rivers. From the South flows the Falgu River; the Son River drains the southwest of Bengal; from the west comes the Ganges; from the northwest drops the Dewah River; and the North contributes the Gandak River.²⁰ Because of this confluence of rivers, large eighteenth-century riverboats and barges could reach Patna year round. Beyond Patna, each river's water level dropped and could only support boats for four months beginning in July after the beginning of northeast India's monsoon season.²¹ The British traders sojourned to Patna in search of grain, sugar, cotton textiles, opium, and saltpeter. Domestically consumed goods like grain, and sugar formed the backbone of native commerce. The opium and textiles traded both locally and internationally. The saltpeter trade fed Europe almost exclusively.²²

The well-documented opium trade existed long before the arrival of European travelers in Patna. The foothills of the Himalayas provided the perfect climate and soil for poppy propagation. The compact size of opium balls made them ideal for private trade and of course it became eponymous with the opium wars of China. The cloth of Northwest India, named calicoes, competed directly with the products of English

²⁰ Ibid., 16.

²¹ Ibid., 51.

²² Ibid., 27.

weavers.²³ This led to devastating competition for the economy of the Cotswold region of England.²⁴ Less well recorded is the saltpeter trade. As a major component in gunpowder, the saltpeter trade encapsulated national security as well as economic implications.²⁵

Saltpeter, or potassium nitrite, is an organic compound used in fertilizers and gunpowder. It works by rapidly accelerating oxidation. When saltpeter is mixed with sulfur and charcoal and ignited in a confined space the explosion propels an object like a cannonball or mini-ball at a tremendous speed. Other parts of India produced saltpeter, but Patna offered some of the highest quality saltpeter in India due to the unique effect of the monsoons on rotting vegetation and manure in Behar.²⁶ Prior to the discovery of the South American guano deposits of Peru, there were few large eighteenth-century sources of saltpeter.

The moist southeastern way monsoons broke down these organic compounds. Once the monsoon season ended and the dry season began, large crystals of potassium nitrate rose to the surface of each enormous compost heap. Without the wet monsoons from the South and the dry winds from the Himalayas, the potassium nitrite crystals

²³ Globalization of trade often brings higher quality products to market for lower costs. While increasing the average standard of living for both the exporting and importing regions, trade can have a devastating effect on local economies. Lower cost and/or higher quality goods push expensive and/or inferior goods from the market. In the case of textiles, Indian cotton in the bright colors of Madras or Calcutta competed with dull, expensive English woven wool. The collapse of demand for English woolen goods adversely affected shepherds and Cotswold weavers. Without jobs as weavers or herders, Western Englishmen sought work at cities and ports. Many a shepherd became a soldier or sailor. Although very disruptive for some individuals, the displacement of woolen works created a large wage labor pool for the British Empire. Some call this process creative destruction. It means that while some jobs disappear others open. This may or may not always be true. What is true is the creation of the British Empire displaced hundreds of thousands of workers and made Great Britain the most powerful European nation in the eighteenth century.

²⁴ Barbara Sebek and Stephen Deng, *Global Traffic: Discourses and Practices of Trade in English Literature and Culture from 1550 to 1700* (Palgrave and Macmillan: New York, 1988), 179-195.

²⁵ Chatterjee, *Merchants, Politics, and Society in Early Modern India, Behar: 1733 -1820*, 26.

²⁶ *Ibid.*, 28. The theory that the land, the terroir, forms the bases of all regional histories belongs to the Annales School of history. In Behar it certainly rang true.

would never have formed. Because the quality of saltpeter varied widely, traders came to Patna for better prices and wider selection.²⁷

Starting at Patna, the Ganges offered the best transportation alternative to the Hooghly River, which flowed past Calcutta. River traffic required enormous barges that unloaded into the *godowns*. From Calcutta, the stinking mass of unprocessed saltpeter descended to Diamond Head to be loaded onto ships bound for Europe. Once aboard ship, the heavy saltpeter performed double duty as both ballast and valuable strategic commodity.

Though the Indian princes understood the action of gunpowder, they seldom employed it in battle. The Europeans ships provided the primary market for the stinking harvest. Local merchants and European traders schemed, bribed, deceived, and killed in their efforts to monopolize the saltpeter market.²⁸ With Europe in a state of almost perpetual warfare, control of the saltpeter supplies became vital.²⁹ The risk of losing access to a steady supply of saltpeter threatened the very existence of every European nation. One might compare the value of saltpeter supplies in the eighteenth century with oil supplies in the twentieth century, and see striking similarities in these two strategic commodities along with what actions European nations took to protect their continued flow.

²⁷ Chatterjee, *Merchants, Politics, and Society in Early Modern India, Behar: 1733 -1820*, 28.

²⁸ *Ibid.*, 79-85.

²⁹ Of course, while the Europeans did not invent armed trade they did carry it to a new level. Almost every European nation licensed privateers, national pirates, who preyed on the merchant fleets of other nations. In defense, traders formed convoys protected by fighting ships and fortified trading communities. Fort William in Calcutta and Fort George in Madras sprang from the need to protect traders. Of course all these fighting ships and forts employed vast amounts of gunpowder. A powder maker needs saltpeter to blend gunpowder.

By employing the *Farman* of 1717, the British traders moved goods around Bengal without tariffs. This provided them an enormous cost advantage over the French, Dutch, Armenian³⁰, Topaz³¹, and native traders. Many of these traders chose to cooperate with the East India Company rather than compete. As the historian, Philip J Stern wrote, “The Company had a promise of customs-free trading through Bengal, which Calcutta interpreted as confirming its corollary right to issue passes called *Dastaks*. *Dastaks* transferred the right of tax free trade to the natives who supplied goods to the East India Company.”³² As the eighteenth century progressed, larger and larger numbers of traders sought *dastaks* from East India Company officials. The officials provided them for a small bribe. Because of an expanding system of *dastaks* even as trade grew spectacularly in Bengal, the *Nawab* of Bengal’s income dwindled. These economic foundations of conflict between the *Nawab* of Bengal and the East India Company existed even before 1750, when Maharatah raiders from Western India attacked Bengal and precipitated an economic crisis for the Mughal government. The economic crisis in Bengal set the interests of the East India Company and the *Nawab* of Bengal on a collision course.

In summary, founded on blood and guile, Calcutta owed its birth to the stubborn and violent determination of Job Charnock, a man who violated all European and Hindu social norms in choosing a wife. Calcutta owed its financial vitality to John Surman and the *Farman* of 1717. It provided three primary exports textiles, opium, and saltpeter. The warehouses of Calcutta housed large quantities of strategically important saltpeter. Over time, the British traders expanded the *Farman* of 1717 by issuing *dastaks* to native

³⁰ The term Armenian included all non-Arab and Persian traders from the Middle East.

³¹ A Topaz refers to an individual of mixed Portuguese and Indian blood.

³² Stern, *The Company-State*, 203.

traders. This activity eroded the tax base of the *Nawab* of Bengal, resulting in a financial crisis stemming from the Maratah invasion from Western India.³³

³³ This way of explaining the origins and expansion of the British Empire and an unintended consequence of expanding trade and unending pursuit of profits by British traders as advanced by Sir John Robert Seeley during the late nineteenth century, in Seeley's model the pursuit of trade brought Britons in contact with economically less sophisticated peoples. In a sort of social Darwinian model the knowledgeable and rational traders brought the gift of civilization in their rucksacks. Once released in the fertile culture of India, the British model inevitably out competed the corrupt and inefficient local forms of governance. In this way, the British Empire became the natural, though unintentional result of a superior culture encountering an inferior one. This paternal sentiment is nicely summarized in Rudyard Kipling's poem *The White Man's Burden*, written in 1899. Seeley's book release, *The Expansion of England* (1883) and his theories of accidental empire coincided with the rapid expansion of *Orientalism* as a field of study in European Universities.

HOLWELL, A MAN OF THE PERIPHERY

Colonial born, John Zephaniah Holwell perfectly exemplifies the type of individual who thrives on the periphery.³⁴ He creatively manipulated, boldly innovated, shamelessly extorted, and scrupulously recorded the peripheral environment of Bengal to his great personal benefit. As an educated man living on the periphery, he provided the moral justification for the East India Company's invasion of Bengal.³⁵ He imported the practice of vegetarianism to England.³⁶ He described the efficacy of the Hindu methods of vaccination for small pox.³⁷ He recorded a new disease Bengal fever (cholera) and posited a preventive.³⁸ He invented Hinduism.³⁹ He modified Deism.⁴⁰ Finally, J. Z.

³⁴ The Historians John Gallagher and Ronald Robinson "offered a completely new definition of imperialism." Anthony Webster, *The Debate on the Rise of the British Empire* (Manchester: Manchester University Press, 2006), 68. "Gallagher and Robinson's leftist politics tilted their sympathies toward the subjects of the empire, on the periphery." Ibid., 69.; Holwell was a creation of the periphery. His Irish birth located him in the colonies. His exploits in the informal imperial city Calcutta could never have been duplicated in England proper. In Calcutta he invented new forms of taxation, adjudication, and religion. Some of these returned to the metropolitan center of London as monetary fortune. In the case of religion, Holwell's unique understanding of Indian religious practices and invention of Hinduism widely infected England and Europe. Holwell's created category of Hinduism deeply influences the way Europeans and Indians themselves interpret South Asian religious practices. Thus Holwell provides the perfect illustration of Gallagher and Robinson's thesis.

³⁵ Telcher, 41

³⁶ Tristram Stuart, *The Bloodless Revolution: A Cultural History of Vegetarianism from 1600 to Modern Times* (London: W.W. Norton, 2006), 279-294.

³⁷ J.Z. Holwell, *An Account of the Manner of Inoculating for Small Pox in the East Indies, with some Observations of the Practice and Mode of Treating that Disease in those Parts* (London: T. Becket and P.A. DeHondt, 1767), 26-40.

³⁸ Ibid., 10-12.

³⁹ J.Z. Holwell, *Interesting Historical Events: Relative to the Provinces of Bengal and the Empire of Indostan, with a Seasonal Hint and Perswasive to the Honorable The Court of Directors of the East India Company ALSO The Mythology and Cosmology Fasts and Festivals of the Gentoos followers of Shasta. And a Dissertation on the Metempsychosis Commonly, Though Erroneously, Called the Pythagorean Doctrine* (London: T. Becket and P.A. DeHondt, 1766). 3-5.

Holwell provided a new theological justification of moral behavior.⁴¹ Finally, during his time in Calcutta, John Zephaniah Holwell also conceived of and executed his theft that led to an attack on Calcutta. This attack led to the fall of Fort William and the Black Hole incident, followed by an invasion of Bengal by Robert Clive. Clive's invasion resulted in the destruction of the beautifully balanced virtuous system of commerce and finance that made Calcutta unique.

Born on September 23, 1711 John Zephaniah Holwell, the son of a Dublin lumber merchant, Zephaniah Holwell, entered life as part of the Protestant colonist overseer class in Ireland.⁴² J. Z. Holwell's great grandfather, Thomas Holwell, lost the family properties in Devon when he became involved in Penruddock's Plot of 1655. Holwell's Grandfather, John Holwell, exhibited great mathematical skills, called Edmond Halley a friend, worked as a noted astrologer, and provided the original survey for the city of New York. Sadly, an unfortunate astrological prediction suggesting an untimely defeat of James II, resulted in Holwell's deportation to New York, where he died after drinking

⁴⁰ A central tenet of Deist Theology involves a creator God who is bound by the rules of reason. This is the God of *Paradise Lost*. Because God is bound by reason he (or she) cannot interfere in the world and is often called the watchmaker God. The one who builds the watch but does not control the actions of the watch as it unwinds. In a Deist world moral or immoral behavior may or may not result in consequences. In Holwell's exploration of Bengali religious practices, he uncovers the concepts of Karma and Reincarnation. Thus, bad behavior in this lifetime translates to circumstances in the next lifetime. Holwell goes further to say that this "Hindu" religion is very close the original primitive and true religion and as such supersedes Christianity in authority. So, it behooves an individual to act morally and ethically because of the laws that determine rebirth. Therefore, a Deist God has set in place the structure for moral behavior and need not interfere. The elegance of this argument appealed to the Enlightenment and Age of Reason thinkers like Voltaire. Most of the founders of the United States of America were practicing Deists.

⁴¹ J.Z. Holwell, *A Review of the Original Principles, Religious and Moral, of the Ancient Bramins: Comprehending an Account of the Mythology, Cosmology, Fasts and Festivals of the Gentoo Followers of the Shastah* (London: T. Vernor, 1779). 4-5.

⁴² D.L.Prior, Holwell, John Zephaniah (1711-1798)' *Oxford Dictionary of National Biography*, Oxford University Press. 2004 online edition, Jan 2008 <http://www.oxforddnb.com/view/article/13622>

poisoned coffee in 1686.⁴³ His son, Zephaniah, married a woman named Sarah, and they became colonists in Britain's oldest colony, Ireland.

Baptized in the squat and ugly St. Werburgh's Church that still stands adjacent to Dublin Castle,⁴⁴ John Zephaniah Holwell's early years allowed him to observe the colonial power of England over the Irish. Only a century before, Oliver Cromwell, the Lord Protector of England, subdued the last remnants of Irish independence.⁴⁵ Cromwell, with his religious fervor, impoverished the Irish people, land, and culture. Subsequent generations of Protestant overlords, like Holwell's father, perpetuated British imperial hegemony and settled in Ireland. Sadly, as Englishmen born on foreign soil, Dublin born British citizens suffered a lower social status than their cousins born just across the Irish Sea. As a product of the periphery by birth, John Zephaniah Holwell was never fully accepted by his peers as entirely English. He was an outsider.

Still, Holwell's education paralleled that of many young Englishmen and led him to the sea and to trade. At a young age, Holwell left home to attend school at Richmond in Surrey, where he distinguished himself in the classics. His father then sent him to Iselmond, near Rotterdam, to learn Dutch, French, and bookkeeping. Of these three courses of study, bookkeeping would serve him best in the future. Holwell progressed to become a "husband of ships" in Rotterdam. As a ship's husband, he tended to all a craft's needs in port. This included repairs, refurbishment, and resupply. Like so many young

⁴³ Bernard Capp, *Holwell, John* b. 1649, d in or after 1686) in *Oxford Dictionary of National Biography, online ed.* Edited by Lawrence Goldman. Oxford: OUP, 2004
<http://www.oxforddnb.com/view/article/13621>

⁴⁴ Direct observation.

⁴⁵ Michael O'Siochrú, *God's Executioner: Oliver Cromwell and the Conquest of Ireland* (Faber and Faber, 2008). 3.

men, Holwell became restless with living in one place and with tedious harbor work. He prevailed upon his father to bring him home. After a brief stay in Ireland, Holwell launched himself into London, by apprenticing to a Southwark surgeon and later studying under Mr. Andrew Cooper, a senior surgeon at Guy's hospital. In 1732, restless again, the twenty-one year old Holwell signed on as a ship's surgeon aboard an Indiaman.⁴⁶

Indiamen provided the mainstay of trade with the East. They were broad beamed, rolling, uncomfortable ships that had very large cargo holds. Designed to deliver as much cargo as possible as safely as possible, they did not offer much passenger comfort.⁴⁷ During the next four years Holwell served two or three voyages between England to Bengal. He also spent a considerable amount of time in Mocha and Jeddah, where he became fluent in Arabic. His fluency in Arabic would soon prove useful when dealing with the Moslem ruling class of India.⁴⁸

Each season in Calcutta the Indiamen had to await a change in the monsoon winds from the moist hot southwest of India to the dry cool northeastern winds from the Himalayas. They needed to wait until the wind was at their back, because the Indiamen did not perform well sailing upwind. While resting between wind changes, Holwell traveled upriver with the Patna party as chief medical officer. This group of over 400 traders and soldiers annually made their way upstream to the great Bengal trading center of Patna. Here the British exchanged gold, silver, and manufactured goods for the sacred

⁴⁶ H.E. Busteed, *Echoes from Old Calcutta: Reminiscences of the Days of Warren Hastings, Francis and Impy*, 2nd ed. (New Delhi: Asian Educational Services, 1999), 65-66.

⁴⁷ The word posh is reputedly derived from a description of the better cabins, Port out and Starboard home.

⁴⁸ As practicing Muslims the Mughals would likely have studied the Koran in Arabic, much the same ways Jews study the Talmud in Hebrew. The effect of a significant religious document, much like Samuel Johnson's dictionary, tends to freeze the language's development and provide a common vocabulary. Even if the Mughal rulers only spoke Urdu, the religious Imams needed to at least read Arabic. By making use of this common language Holwell could have communicated with on some level with the Mughal court.

trinity of cloth, saltpeter, and opium.⁴⁹ Native traders also came along to trade for grain. For native traders Patna was the periphery and Calcutta the metropole. The hoarding of peripheral grain and manipulation of the metropolitan grain markets in Calcutta provided legendary profits for the native traders.⁵⁰

Like the other men of the East India Company, Holwell likely traded both on behalf of the company and himself. Unlike most of the other traders, Holwell kept his health and remained in Calcutta, a place where few Englishmen lasted more than three monsoons.

One reason Holwell remained healthy came from his observing and adopting Indian medical practices. In his paper on smallpox, Holwell carefully recorded the process of vaccination. Centuries before the practice appeared in Europe, Hindu medicine men introduced inoculations to prevent smallpox. Inoculating Brahmins performed the task by traveling from village to village with a small pouch containing a four-inch-long pointed silver lancet. The Brahmin's contract with the family included the placement of the inoculation scar and the number of pustule scars the patient would allow; such was the skill of the practitioner. The Brahmin first abraded the site of the inoculation. He then scratched a small wound with the lancet. Next, the practitioner removed a small amount of powder from his pouch, moistened it with three drops of Holy Ganges river water, applied the poultice to the wound, and wrapped it in bandages. The poultice likely

⁴⁹ Ibid., 68.

⁵⁰ P.J. Marshall, *The New Cambridge History of India: Bengal: The British Bridgehead—Eastern India, 1740-1828* (Cambridge: Cambridge University Press, 1987), 142-143.

contained a very weak strain of Small Pox.⁵¹ All the while, the Brahmin recited prayers to the female divinity of the smallpox. He then ordered cold water to be thrown on the patient every morning until the fever came; usually on the sixth day. Once the pustules appeared the patient was forbidden entry to the house and received a special diet. The Brahmin later returned to drain the pustules before the scabs formed. In time this resulted in a small number of scabs, rarely more than five. Once the scabs sloughed off only a small scar remained. The Brahmin then mixed what he drained from the pustules into his pouch, for later use, and moved to the next village.⁵²

In addition to observing smallpox vaccinations, Holwell recorded a disease called Bengal fever. During the first stages Holwell noted the patient lost appetite, experienced lassitude, suffered from dry mouth and failed to sleep well. On the second day the victim contracted a fever, but not a serious one. Symptoms worsened on the third day and a physician was often called for. However by then it was already too late. On the fifth day the patient normally experienced seizures and died in agony. The natives, who avoided the fever, shunned seafood during fever season and also refused wine during the fever season. As we now know, Bengal fever, also known as cholera, is a water-born contagion. Avoiding seafood made obvious sense. The reason to avoid wine requires understanding the role of alcohol fortification for the transportation of wine. The process of fortification requires adding distilled alcohol to the bottle to stabilize the wine. This prevents the wine from going bad during the often turbulent and warm conditions aboard

⁵¹ This method of injecting a weakened strain of a pathogen to stimulate the patient's immune system against the pathogen is still used in polio vaccines. The antibodies that form to combat the weak strain of the disease respond if and when they encounter a stronger more deadly strain.

⁵² Holwell, *An Account of the Manner of Inoculating for Small Pox in the East Indies, with some Observations of the Practice and Mode of Treating that Disease in those Parts*, 15-21.

a ship bound for Calcutta from Europe. Madeira and Port are examples of popular modern fortified wines. Before consumption, fortified wine was often mixed with water to improve the taste and lower the alcohol content. Eschewing fortified wine mixed with water helped some lucky Calcutta residents avoid Bengal fever.⁵³

As a final health measure, Holwell adopted the vegetarian diet of the natives. He attributed much of his good health to this diet. In his later writings he would evangelize vegetarianism to the English population. In this role he imported the diet of the periphery to the metropole and founded the British vegetarian movement. In the twentieth century, the British vegetarian movement founded by Holwell converted a meat eating Hindu lawyer to a nonviolent diet of fruit, vegetables, and dairy. That lawyer was Mahatma Gandhi.⁵⁴

Just as Holwell preserved his health by closely observing native behavior and adopting local customs, his keen eye for detail and analytical skill served him well when he accepted a job no one else wanted. In 1752, the ruling council of Calcutta named Holwell as *zamindar* for the East India Company in Calcutta.⁵⁵ In Bengal, tax collectors bore the title of *zamindar*.⁵⁶ A common way for individuals to put excess capital to work involved buying the rights to collect taxes from the residents of a geographic area. This right called, a *jagir*, fluctuated in value in a direct relationship to the value of the taxes collected.⁵⁷ The determination of the size of the land tax related directly to the value of

⁵³ Ibid., 10-12.

⁵⁴ Stuart, *The Bloodless Revolution*, 275-294.

⁵⁵ George Blyn, "Revenue Administration of Calcutta in the First Half of the 18th Century," *Indian Economic & Social History Review* 1, no. 4 (October 1964): 134.

⁵⁶ Holwell was appointed to this post because the financial benefits of the Calcutta tax zone flowed into the city's coffers not his. Private *Zamindars* purchased the right to collect tax revenue.

⁵⁷ Ibid., 123.

the crops and artisanal manufacturing that took place in the territory. In 1753, the land tax stood at twenty percent.⁵⁸ The higher the value of the *jagir* area's products, the higher the gross tax revenues the *zamindar* received.

In the case of Calcutta, George Blynn writes “until Holwell became *Zamindar*, there was a long succession of *zamindars*, none of whom seemed to have held the office for long.”⁵⁹ This is likely because most Englishmen sought their fortune in trade, not bureaucratic administrative jobs that paid little. The prior *Zamindars* defaulted their responsibilities to their assistant, “known as the ‘Black *Zamindar*’, who was Indian.”⁶⁰ By 1752, a native gentleman by the name of Govindram Metre had held the position for over 28 years.

Upon receiving his appointment as *zamindar*, Holwell began by examining the sale prices of farmland from which he collected land tax. To his astonishment these lands sold at far higher prices than the land rents would have predicted. Since farms were sold at “public outcry,” a type of open bidding auction, it could be inferred that prices reflected the true value of the lands. Since the price paid for the land derived entirely from the value of the products it produced, it was a simple jump to conclude fraud. Govindram Metre had accepted bribes to lower tax burdens. Because the bribes were substantially lower than the taxes, the tenants willingly paid Metre. The artificially reduced taxes raised the value of the land for the producer. This increased true value of the land manifested in the price of land at open cry auction.⁶¹

⁵⁸ Ibid., 135.

⁵⁹ Ibid.

⁶⁰ Ibid.

⁶¹ Ibid., 134.

Holwell quickly twigged to Metre's fraud and confronted Metre, whom the Calcutta Council then dismissed for embezzlement. Holwell forced Metre to disgorge some of his profits to settle with the administration. Metre then returned to work for Holwell, because who better to catch a thief than an experienced thief. By 1757, Metre had rebuilt his reputation to the point of Metre being named as one of 13 native commissioners of Calcutta. Tax revenues under Holwell jumped from 2,481 rupees in 1746 to over 120,000 rupees in 1753.⁶² Sources allege that the European *Zamindars* retained a 10 percent commission of the taxes and duties they collected.⁶³ One might reasonably suppose that an even larger portion of Calcutta's increased revenue stuck to the fingers of J. Z. Holwell. As *Zamindar* of Calcutta, Holwell became "number four" on the city of Calcutta ruling council, a high position for a colonial to achieve.

Holwell found his *métier* in the bureaucracy of Calcutta. To supplement Calcutta's land rents, Holwell collected additional excise fees from the general populace. He charged demurrage for ships docked at the *ghats*. He collected excise taxes on lumber, nails, cows, lime, teakettles, fireworks, and general provisions. He collected licensing fees from craftsmen, shopkeepers, and marriages. He also collected a 5% duty on the sale of houses, which the Europeans refused to pay, but which he extracted from the Armenian, Topaz, and African populations.⁶⁴ These extra taxes swelled the coffers of Calcutta, and of course, a portion of these taxes found their way to Holwell's pocket. However, as we shall see, Holwell's true power and wealth came from his position as head of the *Cutcherry Court*, also known as the native court.

⁶² Ibid., 128.

⁶³ Marshall, *East Indian Fortunes*, 162.

⁶⁴ Ibid., 132.

In his position of *Zamindar*, Holwell automatically became the chief judge of the *Cutcherry* court. As such, he presided over all the commercial and criminal disputes between natives in Calcutta. Although Europeans could resort to the Mayor's Court, the *Cutcherry Court* offered the only justice available to the Armenians, Topaz, and natives. This made Holwell a very important person for native traders to curry favor. In addition to ample opportunities for bribes, the position offered a legitimate way to extract monies from defendants. In the *Cutcherry Court*, there existed no provision for bail, and an individual under arrest might sit in prison for weeks, unable to work and to feed his family. The only way to secure temporary release involved hiring a court-appointed peon to accompany the accused both day and night.⁶⁵ If the accused bolted, the peon immediately reported the activity to the court, and soldiers would be sent to retrieve the accused. This system, called *itlak* provided licensed peons from only one place, Holwell's court. The court required the accused to pay all costs of the peon to the court. Not surprisingly, the business of supplying peons for *itlak* proved to be quite profitable to the court and its chief, Judge Holwell. With Holwell as chief judge and primary beneficiary of the *itlak* system, case delays lengthened from three months to a year or two before adjudication. At any one time between 1500 and 2000 open cases stood before the court, each defendant paying *itlak* in order to stay out of prison. Registering any complaint against the *itlak* system directly challenged the authority of the man who would someday rule on your case. Not surprisingly no one objected. Holwell once again

⁶⁵ This same system of paid supervised bail was employed by the state of New York in the case of Bernard Madoff. The nature of Madoff's crimes and his extreme wealth strongly suggested he might fail to answer a summons for a court date. Madoff also wore an ankle bracelet.

found a way to increase the revenues of the Calcutta administration and line his own pockets at the expense of a population unable to protest.⁶⁶

Judge Holwell heard and ruled on most of the civil litigation involving the native population. He enforced monopolies, arbitrated contracts, and resolved billing disputes. He also heard cases on inheritance and determined which heirs prevailed. By all accounts he likely led the posh life of senior official in Calcutta. The author W. H. Cary describes this life in his book *Glimpses of Olden Days*. “About the hour of seven in the morning a gentleman’s *durwan* (doorkeeper) opens the gate, and the *viranda* (gallery) is free to his *circars*, *peons* (footmen), *harcarrahs* (spies and messengers), *chudars* (constables), *houccaburdurs* (stewards), *comsumahs* (butlers), scribes, and native solicitors.”⁶⁷ At eight o’clock the *jemandar* (head of the guard) and lead bearer enter the bedchamber, an attendant escorts the woman from the night before out via a secret stair to the yard. The master’s day begins with the *leveé* among a circle of sycophants. Each member of the extensive household staff greets the master with three *salams* by bending nearly double and touching his forehead with the insides of his fingers. In response, the master nods.

To speculate about the daily life style of Holwell we can turn again to W.H Cary. The author cites an account of *Travels* by a gentleman name Macintosh, when he describes the typical morning ritual of a mid-eighteenth century wealthy merchant. Holwell’s experience might well have followed this pattern. Once an important man, like Holwell arose, he must be dressed. The master stood like a statue as servants removed his night cloths and dressed him in morning attire. After the barber shaved and groomed him,

⁶⁶ Blyn, "Revenue Administration of Calcutta in the First Half of the 18th Century," 135.

⁶⁷ Wilson and Cary, *Glimpses of the Olden Times: India Under the East India Company*, 142.

the *chilumjee* appeared with an ewer of water for the master's hands and face. With this the master bathed himself. The *consumah* then escorted the master to the table and poured tea, while the hairdresser began his work and the *houccaburdar* silently slipped the snake like end of the *houcca* pipe between his fingers. From this point forward a judge such as Holwell would have received an endless stream of solicitors, petitioners, and defendants. By two o'clock, a master such as Holwell often sat down to dinner, frequently with friends. Each guest arrived with several additional personal servants, which tended to crowd a room. After the meal, a *houcca* appeared for each guest and glasses of port or distilled liquors circulated. By four o'clock the guests departed in their *palanquins*, carried by a special cast of bearers and the master retreated to his room. At seven o'clock, after the heat of the day, the judge likely repeated his morning ceremony with fresh linens and departed for his first round of social calls. A man like Holwell then dined out and often returned after midnight with the company of an attractive native woman or young boy. At last he retired to his chamber, having fulfilled his duties and served the East India Company.⁶⁸ Throughout all of his interactions, an experienced Calcutta denizen could quickly judge the cast and rank of the natives by their dress and turbans. An "old hand" like Holwell, understood the caste system of India and praised it. Holwell spoke well of the religious traditions of India and its reliance on the caste system.

Holwell believed he understood the underlying religious principles of the *Gentoo* (Hindu) religion because the religion followed the rules of the *Shastah*, an ancient holy book, dictated directly from God. For a man like Judge Holwell, a man or woman earned

⁶⁸ Ibid., 141-142.

their caste based on how they performed in former lives. In this conception, relieving the suffering of a low caste person unfairly deprived that individual of the opportunity to achieve redemption and possibly enter a higher caste in their next lifetime. Holwell knew a truly evil *atman*⁶⁹, or soul could be reduced to low animal incarnations, such as dogs. A virtuous *atman* would be reborn as a wealthy Brahman. The judge observed that the most virtuous individuals were the widows, who chose to burn with the bodies of their husbands.⁷⁰ Holwell would later recount his understanding of the *Gentoo* religion to great

⁶⁹ In describing the role of the Atman, Hindu scholars have traditionally used the analogy called “the Chariot.” In this analogy, the Atman (the self; the soul) rides as the chariot’s passenger. The body is the chariot. The consciousness is the driver. The mind that understands the rules is the reins, the five senses are the horses, and the objects perceived by the senses are the path of the chariot.

⁷⁰J.Z. Holwell provided an excellent description of *Sati*. I paraphrase that description here. The idea of *Sati* holds a particular terror for many. J.Z. Holwell attended his first burning of a living human being in 1743. He recorded the immolation of a young widow following the death of her husband, Rhaam Chund Pundit, a member of the Mahabratror tribe. Rhaam died at the age of twenty-eight, leaving a seventeen-year-old wife and three small children. The grieving teenaged widow chose to ignore the proscribed waiting period and immediately declared her intention to burn with the body of her husband. The wife of the British resident in Calcutta, Lady Russell, vigorously attempted to dissuade the young mother from entering the flames, pleading on behalf of the widow’s three small children, two girls and a boy all under the age of four. When this line of argument failed, the Englishwoman next described the horrors of the flame in minute detail hoping to change the young woman’s mind. After politely listening, the stalwart widow responded by deliberately and slowly placing her finger into the flame of a candle. Her serene disposition belied her pain as she gently rotated her finger above the candle before languidly withdrawing the burnt flesh. Following this demonstration, the determined widow gently removed a burning coal from the brazier and dropped it into the soft unprotected palm of her hand. She next sprinkled the glowing coal with incense and gently blew the smoke toward the faces of the nearby Brahmin priests. Following these actions the headstrong teenage widow declared that death rested within her sole power and if she were denied the right to burn that she would starve herself to death instead. In light of this declaration the kind hearted Lady Russell acknowledged the right of the young widow to decide her own fate and with no hope of altering the outcome, the wife of the British resident quietly withdrew from the burning ground.

acclaim in England, France and Germany. He provided much of the theory propounded century later by Max Muller, when Muller declared Hinduism to be the Ur religion and began the science of comparative religious studies.⁷¹

Holwell's deep understanding of native practices arose from his long stay in Calcutta and his close dealings with the native merchants and bankers of Calcutta. Native

At sunrise, the husband's body was carried to the river to be washed and purified before being placed atop the pyre. A special caste of natives dedicated to the single task of burning the dead silently and efficiently performed these duties. The funeral pyre consisted of dried and fragrant woods over arched with boughs to form a private bower of death. Within this bower, the body of Rhaam Chund Pundit patiently awaited the arrival of his bride. The young widow appeared late in the morning and solemnly proceeded to the cremation site. Brahmin priests, her extended family, and her three small children accompanied her. At this point, the ceremony halted, awaiting written permission from the local Mughal ruler, the *Fouzdaar of Morshadabad*, to proceed. Normally, permission in these situations arrived promptly, but on this day the *Fouzdaar*, named Hosseyn Khan, delayed his response. Lacking permission to burn, the funeral party had little choice but to wait in the hot sun along with the decaying corpse. The extended funeral party passed the next three hours bathing in the Ganges, praying, and conversing in hushed whispers. At one in the afternoon, the properly signed permits arrived at last and the teenaged widow withdrew with her female relatives to prepare for the burning. The women removed the widow's bracelets and much of her jewelry and placed them into a cloth, which she carried with her. While the women conducted their ceremony the priests built a small fire near the pyre. As the small flames crackled, the widow and the three priests took their seats around it. The group spoke in hushed tones, which were impossible for Holwell to hear over the constant music and chants of the assemblage. During this portion of the ceremony, two of the priests each presented the seventeen-year-old widow of Rhaam Chund Pundit with a bale tree leaf bearing 3 drops of ghee. The third priest then asked the young wife a series of questions in Bengali; however, because of the noise surrounding the ceremony, Holwell remained unable to determine the content of the questions and the answers.

Having responded to the satisfaction of the priests, the young widow rose from the small fire and circumnavigated the pyre three times. The priests accompanied her while chanting in the language of Brahma. After her third pass, she again stopped before the small sacred fire and removed the rings from her hands and toes. She combined these into the cloth bearing her bracelets and other jewelry before passing her worldly treasure to her family. She knelt down before the three small children to bid them a solemn farewell. As she spoke, the head priest dipped a large wick into a bowl of ghee before lighting it from the sacred flame at his feet. He solemnly placed the burning wick into the hands of the widow before dropping to his knees so that she might bless him. The priests then retired two large steps back while the young woman made a final reverence at the feet of her dead husband before crawling into the bower, flaming wick in hand. At this point in his narrative, Holwell made note of the two strong men with sturdy bamboo poles charged with holding the widow down within the pyre should she panic and try to escape the flames. Upon reaching the head of her husband, the widow contemplated his face reverently before she solemnly set the pyre alight in three places. Unfortunately, she set the fire on the leeward side of the bower allowing the smoke and flames to blow away from her. Upon realizing her error, she calmly regained the wick from the priests and lit the windward side of the pyre before she resumed her position at the head of her dead husband. Holwell reported the flames swirled up into the arch of fragrant limbs branching over the pyre until the teenaged widow silently disappeared within the flames. The bamboo rods proved to be unnecessary.

⁷¹ What Muller derived from language studies, Holwell derived from practice and the theology of the English Protestants as described by John Milton in his epic poem *Paradise Lost*.

bankers like the Jagat Seths, in addition to native traders like Omichand and Khaja Wajeed, needed the patronage of Judge Holwell. In turn Holwell courted relationships with these great bankers and merchants. It is important to understand the significance of the native traders and bankers of Bengal in both Holwell's plan, and the eventual conquest of Bengal by a very small army of Englishmen and native soldiers. Without the assistance of bankers like the Jagat Seths and native merchants like Omichand, the East India Company's outpost in Bengal would have failed. For the lower castes, like Job Charnock's rescued bride, the poor simply exchanged one master for another.

In summary, Jonathan Zephaniah Holwell, a colonial from the periphery, arrived in Calcutta in the usual way. He began work as a ship's surgeon, traded, and finally prospered in Calcutta by manipulating the bureaucracy of the fast-growing outpost. When Holwell arrived, his keen eye for detail identified an anomaly in the tax structure. His careful audit revealed fraud, and his reforms enriched both the government of Calcutta and himself. Holwell's close examination of Bengali culture helped him avoid smallpox, cholera, and other diseases. Holwell later recorded his observations for the benefit of the new rulers of Bengal, the East India Company. As part of his role as chief tax collector, *Zamindar*, Holwell became the chief judge of the *Cutcherry* Court. From this position Holwell again lined his pockets, but more importantly he forged deep relationships with local bankers and merchants. These relationships would serve him well when his chance to become extremely wealthy would come in the form of an exile's treasure.

THE BANKERS OF THE PERIPHERY: THE HOUSE OF JAGAT SETHS

As a company organized for trade, the East India Company held a royal charter of monopoly for trade between Great Britain and India. The concept of monopolistic trade fit well with the mercantile economics practiced in seventeenth and eighteenth century Britain.

When confronted by a monopoly, a small number of individuals circumvent the monopolistic restrictions by smuggling. Organized smuggling operations have long been the enemy of monopoly and mercantile privilege, but with products as bulky as saltpeter and textiles, smuggling proved impossible. Because of limited smuggling exposure the greatest challenges for the East India Company lay the acquisition and in financial arenas. The primary source of textiles and saltpeter in Bengal were small farmers, small miners, and small weavers. To work with these small producers, and to aggregate product, the English relied on a network of local merchants. Three men – Omichand and his brother Deepchand, Sikh traders⁷² along with Khwaja Wajeed, an Armenian⁷³ - dominated trade in both Calcutta and Patna. These men, whom we learn more about in the next chapter; located, purchased, stored, and delivered the products the English desired. These native traders were outsiders by race and religion. They developed excellent political sensibilities and strove to manipulate markets through a combination of alliances. In need of cash flow and a measure of political protection, these merchants forged deep ties to the greatest banking family in Bengal, the House of Jagat Seths.

⁷² Chatterjee, *Merchants, Politics, and Society in Early Modern India, Behar: 1733 -1820*, 72.

⁷³ Ibid., 71.

J.Z. Holwell reported that the House of Jagat Seths “might be justly esteemed the greatest banker, and the most opulent subject in the world.”⁷⁴ According to official eighteenth century East India Company chronicler, Robert Orme⁷⁵: “There was a family of Gentoo merchants at Muxadavad, whose head, Juggutseat, had raised himself from no considerable origin to be the wealthiest banker in the empire.”⁷⁶ Starting as silk merchants from Gujarat, the Jagat Seths practiced neither Hinduism nor Islam. The Jagat Seths were Jains.

The Jain religion exalts asceticism and abhors violence. These two facets made Jains the perfect bankers. The Jain ideal of asceticism mandated modesty in all things. So although fabulously wealthy, the Jagat Seths rejected ostentation and display. As Jains, the Jagat Seths famously reinvested in their business enterprises. Thus, the Jain edict to diminish the jealousy of others and avoid the monetary cost of ostentation multiplied the Jagat Seth’s wealth. The Jagat Seths accumulated a vast pool of capital and the power that wealth conveyed.

The second characteristic that made the Jagat Seths excellent bankers, lay in the Jain vows of non-violence. This prohibition of violence in any manner forms a central tenet of Jainism. In India today, devout Jains often sweep the path they walk to avoid stepping on a life. They also often wear masks, lest they inhale a life and extinguish it. Because Jains cannot kill, they must avoid professions like farming and military service. Jains often become merchants, the *Vaishya* caste. As merchant bankers the Jagat Seths

⁷⁴ Holwell, *Interesting Historical Events*, 76.

⁷⁵ Writing in 1769

⁷⁶ Robert Orme, *A History of the Military Transactions of the British Nation in Indostan, from MDCCXIV, Book VI* (London: John Nourse, 1775-78), 30.

could only thrive if their reputation for the honesty of their small sect remained intact. Because the Jains were physically vulnerable to all they became trusted by all.

Hindu and Muslim trust of the Jagat Seths further derived from the smallness of the Jain religion. Because there were few practicing Jains in Bengal all the Jain co-religionists knew each other well. The entire community reacted promptly to a troublesome member. To preserve the Jain reputation for honesty customers were made whole and the member brought back into line. If a member failed to comply, expulsion resulted. An expelled Jain immediately entered the untouchable caste, the *Dalit*, as did the transgressor's children. Because dishonesty imperiled the reputation and the livelihood of the entire community, it could not be tolerated and outsiders knew this. As a result the Bengalis trusted the integrity of the Jagat Seths

For the East India Company traders, ignorant of local religious practices, the Jagat Seths were the bankers because they had money. The British traders knew the Jagat Seths minted the *Nawab's* coin, printed paper money, and administered tax farms. The East India Company traders also knew the Jagat Seths came with more than money, the Jagat Seths came with political connections.

According to Holwell, the banking family received title of Jagat Seths from the great Mughal emperor Aurangzeb. The bankers operated primarily out of Murshidabad, the *Nawab* of Bengal's capitol with connections to Patna and the balance of the empire. During this time they gained the exclusive right to mint coins for the *Nawab*. The family and the *Nawab* prospered by manipulating the Bengali currency market. "The currency system of the great Mughals was established by demonetizing all the (old *Nawab's*) *Suri* and sultanate coins and by establishing only the *Akbari* money as current or official coins

of the empire.”⁷⁷ This meant that most recent coins became the only legal coin in the market place and made old coin valueless. “All coins issued during the reign of reigning monarch, were called *siccas* and with the accession of a new king the *siccas* of the previous reign suffered a decline in value and were called *Sanwats*.”⁷⁸ The value of the coin savings held by individuals declined sharply. The Jagat Seths would then buy back the old coins at a steep discount, melt them down and mint them into new coins. This structure systematically robbed savers, discouraged hoarding, and enriched both the *Nawab* and the Jagat Seths. Since the new *Nawab* held a monopoly on military power, victims had no source of redress. Because trade required cash, the new *siccas* quickly gained acceptance.

The modern author Kumkum Chatterjee recorded that in the mid-seventeenth century the Patna trade induced “Hiranand Shahu, the founder of the famous banking firm of Jagat Seth, to move from Rajasthan to Patna and set up his banking firm there.”⁷⁹ By 1730 the Jagat Seths controlled both the mint and the credit markets of Calcutta. Holwell wrote: “the European companies were especially enmeshed in a dense web of credit relations with the (Bengali) bankers.”⁸⁰ The Europeans borrowed to cover the long delays, often over a year in length, between the acquisition of products in Bengal and payments shipped back from England by boat.

The banking process was simple: the Europeans obtained goods and paid for them with *hundis* and coin. *Hundis*, a type of bank note, were drawn against the Jagat Seth reserve and reputation. These notes acted as printed paper money. *Hundis* could be freely

⁷⁷ Chatterjee, *Merchants, Politics, and Society in Early Modern India, Behar: 1733 -1820*, 179.

⁷⁸ Ibid.

⁷⁹ Chatterjee, *Merchants, Politics, and Society in Early Modern India, Behar: 1733 -1820*, 180.

⁸⁰ Holwell, *Interesting Historical Events*, 76

exchanged. As long as everyone agreed that the Jagat Seths would honor all their obligations, these *hundis* held value. In fact the notes may well have been preferable to coin, because they were exempt from the *Nawab*'s cycle of calling in old coins at discount and issuing new coins at par. Once again, because the traders of Bengal had full faith and credit in the name of Jagat Seth, the family-banking firm could print paper money in excess of their bullion reserves and thus create money. The House of Jagat Seth operated as the de facto national bank of Bengal.

Bankers call the printing of paper money the remittance business.⁸¹ The Jagat Seths not only capitalized on the strength of their *hundis*, but they caused runs on smaller competing banks by publicly questioning the value of the small bank's paper and then selling into a dropping market to create a bank run. By Holwell's time "the house of Jagat Seth had a near monopoly in the handling of government business in the years before 1757."⁸² The *Nawab* of Bengal paid his soldiers and generals with *hundis*. Without the paper money printed by the Jagat Seths, the soldiers would have gone home and left Bengal defenseless. In addition to minting coins and printing *hundis*, the Jagat Seths desired additional sources of income. So they became involved in tax collections, futures markets, and currency exchanges.

In order to keep the Jagat Seths loaning money, the *Nawab*, like any other creditor, had to pledge assets. In the case of the *Nawab*, this meant future tax revenues. To ensure a fair count, the government ceded tax collection by the government to the Jagat Seths, who resold these rights to the *Zamindars* or tax farmers. Only the Jagat Seths

⁸¹ Ibid., 187.

⁸² Ibid., 188.

possessed a sophisticated enough accounting system to determine the government's portion. If the Jagat Seths did keep a greater share than they were entitled, the *Nawab* was not in a position to quarrel. Without the Jagat Seths the *Nawab* had no other trusted financial servants. This became readily apparent in 1739 when the *Nawab* Sussraaz Khan insulted the Jagat Seth patriarch.⁸³

In Bengal, as in England, most tax revenues flowed from property taxes. Rural income was closely tied to the harvest, while revenue demand for defense and infrastructure ran year round. Thus "The House of Jagat Seth was itself deeply involved in what in banker's parlance was described as the revenue business, and handled revenue bonds (*paats*) on behalf of the landed aristocracy at the Murshidabad treasury."⁸⁴ In other words, large landowners borrowed against the future value of their crops to pay taxes. This quickly evolved in a classic "futures market" where large farmers sell their unharvested and sometimes unplanted crops for a guaranteed price. If the landowner struck a good deal he received a fair or better price regardless of the harvest. If he struck a poor deal he sold too cheaply. This system had the effect of concentrating the ownership of grains and other products in a small number of hands. Speculators like Omichand, Deepchand, and Wajeed, who all worked with the Jagat Seths, made fortunes by creating artificial grain shortage or gluts using their concentrated ownership of grain supplies.

⁸³ It seems the grandson of the great banker "married a woman of exquisite beauty" (Orme 30) and spotless reputation. The Khan demanded to see her for himself. Despite the protestations of the entire family the Khan insisted upon seeing the wife unveiled. The grandfather wept hot bitter tears for the honor of the young wife. This only inflamed the Khan's lust further. That evening the young bride appeared at the palace. Later she returned to her husband unstained but the slight would be long remembered by the most powerful banking family in Bengal. The revenge of the Jagat Seth against Sussraaz Khan provides an interesting story for later, in the meantime we return to the Jagat Seth's bankers to the East India Company.

⁸⁴ Ibid., 185.

Yet another stream of income for the very wealthy Jagat Seths came from the monopoly of minting coins for the Europeans. The Fort William Council wrote in 1721, “the Futtichund (Jagat Seths) having the entire use of the mint, no other *shroff* (money changer/banker) dare buy an ounce of silver.”⁸⁵ In 1743 the English traders complained, “this (minting) privilege they (the English) can never hope while Futtichund (Jagat Seth) subsists.”⁸⁶ Minting became a problem because the British traders received bullion, in return for the goods they sold in England. This occurred because the English operated in a mercantile system, where the primary currency was bullion. This bullion made its way back to Calcutta, where local providers refused to accept it until it was minted into Bengali coin of the realm, *siccās*. The only source for *siccās* was the House of Jagat Seths, so “The European Companies were thus most often forced to sell their treasure – both bullion and specie – to the House of Jagat Seths and accept the price the banking house offered them.”⁸⁷ The Jagat Seths normally discounted the value of English silver by 7.5 percent. The difference between the cost of producing money and the face value is called seigniorage and this sum becomes pure profit for the mint. In the case of Bengal, the House of Jagat Seth controlled the mint and received the seigniorage.⁸⁸

By far the most important source of the Jagat Seth’s power derived from loaning money to *Nawab*, the East India Company, the private traders, and the native population for cash flow. The purchase of goods required immediate cash payments however income

⁸⁵ Sushil Chaudhury, *Indian Merchant/Bankers to the Rescue of the European Companies, Eastern India, C.1650-1757* (Helsinki: XIV International Economic History Congress, Session 106, State and Finance Continuum in Early Modern Times, 2006), 5.

⁸⁶ *Ibid.*, 6.

⁸⁷ *Ibid.*

⁸⁸ *Ibid.*, 7.

was not realized until these goods were sold and the money was received.⁸⁹ In the case of trade with England the lag time between purchase and payment was often as long as 12 months. The time between paying for a good and collecting payment was called cash flow. The larger the quantities of goods purchased and the longer the lag time the more cash flow was required. The Jagat Seths loaned this needed cash.

Because in addition to loaning money the House of Jagat Seth also printed currency, the House of Jagat Seth controlled the inflation rate of the Bengali money supply. The House of Jagat Seth could print money not backed by bullion. Using the right to print banknotes, the House of Jagat Seth created its own cash backed solely by its reputation.⁹⁰ It was this printed money, *hundis*, that the Jagat Seths loaned the European traders.

In the early eighteenth century the East India Company required increases in cash to maintain liquidity and cash flow. From its founding the East India Company's original cash holdings proved to be catnip to a rampant British Lion. Just as the Bengal traders would find themselves vulnerable to a rapacious *Nawab*, the stockholders of the East India Company found themselves exposed to the predations of the English government. The East India Company depended on a royal charter to preserve its monopoly; in theory, this charter could be withdrawn at will, and losing the charter would bankrupt the company. So when the government of William III came for a £2 million loan in 1698, the company complied.⁹¹ William III stripped the East India Company of bullion. But as a good will gesture, the government agreed to pay interest on the loan. In years of

⁸⁹ In the case of the *Nawab* the need came from the delay in collecting taxes.

⁹⁰ This is how modern currencies function.

⁹¹ H.V. Bowen, 32.

exigency the interest often arrived in the form of more IOUs.⁹² The cash strapped East India Company struggled to cover its interest and dividend obligations. Like the wealthy landowners and aristocrats that made up the “gentlemen capitalists” class, the East India Company was asset rich and cash poor.⁹³ The company borrowed from everyone who would loan it money. The most important creditor of the British in Bengal quickly became the House of Jagat Seth.

Based on its perceived wealth, the East India Company could float bonds at a rate of just 3 or 4 percent in England.⁹⁴ This might be considered the British risk free interest rate. These bonds could be repaid in bullion or be converted into stock. A stock conversion meant the company’s debt would never be repaid with pounds sterling.⁹⁵ However, borrowing in England could not fully meet the needs of the East India Company and so the East India Company borrowed from the House of Jagat Seth. At first

⁹² As we mentioned earlier, England at this time operated a mercantile economy with currency backed by gold and silver reserves. This meant the government could not have simply printed monies to inflate away its debt (a common twentieth century trick). Even if the king wanted to inflate the economy, the parliament controlled by the wealthy would have likely resisted the invisible tax of inflation. Without an ability to inflate the money supply, increased trade often led to liquidity crises. By raiding the treasuries of the Orient the Europeans found temporary relief and simultaneously exported their liquidity problem to the Oriental economies. This action exported liquidity crises and further reduced the ability of native governments to fund military resistance. A very similar exported crises hit Spain and Greece in 2010, when conversion to the euro prevented these countries from inflating away their debt and plunged them into a prolonged economic malaise. Spain and Greece de facto operate as present day mercantile economies trapped by low inflation rates. As of this writing no solution to this problem of twenty-first century economic imperialism has emerged.

⁹³ This condition supports the theories of Cain and Hopkins. Essentially the financial problems of the metropole, London, deeply affected conditions of the periphery. London’s liquidity problem became Calcutta’s liquidity problem. Further the Indians sensibly placed no value on assets held by traders in England, as they had no access to them. Thus even wealthy individuals lacked sufficient hard currency to conduct trade in sufficient volume. Fortunately, the Indians offered a new source of liquidity in the form of high interest loans from local merchants and bankers. The most significant of these sources of liquidity were the Jagat Seths.

⁹⁴ H.V. Bowen, *The Business of Empire*, 32.

⁹⁵ In the three years after 1749, EIC debt in England dropped substantially for £4.2 million to £1.8 million as many of the bonds were traded for East India Annuities as part of a Henry Pelham’s restructuring of the national debt. So closely were the fortunes of the East India Company and the British Government linked. Ibid.

the Jagat Seths charged all foreigners a standard rate of 12 percent per annum.⁹⁶ The 12 percent rate factored in the risk free interest rate plus a risk premium plus the inflation rate.⁹⁷ The East India Company traders declared this rate usurious and they were not alone. By the 1750's "the French Company owed more than it could repay to the Jagat Seths"⁹⁸ and the English were little better off. In the early days of trade, when the ships arrived from England the Jagat Seths would not let them unload until debts were paid. The traders complained "the House of Jagat Seth demanded money to be paid back as soon as the ships from Europe arrived."⁹⁹ Such was their economic power that "the Jagat Seths often threatened all the European trading companies with stoppages of their business if their debts were not repaid at the scheduled time."¹⁰⁰ Thus, the unarmed nonviolent ascetics Jagat Seths dominated the militarized East India Company in Bengal. In time, the House of Jagat Seth found "there were limits beyond which it might not be politic to go on restricting the privileges of merchants, especially the East India Company."¹⁰¹

The Seths were nothing if not politically and financially savvy. So, in 1740, observing the growing wealth and military power of the British, the Jagat Seths lowered the rate charged for the English to the Bengali risk free interest rate of just 9 percent.

⁹⁶ Chaudhury, *Indian Merchant/Bankers to the Rescue of the European Companies, Eastern India, C.1650-1757*, 10.

⁹⁷ Assuming a perfectly competitive market interest rates reflect the natural rate of interest, also known as the "risk free" rate. To the natural rate a premium to cover the risk of the debtor failing to repay at all, the risk premium, is added. Finally because a dollar in year one may be worth less than a dollar in year ten, a charge for anticipated inflation must also be added. Mercantile economies can not inflate, but an economy of printed money, like the economy of Bengal could and did.

⁹⁸ Marshall, *Bengal*, 66.

⁹⁹ Chaudhury, *Indian Merchant/Bankers to the Rescue of the European Companies, Eastern India, C.1650-1757*, 13.

¹⁰⁰ Ibid.

¹⁰¹ Marshall, *Bengal*, 68.

Because the Seths only lowered the rate for the English, this served to increase the trading power of the British vis-à-vis the other Europeans.¹⁰²

The East India Company received something close to the risk free interest rate in both England and Bengal. The difference in the English rate of 4 percent and the 9 percent Bengali rate reflects Bengali inflation.¹⁰³ Bengali inflation occurred because the Jagat Seths could expand the money supply (liquidity) as the economy expanded. In this function the Jagat Seths acted as a de facto national bank for Bengal. Because the Jagat Seth expanded the Bengali money supply the Bengali economy experienced healthy sustained growth. The economy of Bengal on a macro scale more closely resembled the twentieth-century economy of the United States than the mercantile economy of eighteenth-century Great Britain.¹⁰⁴

Although the Jagat Seths controlled the banks and money supply, they did not control the sources of production and did not manage the aggregation of goods for trade. The opportunity to profit from this activity also involved other social outsiders. The first, the pair of brothers, Omichand and Deepchand, practiced the Sikh religion, a sort of blend of Islam and Hindu practices that appealed to the Kshatriya caste. The second

¹⁰² This structure might initially argue against the economic theories of Immanuel Wallerstein in that much of the huge economic benefits of trade between Bengal and England accreted to the Jagat Seths, who existed on the periphery of European trade. However, after 1757 this situation reversed, as the British gained control in Bengal. The House of Jagat Seth collapsed as the metropole established greater and greater control over the periphery. The metropole soon imposed a mercantile system on Bengal. An imbalance of wealth developed with the core or metropole benefiting at the cost of the periphery. Thus in the long run the events in Bengal support Wallerstein's theory.

¹⁰³ Simply put, if the East India Company could borrow at 4% or even 6% (a 50% bump) in London why would it borrow at 9% in Calcutta? The answer is that 9% in Calcutta equated to 4% in London. This is because with inflation repayments are made with cheaper cash.

¹⁰⁴ The United States Federal Reserve targets 2.5% inflation in an economy growing at 3% annually. Faster growing economies require a faster expanding money supply.

major trader, Khwaja Wajeed, an “Armenian” dominated the saltpeter trade.¹⁰⁵ The term Armenian referred to Persians who likely practiced the Zoroastrian religion. Clearly Armenians and Sikhs were outsiders in Bengal the same way the Irish born, J. Z. Holwell was in the British Empire.

In summary, by manipulating their relationships with the sovereign, native traders and foreign traders, the Jagat Seths, who rejected all physical violence and embraced austerity, became the wealthiest and most powerful banking house in Bengal. The Jagat Seths were religious outsiders in Bengal. They collected taxes, printed currency, operated a futures market, paid for wars, and financed trade. The name Jagat Seths gave value to their banknotes called *hundis*. The Jagat Seths created a near perfect financial monopoly in Bengal and provided the liquidity the growing economy required. The Jagat Seths financed the East India Company’s Bengali trade in saltpeter, opium, and textiles. Without the financing provided by these peripheral bankers, the British trading city would likely have failed. If Calcutta had failed there would be no great iniquity, no rout, and no re-conquest. The East India Company’s conquest of India might have happened in a different time, in a different way, and possibly not all.

¹⁰⁵ Chatterjee, *Merchants, Politics, and Society in Early Modern India, Behar: 1733 -1820*, 71.

NATIVE TRADERS ON THE PERIPHERY

For the native traders, Calcutta was the metropole and Behar the periphery. Native traders recreated the metropole/periphery dynamic of the East India Company with one important exception. The East India Company's near perfect monopoly on trade with England fit comfortably within mercantile economic theory. The native traders like the Sikh traders Omichand and his brother Deepchand (as well as the Armenian trader Khwaja Wajeed) operated in an almost pure free-trade economy. The freewheeling structure of Bengali capitalism closely resembled the free trade paradise that would be proposed half a century later by Adam Smith and David Ricardo.

To achieve success in Bengal's free trade economy, native traders relied on their wits, connections, reputations, and coercion. They turned profits and attempted to corner markets. This high-stakes economic game of commerce resembled the Bengali game of snakes and ladders where a miscalculation could result in financial ruin.¹⁰⁶ However, played well, the wide open markets of Bengal could yield fantastic profits for deft traders like Khwaja Wajeed.

Khwaja Wajeed stood as "probably the most honored and respected business man throughout early eighteenth century Bengal. He held the title of '*Faqhr Tujjar*': chief of the merchants. He stood in high favor, first at the court of Ali Verdi Khan, and then in the court of his successor Siraj-ud-Daulah."¹⁰⁷ Khwaja Wajeed attained his title by building an enormous trading empire that owned or controlled a staggering number of oxen, carts, ships and *godowns*. He controlled most of the transportation into Calcutta and built

¹⁰⁶ The game of snakes and ladders persists in common American culture where it has been renamed as chutes and ladders.

¹⁰⁷ Chatterjee, 71-72.

wealth in much the same way the railroad barons of the United States would do in the late nineteenth century. At one point Wajeed “was reputed to be the owner of about 2,000 boats”¹⁰⁸ He amassed a further fortune by aggregating raw products, like wheat and saltpeter, along with manufactured products, such as textiles and opium, from small producers in the periphery before transporting them to markets in the metropole of Calcutta. As an Armenian, Wajeed was an ethnic outsider in Bengal.¹⁰⁹

While not as politically connected as Wajeed, Omichand and his brother Deepchand made their fortune in the same way, as aggregators and transporters from peripheral sources to the metropole. Like Wajeed, they had business interests throughout the periphery of Bengal. Born as *Nanapanthi Sikhs* from Agra, “The brothers built large commercial interests throughout Bengal, but seem to have been associated particularly with two regions, the area around Calcutta and the peripheral city of Patna and the districts around it.”¹¹⁰ As Sikhs, Omichand and Deepchand were religious outsiders much like the Jagat Seths. Each brother managed a portion of the enterprise. In Patna, Deepchand became deeply involved in the saltpeter market and dabbled in opium. In the metropole of Calcutta, Omichand focused on textiles and the sale of grain.¹¹¹ Omichand lived in the finest native house in Calcutta.¹¹² Living beside the British, he came into frequent and close contact with the traders of the East India Company. Of great importance to Omichand was the native Cutcherry Court, where cases involving natives sometimes arrived. There could be little doubt that Omichand, Deepchand, and Wajeed

¹⁰⁸ Ibid., 50.

¹⁰⁹ Wajeed was likely Persian.

¹¹⁰ Chatterjee, 72

¹¹¹ Ibid., 72

¹¹² Ibid., 207.

benefited from the rulings of Judge Holwell. They likely made every effort to curry his favor. This relationship would prove critical during the events of 1757.

The need for aggregators like Wajeed, Omichand, and Deepchand arose from an economic structure that oppressed small farmers on the periphery. In Bengal the government held a true monopoly on coercive force. While divisions within the empire might contest control of the central authority, no one questioned the right of the central government to promulgate laws or levy taxes. With a monopoly of coercive force the government's edicts could be easily enforced. Small politically insignificant farmers, weavers, or miners became resources to be exploited, not a populace to be served. In this structure it became impossible for anyone other than the merchant princes, the powerful Jaget Seths, and the ruling elite to accumulate capital.¹¹³

To accumulate wealth, successful merchants and bankers required predictable, stable, and reasonably honest markets in order to prosper. Just as it is impossible to win a game with no rules, it is impossible to operate a business without rule of law. This desire for stable markets modulated the excesses of Bengal's rulers. For example in 1750, when the *faujdari* of Patna, a local governor, was bribed by Dutch traders to impede the collection of saltpeter by Omichand and his brother, the native traders struck back. "In retaliation, Omichand penetrated the area's revenue-collecting machine and mustered up enough influence to actually 'turn out' this *faujdari*, who had accepted payoffs against

¹¹³ The successful merchants together with the powerful Jaget Seths balanced the military power of the government with the ability to selectively choke off liquidity. In other words, the powerful merchants could easily starve the army of food and cash. This balance of military, governmental, and financial power closely resembles the power structure of the United States and Europe in the twenty-first century.

him.”¹¹⁴ Once markets were regularized, the great native traders again prospered without hindrance.

The native traders made their money in several ways. First, with the help of the Jagat Seths, they lent money at high rates to small farmers, small producers and small traders to plant crops, buy raw materials, or purchase small lots of goods. They also lent money to pay taxes, and quite often these native traders purchased a *jaggier*¹¹⁵ and collected tax revenues as part of an extensive tax system. Finally, the native traders bought product, transported it from the periphery of Bengal to the metropolitan warehouses in Calcutta. In Calcutta they sold goods to foreign traders, who loaded them onto to ships bound for Asia, the Levant, and Europe. They also sold to the local food markets. Over time the native traders controlled and manipulated markets. The native traders frequently engineered food crises in cities like Calcutta by hoarding wheat. They then dripped the wheat into the market as prices peaked. These traders also conspired to monopolize production of critical raw materials like saltpeter in an effort to drive up the prices paid by the Europeans. To maintain their political advantage, these native traders bribed officials and pandered to military leaders.¹¹⁶

¹¹⁴ Ibid., 88.

¹¹⁵ A tax farm area.

¹¹⁶ It might be said that Wajeed, Omichand, and Deepchand epitomized the argument for free markets. These native traders maximized the value of the raw materials they controlled. They sought and often cornered markets, yet in the end they needed to sell production to pay off debts and transfer inventory into cash to support their lavish life styles. It cannot be argued that the life of small farmers, miners or weavers was in any way pleasant. However the native traders understood the need to return enough to producers to keep them working. They also understood that wars and insurrections destroyed inventories and killed workers, thus they became proponents of peace and tempered the military aspirations of the army. While these native traders attempted to manipulate markets they required a level of integrity in their dealings. David Ricardo would have likely seen these native traders as efficient forces of capitalism that increased the total wealth of Bengal by openly trading with outsiders, who arrived with industrial products, luxury goods, and exotic foodstuffs.

Early in the eighteenth-century most trade flowed not through Calcutta but instead to Agra in the north. Between the 1720 and 1730 the trading patterns for northern India changed. Agra, the Mughal capital, long a center for cotton textiles, opium, and saltpeter lost trading partners in Northeastern India and central Asia, as Mughal central authority weakened and these areas fell into political turmoil.¹¹⁷ Seeking more secure and stable communities, many of India's traders migrated southeastward to the expanding metropole of Calcutta. As part of that migration Omichand and Deepchand left Agra to seek their fortune in Patna and then Calcutta.¹¹⁸ These adept merchants rode "the sudden boom in the saltpeter trade."¹¹⁹ In the 1740's Omichand, in conjunction with the Jagat Seths, took over the small Patna mint. By the 1750's the brothers and Wajeed had become firmly ensconced as merchant aristocracy. Omichand owned "a garden and the best houses in Calcutta."¹²⁰ Khwaja Wajeed reputedly possessed 15 elephants, 50 horses of value, 120 women in his harem, 200 private servants, and a substantial private army.¹²¹ The exploding trade with the Europeans enriched the native traders.

To maintain their privileged position the native traders paid off the government of Bengal generously. "Wajeed was reputed to have paid the astronomical sum of Rs.15 *lakhs*¹²² as a tribute to the *Nawab* on a certain New Years day."¹²³ Despite these enormous gifts the Native traders occasionally conflicted with local officials resulting in

¹¹⁷ Chatterjee, *Merchants, Politics, and Society in Early Modern India, Behar: 1733 -1820*, 67.

¹¹⁸ *Ibid.*, 62.

¹¹⁹ *Ibid.*, 63.

¹²⁰ *Ibid.*, 207.

¹²¹ *Ibid.*, 208.

¹²² A lakh is 100,000.

¹²³ *Ibid.*, 96.

standoffs of power.¹²⁴ In addition to challenging local authorities, the native traders were known to band together to challenge their European customers. In one example involving an English audit demand, “Wajeed was prepared to risk a substantial sum of money on the strength of his belief in the innocence of a fellow Indian merchant, who was in trouble at the hands of foreigners.”¹²⁵ The dynamic trade in Calcutta clearly resulted from interaction of open markets and free trade. Because of these interactions, Bengali markets incorporated a significant number of constantly moving parameters. These constantly moving parameters led to opportunities for success and destruction, which the native traders exploited.

When Pierre Bourdieu produced his book, *The Outline of a Theory of Practice*, he could have easily been writing about this complex world, or the *habitus* of the Bengal native traders. Bourdieu writes “The *habitus*, (can be) understood as a system of lasting, transposable dispositions which, integrating past experiences, functions at every moment as a matrix of perceptions, appreciations and actions and makes possible the achievement of infinitely diversified tasks, thanks to analogical transfers of schemes permitting the solution of similarly shaped problems, and thanks to the unceasing corrections of the results obtained dialectically produced by those results.”¹²⁶ In other words, these native traders lived in a very complex interdependent world of constantly changing political, business, and social relationships. They mastered this world, again in Bourdieu’s words, because “The skilled strategist can turn a capital of provocations received or conflicts suspended, with the potential of ripostes, vengeance, or conflicts it contains into an

¹²⁴ Ibid., 75.

¹²⁵ Ibid., 78.

¹²⁶ Pierre Bourdieu, *Outline of a Theory of Practice* (Cambridge: Cambridge University Press, 1972), 83.

instrument of power, by reserving the capacity to reopen or cease hostilities in his own good time.”¹²⁷ The native traders flourished because they developed the important skill of working closely with the *Nawab* in Murshidabad and the English of Calcutta. An extremely important link formed between traders like Omichand and long-term East India Company officials like Judge John Holwell. Economic necessity nourished by proximity and an alignment of objectives created a desire for alliances.

Without the assistance of native traders, profitable exchange in Calcutta would have proved impossible for the East India Company. This interaction forged deep relationships between long-term English residents like Judge Holwell and the native traders. They no doubt dined and drank together. They knew one another’s strengths and weaknesses. Like the Jagat Seths and Holwell, the native traders were all societal outsiders by birth or religion. When the time came, they knew upon on whom they could depend and those they could not trust. Although J. Z. Holwell had deep knowledge of all these relationships, even he could not know all the nuances of these complicated power relationships. Imperfect knowledge would lead to flawed calculations, and these flawed calculations would then lead to disaster.

¹²⁷ Ibid., 15.

THE NAWAB OF BENGAL

The greatest difficulty in telling the story of the *Nawabs* of Bengal and their interaction with the British trading city of Calcutta lies in where to start. The Muslims had long ruled many of the northern kingdoms of India and in the fifteenth century these kingdoms consolidated to form the Mughal Empire. The Mughal Empire waxed and waned across the plains of northern India and the foothill of the Himalayas for the next three centuries. Structurally, the Mughal Empire followed the classic model of a strong man at the center with concentric circles of governors and local officials. Tribute flowed from those who owned and worked the land into local coffers by way of a tax farm system. Tax farmers were called *Zamindars* and the areas they controlled were called a *jaggier*. Local *Zamindars* remitted the lion's share of their funds to the *Nawab*¹²⁸ and retained the jackal's portion. In turn the *Nawab* transferred funds to the Emperor. Along the way a portion of the tribute stuck to the fingers of each handler. As part of his duties the *Nawab* provided the military presence designed to protect the fortunes of the empire from invaders and at the same time punish internal insubordination. While the system proved to be anything but efficient, it worked. The imperial system of the Mughal Empire dominated Bengal until the East India Company swept it away. At this point the East India Company shattered the imperial *habitus* of Bengal.

With this background of *habitus*, a good place to start might be with the ascendance of Ali Verdi Khan, who came to power in Bengal soon after J. Z. Holwell arrived in Calcutta. Ali Verdi Khan ruled with an iron hand, until his death, when his grandson Siraj-ud-Daulah came to power. It would be Siraj-ud-Daulah who would invest

¹²⁸ Regional governor

and conquer Fort William, imprison Holwell, fight Robert Clive at Plassey, lose the battle, and trigger the invasion of Bengal by the East India Company. In turn, the invasion of Bengal and the *Nawab* of Bengal's death led directly to the decision of the East India Company to take a direct hand in ruling first Bengal and then most of India. Thus, it might be said, the rise of Ali Verdi Khan to the position of *Nawab* irreversibly and dramatically changed the course of European and world history.

In 1725, just 5 years before J.Z. Holwell arrived in Calcutta, Shujaa Addeen Khan assumed the position of *Nawab* of Bengal without opposition. He almost immediately appointed Ali Verdi Khan and his brother Hajji Ahmed as his chief lieutenants.¹²⁹ Four years later in 1729, Shujaa Addeen Khan bribed the Emperor's paymaster and in return obtained the right to rule over the very wealthy province of Behar. He appointed Ali Verdi Khan as his local deputy. Upon his arrival in Patna, the largest city in Behar, Ali Verdi Khan found a region in disarray, with bandits and extortionists ruining the local economy. The new deputy quickly hired in a group of Afghan soldiers under the command of Abdul Kereem Khan to bring order to the province. In the process, Ali Verdi Khan seized the enormous treasures left by the retreating rebels. Thus Ali Verdi Khan became a very wealthy man. At the same time the emperor raised his military rank to *mohabut jung*, senior regional commander.¹³⁰ To ensure his authority remained unchallenged, Ali Verdi Khan soon assassinated the successful Afghan commander, Abdul Kereem Khan.¹³¹

¹²⁹ Charles Stewart, *The History of Bengal from the First Mohammedan Invasion Until the Virtual Conquest of that Country by the English A.D. 1757* (Cambridge: Cambridge university Press, 1813), 417.

¹³⁰ Ibid., 410-421.

¹³¹ Ibid., 422.

For the next decade, Ali Verdi Kahn and his brother Hajji Ahmed served the *Nawab*. During this decade full of court intrigues and complicated but profitable relationships with the European traders, Ali Verdi Khan and Hajji Ahmed prospered and rose in rank. Also during this period Omichand, Deepchand, and Wajeed built enormous fortunes while the banking house of Jaget Seth manipulated the money supply and collected interest. During 1739, “on the 13th *Zilhije*, 1151, Shujaa Addeen resigned his soul to his maker. His death was universally grieved as the death of a man of strict veracity, general philanthropy and unbounded liberality.”¹³² Soon after Addeen’s internment near Murshidabad, Serferaz Khan ascended to the throne.¹³³

The new *Nawab* soon ran afoul of the powerful banking family of Jaget Seths. Upon learning the wife of the eldest son of the Jaget Seths possessed a beauty unmatched, the lustful young *Nawab* insisted on seeing the young wife unveiled. Despite the protests of the important bankers, the politically naïve *Nawab* insisted. The family had no choice but to unveil the young beauty.¹³⁴ As vengeance for the slight, the Jaget Seths allied with Ali Verdi Khan to depose Serferaz Khan. With the decision to depose Serferaz Kahn made, the Jaget Seths’ emissaries, laden with bribe money, left for Delhi to grease the wheels of the imperial court. In the meantime Hajji Ahmed and the Jaget Seth convinced the young Serferaz Khan to reduce the size of his army to shrink expenses and enrich his

¹³² Ibid., 433.

¹³³ Ibid., 433-434.

¹³⁴ The Jain sect has sworn off all forms of physical violence. Some members sweep the street in front of them and wear masks less they harm an insect. All forms of life are sacred. This tradition of nonviolence made them the perfect bankers. They could never mount an army and thus were eternally vulnerable to the state’s monopoly on violence. However the Jains are far from powerless. As bankers they controlled the money supply and they could easily finance a coup d’état.

pleasure palace. Eventually Serferaz uncovered the plot, but by then it was too late. Ali Verdi Khan had raised an army and commenced a march on Patna.¹³⁵

Within days Hajji Ahmed, who had escaped the palace of Serferaz Khan, joined his brother on his march. Within weeks the *Nawab*'s army of 30,000 cavalry and infantry, along with elephants and artillery, stood just twelve miles from Ali Verdi's camp. Despite facing greater numbers, Ali Verdi Khan accepted battle. He divided his army into three cross-supporting columns and advanced shortly before dawn. At sunrise the battle was joined. Serferaz mounted his elephant and led the charge, but few of his men joined him. Ali Verdi's troops surrounded the young *Nawab*, Serferaz bravely released arrow after arrow, until "a musket ball struck him in the forehead and sent his soul to the mansions of eternity."¹³⁶ In the subsequent confusion, Serferaz Khan's *mahout*¹³⁷ escaped with his body and his family buried him near Murshidabad.¹³⁸

Following the battle, a victorious Ali Verdi Khan made his way to Murshidabad. Once there, he sought out the mother of Serferaz Khan and "alighted from his elephant" to beg her forgiveness.¹³⁹ Ali Verdi Khan then immediately seized the palace and the treasure of the former *Nawab* before dispatching a *crore*¹⁴⁰ of Rupees and seventy *lakhs* of rupees worth of jewels and goods to the Emperor Mohamed Shah.¹⁴¹ The Emperor immediately conferred the title of *Nawab* of Patna on Ali Verdi Khan.¹⁴²

¹³⁵ Stewart, *The History of Bengal*, 436-437.

¹³⁶ Ibid., 442.

¹³⁷ The person driving the elephant is its keeper, the mahout.

¹³⁸ Ibid., 443.

¹³⁹ Ibid., 445.

¹⁴⁰ A crore is 10,000,000

¹⁴¹ Marshall, *Bengal*, 52.

¹⁴² Stewart, *The History of Bengal*, 446.

Within a year, Ali Verdi, sought to add Orissa to his kingdom and sent an army against Moorshud Cooly Khan the son in law of Ali Verdi's old master Shujaa Addeen Kahn. Although Moorshud Cooly Khan negotiated a settlement with Ali Verdi Khan, the *Begum*,¹⁴³ his wife encouraged her husband to defy the new *Nawab*. A long and bloody battle ensued ending with the defeat of Moorshud Cooly Khan. Ali Verdi Kahn now controlled Orissa.¹⁴⁴

Ali Verdi Khan installed Sayid Ahmed, the son of his brother Hajji Ahmed as headman of the Orissa province. Unfortunately Sayid Ahmed succumbed to his appetites especially for women, became hopelessly corrupt, and within months the merchants of Orissa invited Abukir Khan, a leader of the feared Maharatahs to liberate them. Thus began the long contest for Bengal, Behar, and Orissa between the Bengalis and the raiding armies of marauders from the West, the Maharatahs.¹⁴⁵ This series of invasions and counter attacks haunted the rule of Ali Verdi Kahn.¹⁴⁶ During this time the armies of the Maharatahs not only destroyed much of the wealth of the region, they also threatened the European trading city of Calcutta.¹⁴⁷ These attacks undermined the treasury of Ali Verdi Kahn and precipitated a financial crisis. In response the British allied with Ali Verdi Khan and prepared for battle by reinforcing Fort William and digging the

¹⁴³ A Begum is a woman of high royal rank like a princess or queen

¹⁴⁴ Stewart, *The History of Bengal*, 449-451.

¹⁴⁵ According to P.J. Marshall, by 1740 the Maharatahs had conquered most of central India. In that year the *Nawab* Ali Verdi Kahn succeeded in repelling the invaders but not for long. After repeatedly testing the defenses of Behar, Orissa and Bengal the Maharatahs launched a two-pronged attack on 1744. The *Nawab* survived by offering bribes and resistance. By 1745 Ali Verdi Khan held tight control of Bengal but only tentative control of Orissa. In 1748 the Maharatahs again launched attacks and gained a bridgehead in Western Bengal and threatened Murshidabad. The warriors remained until 1751 when Ali Verdi Khan negotiated a lasting treaty. (Marshall, *Bengal*. 70-71)

¹⁴⁶ Stewart, *The History of Bengal*, 451-483.

¹⁴⁷ "The head of the Jaget Seths commented in 1744 'at present there is no government; they (Maharatahs) fear neither God nor King but seemed determined to force money from everybody; I have suffered greatly by them.'" (Marshall, *Bengal* 71)

Maharatah ditch, to deter a cavalry attack.¹⁴⁸ By 1751, an aging Ali Verdi Khan had experienced enough warfare and concluded a lasting peace with the Maharatahs by ceding them the “province of Cuttack and agreeing to pay annually twelve lac of rupees.”¹⁴⁹

In the years of peace Ali Verdi’s generals often urged him to attack the growing settlement of Calcutta and seize the British traders’ fortune. Indeed the great Khan predicted that, “after, his death the Europeans would ‘ become masters of many parts of Hindustan.”¹⁵⁰ However Ali Verdi Khan understood the futility of attacking on land a nation that derived its power from mastering the sea. He counseled that of course the generals are soldiers constantly seeking employment but “what have the English done against me, that I should use them so ill? It is now difficult to extinguish fire on land; but should the sea be in flames¹⁵¹, who can put them out?”¹⁵² His nephew would ignore this sage advice at his peril.

During his sixteen-year reign, Ali Verdi Khan came to favor his grandson Siraj-ud-Daulah,¹⁵³ a boy known for his exceptional cruelty.¹⁵⁴ Having obtained his

¹⁴⁸ The invaders in fact never crossed the Hooghly, but the damage they did to western Bengal hampered trade and led to a statewide famine in 1752. As a result of the Maharatah invasions The British were forced to increase their protection payments to Ali Verdi Kahn. Ali Verdi Khan also suspended the decreasing payments he remitted to Delhi, and the entire area of Western India became financially and militarily unstable.

¹⁴⁹ Stewart, *The History of Bengal*, 486.

¹⁵⁰ Ibid., 490.

¹⁵¹ A direct allusion to the British fleet

¹⁵² Stewart, *The History of Bengal*, 491.

¹⁵³ Born Mirza Mahmood, “The eldest son of Zyn Addeen the youngest of Hajji Ahmed’s sons, who married one of Ali Verdi Khan’s daughters (his cousin). He was born at the period that Ali Verdi was appointed to the government of Behar; and who considering the birth of a grandson at that time as an auspicious event, declared his intention of adopting him as his own child (thus grandfather became father). The boy was therefore indulged in every caprice of his mind; and being naturally of a cruel and perverse temper, his vices ripened with his age: as he grew up, he associated with none but infamous and profligate companions; and at their head used to patrol Murshidabad, and insult every person of respectability whom they met.” Ibid., 495.

grandfather's blessings and assurance of the throne in the future, the young Siraj-ud-Daulah targeted the sons of Hajji Ahmed, his cousins, and the nephews of Ali Verdi Kahn for elimination. The first, the well-regarded Nuazish Mohammed¹⁵⁵ died without issue in 1755. The second, Sayid Ahmed, passed leaving only one son, Shokut Jung¹⁵⁶. "Ali Verdi Kahn did not long survive the death of his nephews" and in his eightieth year he died in bed.¹⁵⁷ With the death of Ali Verdi Khan, his daughter Gheseety Begun, the widow of Nuazish Mohammed, and the aunt of Siraj-ud-Daulah, chose rebellion. She retired with a large treasure left by her husband to a palace near Murshidabad, and plotted the downfall of her nephew. Siraj-ud-Daulah's "first act of his government was to send a party of troops to dispossess his aunt, Gheseety Begum."¹⁵⁸

Upon hearing that Siraj-ud-Daulah intended to march toward the *Begum's* palace, the *Begum* and her deputy Raj Boolub evacuated their treasure and several family members to Calcutta. The leader of the refugee party, Kissendas Boolub, arrived in Calcutta, and was taken in by Judge John Holwell and Omichand.¹⁵⁹ Holwell and Omichand quietly removed the treasure for safekeeping. This act of defiance so enraged the young *Nawab* of Bengal, that he turned his army around and made for Murshidabad, where he intended to amass an even larger army to drive the English from Bengal and retrieve the fortune he believed had been stolen from him.¹⁶⁰ With this act Siraj-ud-

¹⁵⁴ Ibid.

¹⁵⁵ The young Siraj-ud-Daulah murdered Nuazish Mohamed's two chief deputies in 1754 and began to systematically assassinate his uncle's supporters until the day his uncle died.

¹⁵⁶ Siraj-ud-Daulah also had a younger brother, Akram-ud-Daulah, who died mysteriously, leaving a posthumous son Murad-ud-Daulah.

¹⁵⁷ Stewart, *The History of Bengal*, 487.

¹⁵⁸ Ibid., 497.

¹⁵⁹ Intentional pun

¹⁶⁰ Ibid., 499.

Daulah impetuously declared war on the British nation, and irrevocably changed the future of Bengal and India.

Although he had been *Nawab* for just a few months, Siraj-ud-Daulah had accumulated a formidable array of enemies. First among these was his aunt, Gheseety Begum. His rash and imprudent behavior alienated many more senior court officials as well as his *Zamindars*. He also threatened the Jaget Seths with confiscation of their wealth. The Jaget Seths in turn froze the *Nawab*'s funds, and in doing so, prevented him from hiring more troops or even paying the ones he had. Having declared the English to be invaders best cast into the sea, the *Nawab* terrified Calcutta. Siraj-ud-Daulah even managed to alienate the implacable enemies of the British, the French, most of whom stood aside from assisting the young *Nawab*.¹⁶¹

It should be noted here that many colonial British chroniclers recorded the early history of Bengal; this list includes Judge John Zephaniah Holwell. Each author recorded a remarkably similar account of events, which leads one to believe there may have been a lost single original source, or that many authors simply pirated their research from one another. In telling this story I chose a single authoritative source for the sake of convenience. All the accounts I examined contained the same salacious sexual details and pornographic violence. These were histories written by Englishmen for Englishmen. They all exalt the heroics of the British and the nobility of the East India Company. In addition all these accounts also followed a similar cultural trajectory: a once proud and noble race of warriors was corrupted by power and greed over generations, leading to a point of depravity. The story of the noble Ali Verdi Kahn and cruel Siraj-ud-Daulah

¹⁶¹ P.J. Marshall, *Bengal*, 71

encapsulate this trajectory in miniature. Of course, a story with a trajectory of decline calls out for a rescuer, a restorer of virtue, an intercession by a benign power. These British authors thought that superior culture flowed from the metropole in London out to the periphery. The periphery was a dangerous deeply corrupted place in need of rescue and required the civilizing process the British brought with them.

Like John Charnock's widow rescued from the funeral pyre and made into Charnock's wife, the British of the metropole believed they rescued India. With the exception of Holwell, none of the authors I read thought the culture of the periphery had value. Perhaps because Holwell had been born on the periphery in Ireland, he saw the value the periphery offered. This would explain why he recorded Indian culture so carefully, even as he exploited it.

THE BATTLE FOR CALCUTTA

Under the official pretence of pilgrimage to the temple to the Jaggernaut for the annual festival, Kissendas, with his heavily pregnant wife, set sail downriver to the British outpost of Calcutta and the protection of Fort William, arriving on 17 March 1756.¹⁶² The treasure of Kissendas, which was valued at 54 lacs of rupees and made up of gold, silver, and precious stones, arrived in Calcutta with him. If converted to pounds sterling the treasure would have exceeded half a million pounds, this at a time when 10,000 pounds: purchased a substantial home on Berkeley square, and ten square miles of Shropshire farmland could be had for 70,000 pounds.¹⁶³ When he arrived at the gates of Calcutta, Kissendas petitioned for entry. The council president Mr. Drake, suffering a recent bout of ill health and recovering in Ballasore, was absent. So, Judge Holwell and Mr. Watts, who managed the English factory at Cossimbazar, presented the argument to shelter Kissendas. Once the council approved the motion, Omichand opened his home to Kissendas, his family and his treasure. It might be supposed that Omichand advised the young Kissendas to move the 54 lacs treasure to the safety of one of the English ships.

The poor state of Fort William deeply troubled the English. The chronicler S.C. Hill wrote “the small strength of our fortifications and garrison, and the easy capture of it (Fort William) were a concern.”¹⁶⁴ In 1752, the military engineer Caroline George Scott completed an audit of fortifications. In his final report, he recommended tearing down the

¹⁶² Orme, *A History of the Military Transactions of the British Nation in Indostan, from MDCCXIV*, Book VI, 47-50.

¹⁶³ John Keay, *The Honourable Company: a History of the East India Company* (New York: Macmillan Publishing Company, 1991), 280.

¹⁶⁴ S.C. Hill, *Bengal in 1756 – 1757, Ass Election of Papers Dealing with the Affairs of the British in Bengal During the Reign of Siraj-ud-Daulah with Notes and Historical introduction, in Three Volumes*, 3 vols., vol. 2 (Delhi: Mana Publications, 1905), 5.

godowns abutting the walls of the fort, sealing off windows that had been cut into the curtain walls, the completion of the Maratah ditch, the construction of a city wall, and the expansion of the military encampment. However, the East India Company focused more on profits than long-term security so it deferred the maintenance of Fort William. Once again, decisions in London compromised the livelihoods and lives of the periphery.

Since Fort William was deeply compromised, the residents of Calcutta, who had long depended on the benevolence of Ali Verdi Kahn, now placed their hopes with Gheseety Begum and Ali Verdi's widow, whom she had enlisted in opposition to Siraj-ud-Daulah. However, when Siraj-ud-Daulah's nephew, his only possible challenger, suddenly died under mysterious circumstances, all hope for rule by the *Begum* widow was lost. Additionally, the *Nawab* preempted any attempt to seduce the disloyal generals by installing two loyal allies, Mir Jafar and Rai Dullab.¹⁶⁵ Holwell, and Clive, would later test the loyalty of these two Bengali generals reaping different results.

With no documentation, one can only speculate about Holwell and Omichand's plan to save Calcutta, ally with the Jaget Seths, and steal Kissendass' fortune. However, based on Holwell's decision to stay and fight, the need for the Jaget Seths to counter-balance the power of the twenty-seven-year-old *Nawab*, and subsequent events at Plassey, it might be fair to speculate that such a plan existed. It seems Howell and Omichand likely carved off a piece of Kissendas' treasure in order to bribe Siraj-ud-Daulah's generals Mir Jafar and Rai Dullab.¹⁶⁶

¹⁶⁵ Ibid., xivii.

¹⁶⁶ Robert Clive in fact did this less than a year latter at the battle of Plassy. Because Mir Jafar and Rai Dullab held back their troops Siraj-ud-Daulah was soundly defeated by the British. British casualties were limited to 5 dead (80% of whom died when their own cannon exploded). Soon after Plassy Siraj-ud-Daulah died and the British take over of Bengal began.

Siraj-ud-Daulah's spies reported that in April, the English had received warnings of attacks by the French. This led the *Nawab* to believe that he might find a solution to the problem of his lack of a naval force. Siraj-ud-Daulah encouraged the French Navy to blockade the Hooghly and neutralize the powerful British navy. In letters to the French commander he extolled him "to attack the English on the river while I besiege them on shore."¹⁶⁷ While negotiating with the French, the young *Nawab* sent a detachment of 3,000 soldiers to invest the British outpost at Cossimbazar on the 22nd of June.¹⁶⁸ In the meantime, the *Nawab's* spies confirmed Fort William's poor state of repair; this despite the frantic efforts by the English to build it up. Additionally the *Nawab's* spies succeeded in casting suspicions of treachery on Omichand. These suspicions caused the members of the council to question Omichand's purpose, and therefore the council denied themselves access to the Sikh merchant's extensive network of spies.

The main body of Siraj-ud-Daulah's army, with upwards of 50,000 men, arrived in Cossimbazar on the first of June 1756. Mr. Watts stood to defend the outpost with just 22 European soldiers, 20 Topazes, and 250 native matchlock men.¹⁶⁹ Despite urgings from the council of Calcutta to defend his position, Watts saw that a protracted defense was impossible and on June 4th he surrendered the fort to the *Nawab*. Upon capture Watts was forced to sign a pledge to 1) turn Kissendas out of Calcutta, 2) destroy the city's defenses, and 3) repudiate the trading privileges accorded the English. The

¹⁶⁷ S.C. Hill, *Bengal in 1756 – 1757, Ass Election of Papers Dealing with the Affairs of the British in Bengal During the Reign of Siraj-ud-Daulah with Notes and Historical introduction, in Three Volumes*, 3 vols., vol. 1 (Delhi: Mana Publications, 1905), 5.

¹⁶⁸ Robert Orme, *A History of the Military Transactions of the British Nation in Indostan, from MDCCXIV, Book V* (London: John Nourse, 1775-78), 56.

¹⁶⁹ Arthur Broome, *History of the Rise and Progress of the Bengal Army VI* (Calcutta: W. Thacker and Co., St Andrew's Library, 1850), 49.

commander of the English troops, a Lieutenant Elliot, grew so despondent with the dishonorable nature of the capitulation that he shot himself as the Bengal army transported the English cannons from the outpost.

On the 6th of June, word of Watts' surrender circulated the streets of Calcutta. Yet the French chose not to join the *Nawab*. They also refused to help the British. Instead, the French commander elected to reinforce his own fortress and await the outcome of the coming battle. Letters from the Dutch show that they, too, were preparing for war. Those who escaped the surrender of Cossimbazar entered the Dutch encampment called Fort George.¹⁷⁰ By the morning of June 7th, Siraj-ud-Daulah's army of 50,000 men, horses, oxen, cannon, and elephants decamped and began its march on Calcutta.

In his own after-battle reports, Judge John Holwell claimed that the French had bribed the *Nawab* to ignore them by providing three and half lacs of rupees and two hundred chests of gunpowder for Siraj-ud-Daulah's cannons and those cannons appropriated from Cossimbazar, which Watts had failed to spike. The Dutch at Fort George paid four and a half *lakhs* and retreated into neutrality. The report next expounded on 1) the state of Fort William and the garrison, 2) the adequacy of ammunition, guns, and other supplies, and 3) the want of military skill. Holwell excoriated all three. In speaking of Calcutta's defense force and Fort William, he said his recommendations had been ignored and that in places the walls could not withstand even a small cannon without collapse. Much like the engineer Caroline Scott's analysis of the city's defenses, he reiterated the problems of ramshackle warehouses leaning against the walls, windows cut into the walls, and over-towering buildings near the walls. Of the

¹⁷⁰ Hill, *Bengal in 1756 – 1757*, Vol. I, 1.

garrison, he found them ill trained and ill led. He mourned the casualties they suffered and laid the blame at the commander's doorstep. Of the volunteers he complained that the Armenians and Portuguese barely knew which end of a gun to point. On the issue of supplies Holwell found them to be entirely inadequate to the purpose. In short, Calcutta lay vulnerable to Siraj-ud-Daulah and his army.¹⁷¹

After his success at Cossimbazar, the *Nawab* began a rapid march toward his primary objective, Calcutta. Recognizing his inability to control the river and harbor, Siraj-ud-Daulah summoned the native agents of the French and Dutch. The French representative M. Law, upon seeing Siraj-ud-Daulah's reaction to the Dutch position, answered carefully in such a way as to lead the *Nawab* to believe the French navy would soon attack Calcutta. In his report back the French commanders in Chandernagore Law reported the brash young Siraj-ud-Daulah as the type of commander who "sold the bear's skin before he had killed the bear." Law recommended delay.¹⁷² Thus he reported back to the anxious *Nawab*, that the French forces needed authorization before laying siege to Fort William, but that he hoped for a response soon.

The French letter indicated the size of the army approaching Calcutta to have grown even larger. In addition to an enormous number of soldiers, they reported 300 elephants, 500 cannons, 16,000 pounds of gunpowder and 2,000 cannonballs, in addition to innumerable horse and pack animals. The *Nawab*'s army took a full day to march past the French observers. While the military accounting of the time was often wildly

¹⁷¹ J.Z. Holwell, *India Tracts* (London: T Becket, 1774), 271.

¹⁷² Hill, *Bengal in 1756 – 1757, Vol. 1*, 22.

exaggerated, there is little doubt the *Nawab* had mustered an enormous army to conquer Calcutta.

In an attempt to further weaken Calcutta, the *Nawab* sent a letter to Omichand. The letter directed the powerful Sikh merchant to quit the city as soon as possible and accept the protection of the *Nawab*. The *Nawab* allowed the letter to be intercepted in order to convince the British defenders that Omichand was disloyal. Upon capturing the letter, the British commanders immediately arrested Omichand and placed him into chains within Fort William.¹⁷³ With the arrest of their leader, Omichand's private army of 300 men melted into the countryside. Several of Omichand's men were later accused of going over to the side of Siraj-ud-Daulah, providing the invader with valuable information. At the same time they arrested Omichand, the British also brought Kissendas into Fort William.

The state of Fort William remained decrepit, and the force available to defend Calcutta small. There were just 264 Europeans, if one counted the Topaz soldiers. A local militia of Armenian and Portuguese traders increased the total number to just over 500 fighting men, of which fewer than 175 were English. Commandant Minchin led the regular infantry and gunners, while the militia troops were split into two commands: one under William Mackett, and the other led by Judge Holwell. Many of the cannon were taken down from the walls and placed to anchor barricades outside the fort.

¹⁷³ Orme, *A History of the Military Transactions of the British Nation in Indostan, from MDCCXIV, Book VI*, 60.

Contemporary chroniclers¹⁷⁴ described neglected cannons in disrepair, and inferior powder, which further compromised the defender's position.¹⁷⁵

Because of the poor repair of Fort William, the defense of Calcutta rested on a series of barricades placed in three strategic locations outside of the fort. Each barricade was defended by musketeers and two field cannons. The first position lay 300 yards east of the fort, between the courthouse and the park containing the large water tank. The northern barricade was placed 250 yards upstream of the fort and faced into "black town." The southern barricade stood 400 yard away from the fort and lay between Holwell's home and the cemetery, where it overlooked a portion of the uncompleted Maratah Ditch. Additionally, the open park in front of the fort was trenched, but it was dug so inexpertly that the soil excavated to form the trenches later offered ready-made breastwork for the enemy. The houses overlooking the barricades were populated with musketeers, and the commanders closed off all the additional entries to the area surrounding the fort.¹⁷⁶

¹⁷⁴ Less than six months after the action Robert Orme, a member of the Madras council, provided a succinct description of Calcutta's defenses. He describes Calcutta as lying within a natural crescent formed by the Hooghly River. The Northern end of the crescent terminated in Perring's Garden in the heart of "black" town, where the wealthier native merchants reside. The Southern end of the crescent terminated in an area occupied by poorer natives. The distance between the points of the crescent measured out at 3.5 miles. At each of these points a defensive ditch traversed by drawbridges provided the primary line of defense. Orme records that because this so-called Maratah Ditch was never completed, it offered scant protection to the city. In the deepest part of the crescent lay "Fort William, a building which many an old country house exceeds in its defenses." The strongest wall of the fort faced the river, in anticipation of attack by the French. The river wall ended with two bastions from which the walls ran toward the center of the city. Orme decries that the gates in these walls were so flimsy as to be easily breached by a single well-placed cannon shot. Additionally he notes two large houses that would provide cover for musketeers firing down into the fort over arch the Northern. The front of Fort William faced east, toward the park and was penetrated by the main entrance. Orme goes on to describe the batteries set beyond the fort to have been hopelessly compromised from the start and considered them to be death traps for the gunners and the men who defended them. Other military experts who reviewed reports filed after the battle found great fault in the defensive plan. Of course by then the fort had long since been lost.

¹⁷⁵ Broome, *History of the Rise and Progress of the Bengal Army VI*, 53-55.

¹⁷⁶ *Ibid.*, 55.

On 13 June Siraj-ud-Daulah's army struck five miles south of Fort William where they quickly overran the Fort at Tannah. Strategically located Fort Tannah lay at the narrowest point of the Hooghly, Fort Tannah provided a choke point on river to the south and closed the escape route of the English trapped in Calcutta. Fortunately for the British, after his victory the inexperienced *Nawab* left the fort at Tannah undermanned, and the English were able to recapture it with the help of two 300-ton brigantines anchored off shore. Once the brigantines began their bombardment, the small Mughal garrison of fewer than 50 men fled so the English landed unopposed. However, the next day a much larger Mughal force arrived and the new British defenders had just enough time to spike the larger cannons and toss the smaller ones into the sea before fleeing back to their ships. The *Nawab's* army occupied the fort and reinforced it with nearly 2,000 soldiers whom the British could not dislodge. The ships lifted anchor and sailed north to Fort William to offer relief.¹⁷⁷ By spiking the guns, the British reopened the escape route from Calcutta to the sea. It appears that at this point Siraj-ud-Daulah assumed the French would ally with him to deny use of the river to the British, and so he remained unconcerned with the loss of the cannons of Tannah.

With the fall of Fort Tannah, Siraj-ud-Daulah advanced on Calcutta from every direction. In his after-action report, Holwell described chaos within the city. Following the evaporation of Omichand's private army, Jaggernaut Singh, the head of the imprisoned Omichand's household, ordered the great merchant's home to be burned and his women to be butchered along with their children, lest they fall into the hands of a

¹⁷⁷ Orme, *A History of the Military Transactions of the British Nation in Indostan, from MDCCXIV, Book VI*, 60.

vengeful *Nawab* and be dishonored.¹⁷⁸ Most of Omichand's household died by their own hand, Omichand's guards, or in the fire. In the midst of the horror, the loyal Jaggernaut Singh stabbed himself.¹⁷⁹ Orme records that at this point the few Indian natives who had remained loyal to the British now fled. The white women and children of the town, along with the dependents of the "black" Christians and Portuguese, assembled within the ten-foot thick walls of Fort William.¹⁸⁰ The refugees totaled nearly 2,000 and severely strained the resources of the fort. Since the French had declined to aid the *Nawab* and the cannons of fort Tannah had been spiked, the English still enjoyed full control of the river and moved several heavily armed ships into support positions. Unfortunately not every civilian was able to escape to these ships. In his version of events, Holwell blamed Commandant Minchin for a failure to adequately organize the evacuation of the fort despite English control of the river. He faulted "indolence of the commandant" in laying out an adequate plan of defense for the fort and general ineptitude. Holwell described Minchin's next in command, a Captain Clayton, as "demonstrating a want of the most essential requisites of a soldier." He was kinder to the other three captains of the garrison but said they alone could not have been expected to carry the day.¹⁸¹

Siraj-ud-Daulah launched his attack on June 16th. Unaware that the Maratah ditch had not been completed, the *Nawab* attacked from the North and was stopped at the completed portion of the ditch by a small party of British soldiers defending it. In addition to the land forces of the colony, the area under attack by the *Nawab* abutted the

¹⁷⁸ At this time men exerted a type of ownership over wives and children. Captured wives might be added to the victor's harem. Children might be enslaved.

¹⁷⁹ Hill, *Bengal in 1756 – 1757*, Vol. 2, 22.

¹⁸⁰ Orme, *A History of the Military Transactions of the British Nation in Indostan, from MDCCXIV*, Book VI, 61.

¹⁸¹ Hill, *Bengal in 1756 – 1757*, Vol. 2, 26.

river in a way that guns aboard the Saint George anchored in the river were unable to assist the defenders. The Saint George, sent by the British, was to have helped in the evacuation of British civilians fleeing Calcutta. Unfortunately, the local pilot failed to spot one of the shifting sandbars in the Hooghly. The Saint George struck a sandbar and the crew was unable to free her. The loss of the ship condemned the civilians in Fort William to remain in the fort, where they consumed supplies and added to the confusion of battle. That night a courageous ensign from the Saint George, named Piccard succeeded in slipping through the enemy's lines and spiked four of the *Nawab's* cannons. He and his men returned without injury.

By the next morning Siraj-ud-Daulah's spies had discovered the Maratah Ditch had not been completed to the East. He swiftly pivoted his army inland to an area the ships could not bombard and attacked the eastern precincts of the town. The *Nawab's* troops soon captured the bazaar, which they set aflame, and then swept northwest of the fort into "black town." The *Nawab's* sweep isolated Piccard and his small force north of the fort, where they could only be evacuated by boat. The few prisoners the British captured indicated new forces were continuing to replenish the *Nawab*, suggesting the main attack would come on the day of the 18th.

At eight o'clock the next morning, Siraj-ud-Daulah's forces moved to attack the Southern battery commanded by Captain Buchanan. The native troops stormed the houses and took positions within them, firing their matchlocks at the defenders. Owing to the extreme inaccuracy of these weapons, the British were able to hold their positions and turn their large guns on the houses, which they proceeded to destroy. Under cannon fire,

the *Nawab's* troops withdrew, and the British sent soldiers to hold these positions lest the line be turned by a charge by the enemy.

Within an hour of the battle commencing in the south, the northern barricade came under fire. This battery defended a narrow street hemmed in by large contiguous houses occupied by trained soldiers. Additionally, because of its proximity to the river, naval guns were able to lend assistance. Despite this disadvantageous configuration the enemy charged down the narrow street, where it met heavy fire of grapeshot from the battery. The enemy responded by dispersing into the side streets of the area. The British injudiciously advanced their cannon to clear them out, at which point the *Nawab's* army infiltrated to the rear and the British had to fight their way back to their original position. Realizing the superior positioning of the northern battery, the *Nawab's* generals withdrew all but a small portion of their force and redeployed them to the east. The small force they left was intended to keep the defenders occupied and prevent their coming to the assistance of their fellow countrymen fighting to the east.

The eastern flank, which faced the bazaar and included the park containing the town's water supply, was commanded by Captain Clayton, the least experienced of the officers. Lieutenant Le Beaume commanded the battery at the corner of the park and the courthouse. Le Beaume advanced into the bazaar with two field pieces, where he attacked the several thousand enemy troops filtering through the bazaar area. Initially the guns stopped the advance of the enemy combatants with withering fire, however, the *Nawab's* soldiers soon regrouped and pressed the British into retreating to the jail, just up the street from the battery. Lieutenant Le Beaume was able to hold this position for some time until it became evident that the enemy had succeeded in gaining several nearby homes to his

rear. At this point, to save his men, he abandoned his cannons and retreated to the main battery. At noon all fighting ceased as meals were served.¹⁸² At 2 o'clock the fighting renewed, and it soon became evident that the *Nawab*'s troops had gained positions within the park that jeopardized the integrity of the battery. Musket fire, though inaccurate, became so intense that all but the gunners retreated to the shelter of the courthouse. At this point Holwell, who commanded the militia forces now trapped within the courthouse, demanded Clayton allow him to take a few men to occupy the empty buildings near the courthouse to suppress enemy fire by use of snipers. Clayton refused Holwell this permission despite the judge's observation that without cover his men were fish in a barrel. At 4 o'clock, the enemy overwhelmed the guns defending the southeast corner of the park and quickly occupied the houses that Holwell had demanded to fortify. This left the guns in front of the courthouse isolated and vulnerable. Only the rapid and continuous loading and firing of grapeshot prevented a rout. In the heat of battle Clayton dispensed Holwell to go to the fort and request permission to retreat, which was granted. According to Orme, most of the cannons were spiked and the lone surviving field cannon along with Holwell's troops entered the fort.¹⁸³

Holwell's report provides much of the information in Orme's description of the battle. In Holwell's own account he blames Clayton for the collapse of the eastern batteries and subsequent retreat to the fort. Holwell argues that if Clayton had ordered an attack on the Indians the shock would have caused the *Nawab*'s army to fall back on

¹⁸² Neither the British nor the *Nawab* engaged in the type of total war prevalent in the twentieth century. By informal agreement a break was taken by the combatants for the main meal of the day. This type of "civilized" warfare continued in Europe until WWI. During the siege of the Commune of Paris in the late eighteenth century not only was there a midday meal cease fire, another occurred at the Absinthe hour.

¹⁸³ Orme, *A History of Military Transactions*, 58-59.

itself, such was the timidity of the enemy's soldiers in the face of aggression. A two-pronged attack upon "the enemy, who would have been between two fires without hardly possibility of a tithe of the whole body escaping a repulse, and a slaughter, which I am convinced would have struck such a panic into the enemy as in all human probability, had obliged the *Nawab* to have retreated and dropped his designs against us."¹⁸⁴ Perhaps this is just the rambling of a disgruntled loser, or perhaps Holwell knew something the captain did not. Perhaps Holwell had made a deal to buy off one of the *Nawab*'s generals. Regardless of the reason, we do know that by refusing to attack, Captain Clayton rendered defeat almost inevitable.¹⁸⁵

In his own version of events, Holwell detailed the hard house-to-house fighting during the afternoon, which resulted in his eventually requesting permission to retreat. In his after-engagement report, Holwell wrote that before he was able to return to the battery, Clayton had already spiked the cannons and ordered a full retreat. Holwell reported the men were in confusion and the retreat became "a confused rout."¹⁸⁶ The collapse of the eastern perimeter compromised both the Southern and Northern batteries and they too were ordered to spike their guns and retreat toward the fort. Holwell found fault with this order too. He maintains both batteries could easily have been defended and that their abandonment gave ground to the enemy that should not have been conceded without a fight.

¹⁸⁴Hill, *Bengal in 1756 – 1757*, Vol. 2, 36.

¹⁸⁵ Ibid.

¹⁸⁶ Ibid.

As the situation of the British declined, the mercenary Lascar soldiers hired by the British abandoned their posts and escaped by slipping through the enemy's lines.¹⁸⁷ The Portuguese and Armenian volunteers either crowded into the fort for protection or slipped through the enemy's lines as night began to fall on the stricken city. The only good news came with the reappearance of ensign Piccard and the 20 men, who had safely evacuated the up river barricades and had slipped into the city by boat.¹⁸⁸

As the sun set on the 18th, the despondent defenders determined they had less than forty hours of gunpowder in reserve. All but one of the Lascars had deserted. The Portuguese and Armenian merchants who remained became more of an impediment than asset. The women served as they could, but the men worried for their virtue should the fort fall into the *Nawab*'s hands. With these considerations the ruling committee of Calcutta - consisting of the President, Mr. Drake, and three others Manningham, Frankland, and Holwell - began to make plans for the evacuation of women and dependents from Fort William.

Since the French had delayed sending support to Siraj-ud-Daulah, the river remained open, though the strong tides from the Bay of Bengal caused the river to radically rise and fall within its banks. This limited the time when larger boats could approach the *ghats*. According to Orme, the council met at 2 AM and decided to begin to evacuate the English women, children, and treasure to the ships.¹⁸⁹ The primary destination of the evacuees was the ship *Dodalay*, but there was also a large number of smaller craft operated by native river men who made themselves available to transport

¹⁸⁷ Lascars are sailors or militiamen from the Indian subcontinent. They often hired on to British ships as crew or marines

¹⁸⁸ Orme, *A History of the Military Transactions*, 68.

¹⁸⁹ *Ibid.*, 69.

refugees to larger British craft located down river. Holwell recorded that he was able to transport just a small amount of cash, because most of his wealth had resided in bulk goods located in the godowns that the *Nawab's* soldiery spent the night of the 18th looting and burning. Along with the women, children, and treasures of the English, two of the four ruling councilmen (Manningham and Frankland) boarded the *Dodalay* with the intention of organizing the evacuation. Shamefully both men refused to return to Fort William even after being ordered to do so by President Drake.¹⁹⁰ Holwell called their actions cowardly and a breach of trust to the 170 soldiers and militiamen left in the fort. Holwell expressed further outrage at the decision of the captain of the *Dodalay* to withdraw downstream of the fort to avoid artillery fire. This decision made further large-scale evacuations impossible. The cowardly council member Manningham for his part claimed that fear of fire arrows igniting the gunpowder on the *Dodalay* had forced the ship's captain to withdraw to safe waters. The act of withdrawal stranded the wailing native-born women and children, who teemed the river's edge in hope of a rescue that never came. These civilians remained in Fort William where they consumed supplies and added created disorder.

Early the next morning, President Drake, who was not a military man, inspected the ramparts and supplies. Upon learning the remaining gunpowder was damp, and fearing the threats made by Siraj-ud-Daulah, Drake slipped aboard one of the two remaining small boats and left around 10:00 AM. As Drake pushed off for the *Dodalay*, the remaining defenders treated his iniquity with disdain. The final hope of rescue for those trapped in the fort lay in the gunship *Saint George*, The ship, sent to protect the

¹⁹⁰ Broome, *History of the Rise and Progress of the Bengal Army VI*, 60.

river from the threatened French attack, grounded on a sandbar just before noon.¹⁹¹ The captain and crew of the *Saint George* had little choice but to abandon her before the enemy overran them as they boarded lifeboats, and pointed them down stream toward the *Dodalay* and beyond the reach of the *Nawab*.

With the desertions that had occurred, Judge Holwell became the senior member of the council remaining and he seized control of the defense of Fort William. Holwell immediately sent the brave ensign Piccard outside of the fort to man a battery directed toward the park and defending the primary entrance of Fort William. Holwell signaled for the *Dodalay* to move upstream to bring their cannons to help defend the fort. Aboard the *Dodalay* the cowardly Manningham, Drake, and Frankland refused to assist their beleaguered countrymen. Outside of the fort Siraj-ud-Daulah and his two generals Mir Jafar and Rajah Dullab continued to advance house by house, pushing the defenders back toward the fort. At this point, Holwell brought his remaining men into the fort, opened the prison, and released his friend Omichand and the exile Kissendas.

By all accounts, both Mir Jafar and Rajah Dullab were extremely capable generals. Both men had risen to their positions under Ali Veardi Khan, a man they the revered. Their level of loyalty to the new *Nawab* was another matter. In fact events that occurred less than a year later at the battle of Plassey proved both men happy to betray

¹⁹¹ Ibid., 64.

Siraj-ud-Daulah for a sizable bribe. The intermediary in this future betrayal would be none other than the Sikh Merchant Omichand, the friend of Holwell.¹⁹²

Despite any arrangements that might have been in place, the *Nawab's* generals launched several determined attacks on the fort. With no hope of rescue, and the continued refusal of the Dodalay to bring her guns within range, the defenders fought bravely as the enemy forced the windows that pierced the Eastern curtain wall and scaled the northwestern bastion. These were the vulnerabilities Scott had warned about in his earlier audit. Twenty-five of the defenders died and seventy members of the shrinking force were wounded in the attacks. In the meantime the Saint George, having been looted, lay on its side burning not far from the fort. The *Nawab's* infantry also set fire to the homes of the merchants and burned what they could not carry away from the *godowns*.¹⁹³ Next to the fort, they occupied the upper floors of the homes overlooking the fort. From there they could fire their muskets down, and only the extreme inaccuracy of the weapons prevented the snipers from picking off the despondent defenders one by one.

The morning of June 20th opened with new attacks. Flames, explosions, singing, and looting had kept the British awake the night before. At noon Holwell signaled a truce so that the Armenian trader, Khwaja Wajeed could exit the fort to deliver a message

¹⁹² Is it possible that the reason Holwell did not flee with his fellow council members was his belief that “the fix was in” and that one or more of the generals would soon change sides? Certainly warfare in Bengal had shown bribes to be an effective way to turn a battle, and with Kissendas’ treasure safely within their grasp Holwell held the means of making a substantial payment. Of course in any such dealing parties can behave in less than honorable ways, and Holwell would have been dependent on the bravery and integrity of Mir Jafar and Rajah Dullab in turning on their master for the promise of a portion of a treasure that they might have been able to seize in its entirety, if it remained within the fort. If as is supposed by many, the treasure was already aboard the Dodalay or one of the other ships the two generals needed to calculate the risk of revolt against the promise of payment when the beneficiaries might chose to renege, a scenario Omichand himself suffered at the hands of Robert Clive less than a year later. A third option would include ransoming the fort and the soldiers trapped in it for a portion of the treasure. The calculations were complicated and the consequences of misreading the situation were extremely dire.

¹⁹³ Broome, *History of the Rise and Progress of the Bengal Army VI*, 65.

written to Rajah Dullab by Omichand. The English observers believed the message to have been written not in Bengali, but in code, and likely contained an offer of a bribe. As the afternoon lingered on, fighting remained sporadic. By 4 o'clock Wajeed returned with a message. In response Holwell rushed to the southeastern battlement from which he dropped a reply. Despite these parleys, the *Nawab*'s army renewed their attacks.¹⁹⁴ At 5 o'clock someone opened the back gate of the fort and the soldiers of the *Nawab* rushed into the fort. Orme reported the gate was opened by drunken soldiers trying to escape the cauldron of the fighting; others suggest that Holwell and Omichand opened the gate expecting Rajah Dullab to enter and rescue the English in return for a sizable bribe from Kissendas' treasure chests. Whatever the case may have been, the *Nawab*'s troops quickly surrounded the defenders and forced their surrender. That evening the British prisoners experienced the horrors of the Black Hole of Calcutta, or so Holwell told his readers.¹⁹⁵

According to Judge Holwell's account, upon his capture by the *Nawab*'s generals, Siraj-ud-Daulah subjected him to three interviews. The *Nawab* expressed great annoyance at the temerity shown by the British in attempting to resist his vast army. The *Nawab* had expected the British to abandon Calcutta in the face of overwhelming force. According to Holwell, the abandonment of the fort by the senior commanders also confused the *Nawab*. Why were the leaders cowards and the soldiers brave? However, Siraj-ud-Daulah's greatest frustration surrounded the absence of Kissendas' treasure. The

¹⁹⁴ Orme, *A History of Military Transactions*, 65-68.

¹⁹⁵ In 1817, the Utilitarian philosopher, John Mill "described the confusion and disorder surrounding the retreat from the fort on June 19, 1757, as bordering on criminal negligence of duty, but something that should have been expected given the lack of proper principles of governance in the East India Company's affairs at the time. (Chatterjee, *The Black Hole of Empire*, 33.)

Nawab instructed his soldiers to rip the fort apart and berated Holwell endlessly. Holwell denied knowledge of any fortune, which had apparently vanished.¹⁹⁶ Following a harrowing night of imprisonment, the *Nawab* held Holwell, and ordered the remaining British subjects released. These unhappy survivors boarded a ship and headed down river only to come under bombardment from Fort Tannah. The *Nawab*'s soldiers had remounted several guns at Tannah and harried the retreating British, driving two small craft onto sandbars and stalling the retreat. The small fleet was trapped near Fort Tannah for three days awaiting relief from the fleet on the way from Bombay. The relief force arrived on June 24. Under escort from the Bombay ships the small force then moved twenty miles down river to Budge Budge on the 25th and a further twenty miles to the well-defended port at Fulta on the 26th, where they at last rested. In Fulta, the survivors settled in to endure the monsoon rains.¹⁹⁷

The Mughal soldiers looted Calcutta and burned what they could not carry. The *Nawab* remained so convinced that the English would never return that he renamed the town Almigore, which translates to "the port of God" and stationed 3,000 fighting men in the barracks.¹⁹⁸ On July 16th, Omichand and the Jaget Seths ransomed Holwell, who, until then, had been protected from death by Siraj-ud-Daulah's grandmother, the widow of Ali Verdi Kahn, who pled on Holwell's behalf. It might be assumed that Ali Verdi Khan's widow and her daughter Gheseety Begum felt safer beneath the aegis of the

¹⁹⁶ Later French historians accused the British leaders of deliberately surrendering Fort William to cover up the theft of Kissendas' treasure. The French called this event the Great Mystery of Iniquity and they were correct in stating the fortune was never found or recovered, however the British government did not take much interest in the rants of the perfidious French.

¹⁹⁷ Broome, *History of the Rise and Progress of the Bengal Army VI*, 69.

¹⁹⁸ Orme, *A History of Military Transactions*, 80.

European powers than the tender mercies of Siraj-ud-Daulah, and therefore wished to hedge their bets.

Following his release, Holwell made his way to Fulta, where he found the British survivors so fearful of another attack that they were unwilling to leave the ships to eat or sleep. They had formed militias one of which was led by Warren Hasting the future Governor General on Bengal. Several ships and a company of soldiers totaling around 400, and four light field pieces commanded by a Major Kilpatrick protected the survivors.¹⁹⁹ Many of the survivors perished on board because the harbor lay near a malarial swamp. In addition to the miserable living conditions, recriminations of cowardice and betrayal flew. Drake received the severest blame. In his own recitation of events, Drake blamed the defeat on the duplicity of Omichand. He suggested that Omichand brought the Kissendas and his jewels into the city with the contrivance of Mr. Holwell, with the intent of stealing the fortune.²⁰⁰ Drake also accused the native population of Black town of being both cowardly and craven, when he wrote, “They are such a niggardly race of people that we gained no assistance or strength to the place from any of those whose great-great-grandfathers had enjoyed the protection of our flag.”²⁰¹

¹⁹⁹ Broome, *History of the Rise and Progress of the Bengal Army VI*, 73.

²⁰⁰ Drake issued an official report exonerating his actions but the French propounded another narrative of the events surrounding the fall of Calcutta in a report dated July 3rd, 1756. In the French view, Drake as commander of Calcutta proved himself guilty of cowardice, knavery and the most dreadful treason of all when he imperiled his own soldiers, the good women of Calcutta, honest men and a crowd of Christians to enhance his own wealth. The French knew well that Kissendas had escaped to Calcutta with a fortune and that when the *Nawab* seized the town the fortune could not be found. They were also aware of Drake’s cowardly escape from the fort in its moment of distress. They accuse Drake of accepting the treasure and placing it within the ballast of the ships, in turn off loading water and foodstuffs to allow for the added weight. They then suggest in the strongest terms that Drake missed several opportunities to appease the *Nawab* and instead choose to provoke a fight with the ruler of all Bengal by offering only insolent replies to the legitimate concerns of the new young ruler. In the French version of the story Drake wanted Calcutta to be overrun so that he could claim the *Nawab*’s impoundment of the city’s treasure as well as any funds brought by Kissendas. This plan the French called “*The Mystery of Iniquity*”.

²⁰¹ S.C. Hill, *Volume I*, 139.

This war of words and letters continued until December of 1756, when the sloop Kingfisher brought news of an expeditionary force consisting of five major ships carrying over two hundred cannons, a marine force of 900 men on transport ships, and a fire boat. The British also brought over 1200 native soldiers with additional field pieces. Clearly, the British planned to retake Calcutta.

During the first week of January 1757, Clive retook Fort Tannah. As the British marched toward Calcutta and bombarded the town by water, panic quickly spread, so that when Clive finally arrived at Fort William on February 9 Calcutta returned to the ownership of the East India Company. The victory cost Clive only three European and ten native lives. On February 2, 1757, Holwell boarded the sloop Syren with several chests of goods and departed for England.

Holwell crowded aboard the Syren with captain, crew, passengers, cargo and a barnyard of animal life. He recorded that many of his most valuable manuscripts and translations had disappeared months earlier during the looting of the town and this loss he deeply mourned. He also recorded experiencing the symptoms of depression brought on by the trauma he had experienced. He wrote, "I was truly sick of life; I had tasted in their full extent all its sweet and bitter and found the latter predominant." He followed, "It is our duty to the general laws of Providence, which has defined each his lot, and it depends on us alone to make the best of it. But by some strange and unaccountable perversion, we commonly make the worst of it."²⁰² Holwell made no mention of the Kissendas' treasure

²⁰² Holwell, *A Familiar Epistolary Journal*, 14-15.

when he recorded his experience in the Black Hole in the form of a letter to a friend.²⁰³

On July 20, 1757, the Syren sailed into Plymouth harbor.

The year 1758 brought the publishing of *A Genuine Narrative of the Deplorable Deaths of the English Gentlemen and Others, who were Suffocated in the Black Hole, in Fort William, in the Kingdom of Bengal; in the Night Succeeding the Twentieth Day of June 1756*. With its release, Holwell became a popular English hero.²⁰⁴ That same year brought news of “the Heaven-born general.”²⁰⁵ Sir Robert Clive’s victory over Siraj-ud-Daulah, and the news of the *Nawab*’s death captured the public’s attention.²⁰⁶

²⁰³ Holwell, *A Genuine Narrative*, 1.

²⁰⁴ The full story of the Black Hole of Calcutta is attached in an addendum.

²⁰⁵ Broome, *History of the Rise and Progress of the Bengal Army VI*, 101.

²⁰⁶ The details of the battle of Plassey have been widely recorded not because of scope of battle, but because Plassey is often cited as the point when the British moved from being traders in India to wresting control of a major section of the Indian subcontinent and holding control of it for nearly two centuries. In Calcutta, Omichan promised easy victory to the Clive for the small price of twenty lacs of rupees. Clive, perceiving a unique opportunity to slay several adversaries with a single blow, agreed to a bribe, which favored Mir Jafar and Rajah Dullab. However, he decided that once Omichan’s efforts to arrange the deal had been expended, the Sikh trader would be of no value to him. So Clive contrived to create two treaties; the first offered Omichan a commission and was printed on white paper. The white letter was a counterfeit. The true letter was printed on red stock. The red letter directly contracted with Mir Jafar cut Omichan out of his commission. Mir Jafar agreed to the red letter.

When the two great armies met on the fields of Plassey, the armies under the command of Mir Jafar and Rajah Dullab failed to come into battle. They simply stood aside as the disciplined British soldiers set the *Nawab* and his French allies to flight. Of the British forces only 7 Europeans and 16 native mercenaries died. The wounded totaled 13 English and 36 mercenaries. The enemy lost 500 men, 3 elephants, 53 field cannons, and all their supplies.²⁰⁶ Siraj-ud-Daulah fled the field for Morshidabad the evening of June 23rd. He quickly organized a caravan of over 50 elephants laden with gold, silver, jewels, household goods and the women of his harem under the command of his favorite eunuch, for Patna. On June 24th, Mir Jafar entered the city followed by Clive on June 25th. Mir Jafar secured the treasury, recaptured the train of elephants and arrested Siraj-ud-Daulah’s sycophants. The *Nawab* himself eluded capture for several days, during which time Mir Jafar ascended the throne. Omichand soon arrived in Morshidabad expecting a hero’s welcome and a fortune. When the second treaty was produced, Omichand reportedly went mad upon discovery of the fraud. Some reports have Omichand taking his own life, but Broome prefers to think the great Sikh merchant grew disgusted with worldly possessions and withdrew to a monastic life of asceticism. On July 2nd, Siraj-ud-Daulah was found and brought before Mir Jafar. The new *Nawab* consigned Siraj-ud-Daulah to a prison cell, where ruffians, upon the orders of Mir Jafar’s son, murdered him. After just 15 months on the throne, Siraj-ud-Daulah was interred in his grandfather Alivardi Khan’s tomb. Ibid., 151-156.

Holwell's report became "a resonant metonym for colonial horror."²⁰⁷ Of the fourteen surviving 'independent' accounts of the Black Hole incident, all came either directly from Judge Holwell's pen or were derived from his account.²⁰⁸ To interject a modern term, Holwell's account went viral almost immediately.²⁰⁹

In analyzing the success of Holwell's story, we rely on a dose of simple behavioral psychology and literary analysis. The behavioral psychology aspect simply repeats the old adage that people see what they want to see and what fits their prejudices. Holwell understood that to make the public believe his story, it must to appeal to their worldview. The English of the eighteenth century viewed themselves as a civilizing force based on a deep respect for reason and empirical evidence. They viewed much of the outside world as primitive and brutish.²¹⁰ A story that begins with an atrocity (Black Hole) and ends with the triumph of reason (Plassy) fits this self-image. The author Kate Teltscher recently explored this literary analysis.

According to Teltscher²¹¹ Holwell claimed the authority of an eyewitness (or an "I" witness). Holwell was there, he knew exactly what happened, and he was central to

²⁰⁷ Teltscher, *The Fearful Name of the Black Hole*, 30.

²⁰⁸ Chatterjee, *The Black Hole of Empire*, 19.

²⁰⁹ Kate Teltscher remarks "The accuracy of the *Genuine Narrative* has been questioned by twentieth-century historians; Holwell has been accused of self justificatory exaggeration and fabrication. The figures and measurements have been intoned, scrutinized, and revised. My concern is not that of traditional historians who, to quote Natalie Zemon Davis, aim 'to peel away fictive elements' in texts 'to get to the real facts,' but rather to 'let the fictional' aspect be the center of the analysis. Teltscher, *The Fearful Name of the Black Hole*, 31. In other words, once a story enters the realm of myth, the underlying facts of an event become much less important with every retelling. Walter Benjamin touches on this very phenomena in his discussion of the mechanical reproduction of art. Once a story or object is reproduced again and again it loses its' original "aura" however this is replaced by a "aura" that is independent of the original "aura." That is to say a the essential truth of a story quickly becomes unimportant as long as all readers accept it as true. Every good confidence man knows this in his heart. Any statement repeated enough times gains gravitas.

²¹⁰ Assertions of advanced native economies and societies challenged this prejudicial view. So these aspects of trading partners and conquered lands were seldom acknowledged at the time.

²¹¹ *Ibid.*, 32.

the narrative. Holwell began with “a tragedy that exceeds personal suffering, a tale that would elicit tears from an enemy soldier.”²¹² Holwell first commanded our sympathy with this opening. According to Telcher, he next invited his readers “to indentify with the protagonist (Holwell) to shed tears for him and his fellow victims.”²¹³ Teltscher explained that Holwell drew on the “techniques of sentimental literature,” a form which dominated the 1740’s to the 1770’s. This genre focused on the central tenet that human beings are good and thus compassionate. To this sentimental saga Holwell grafted an earlier genre, the survivor’s story. The “survival” literary style figured prominently in stories of shipwrecks, castaways, and mutinies. In these stories the hero or heroine overcomes great odds to survive and triumph over adversity. “The fusing of these two literary forms results in a hero who combines manly fortitude in the face of extreme horror with a feminized helplessness and sensibility.”²¹⁴ In his account of the Black Hole, Holwell mixed a potent cocktail.

From the start Holwell represented himself a man, “who keeps his head while all around are losing theirs.”²¹⁵ Holwell stands aloof observing the guards behaving as “sadistic voyeurs” and the noble actions of the English captives. Once the civilized British became vulnerable, the brutish, cruel natives ran amok, spreading fear and terror: “the captives became reduced to a state of feminized helplessness.”²¹⁶ In his descriptions Holwell gave his readers pornographic violence, twisted humor, and salacious gossip to

²¹² Ibid.

²¹³ Ibid.

²¹⁴ Ibid.

²¹⁵ To paraphrase the great apologist of British Imperialism, Rudyard Kipling.

²¹⁶ Teltscher, *The Fearful Name of the Black Hole*, 35.

titillate.²¹⁷ At the end of Holwell's account the 123 corpses of the Black Hole of Calcutta called out for vengeance. A strong European hand is clearly demanded to tame the ignorant brutes and bring the gift of civilization.²¹⁸

"Two events – the Battle of Plassey and the death of Siraj-ud-Daulah, were later represented by Holwell as retribution for the Black Hole deaths."²¹⁹ "In 1760, Holwell erected a monument in Calcutta to commemorate the incident (Black Hole) and vilify the dead *Nawab*."²²⁰ The large brick and plaster obelisk bore plaques dedicated to the "123 persons, who were killed by the tyrannical violence of Siraj-ud-Daulah, Suba of Bengal, suffocated in the Black Hole Prison." A plaque listing the dead and announcing "this monument erected by their surviving fellow sufferer, J. Z. Holwell."²²¹ Thus Holwell sought to enshrine his version of events not just on paper but in stone.

During the inevitable investigations of the fall of Fort William, Holwell pointed toward the cowardice of some men and the incompetence of others. He notably described the military commandant of Fort William, Colonel Minchin. "Touching the military capacity of our Commandant, I am a stranger. I can only say that we were unhappy in his keeping it to himself if he had any, as neither I, nor I believe anyone else, was witness to any part of his conduct that spoke or bore the appearance of his being the commanding military officer of the garrison."²²² This attack angered the British military officers and

²¹⁷ The young man who "stole" the sweat from Holwell's sleeve

²¹⁸ Teltscher writes "The horrors of the *Genuine Narrative* are, also in a sense, predictable. The account confirms the reading public's expectations of Islamic cruelty, a European stereotype dating back at least as far as the Crusades. While Siraj-ud-Daulah is not held personally responsible for the loss of life, he is represented as completely unmoved by it – like any Oriental despot." Teltscher, *The Fearful Name of the Black Hole*, 35.

²¹⁹ Ibid., 38.

²²⁰ Ibid., 40.

²²¹ Ibid.

²²² Keay, *The Honourable Company: a History of the East India Company*, 281.

would lead to a long running squabble between Holwell and the directors of the East India Company.

THE UNMAKING OF MUGHAL BENGAL

Clive's victory at Plassy and Holwell's *Black Hole of Calcutta* saga deeply appealed to the metropolis' self image of the British as a moral, just people bringing solid English values to a barbarous peripheral world.²²³ Clearly the corrupt indigenous structures of the periphery needed to be swept away and replaced with central controls emanating from the metropole. This became evident upon Holwell's return to Calcutta.

Following the victory at Plassey, Robert Clive placed Mir Jafar on the throne of Bengal. From the beginning Mir Jafar understood he owed his position to Clive. Mir Jafar's first act as *Nawab* awarded the East India Company Rs. 28,000,000, the equivalent of three million in pound sterling. Clive forced the house of Jagat Seths to provide half the sum immediately and to guarantee the other half would be paid within three years.²²⁴ With the disappearance of the *Nawab* the Jagat Seths and native traders could no longer play one military power off against the other. In the old order, the *Nawab* possessed coercive military on the land, but without external trade the *Nawab's* economy would collapse. The East India Company possessed a monopoly on sea power, but they could not acquire goods or store them without access to land. The Jagat Seths and the

²²³ ²²³ Kate Teltscher remarks "The accuracy of the *Genuine Narrative* has been questioned by twentieth-century historians; Holwell has been accused of self justificatory exaggeration and fabrication. The figures and measurements have been intoned, scrutinized, and revised. My concern is not that of traditional historians who, to quote Natalie Zemon Davis, aim 'to peel away fictive elements' in texts 'to get to the real facts,' but rather to 'let the fictional' aspect be the center of the analysis. Teltscher, *The Fearful Name of the Black Hole*, 31. In other words, once a story enters the realm of myth, the underlying facts of an event become much less important with every retelling. Walter Benjamin touches on this very phenomenon in his discussion of the mechanical reproduction of art. Once a story or object is reproduced again and again it loses its' original "aura" however this is replaced by an "aura" that is independent of the original "aura." That is to say, the essential truth of a story quickly becomes unimportant as long as all readers accept it as true. Every good confidence man knows this in his heart. Any statement repeated enough times gains gravitas.

²²⁴ P.J. Marshall, 81-83

native traders operated in the seam created by these abutting military powers.²²⁵ The native bankers, native traders functioned as well-compensated grease. With the arrival of Robert Clive, the military land power unified with the military sea power and trade in Bengal no longer required the grease provided by the native bankers and traders. In short the unification of land and sea power in Bengal eliminated the habitat of the native bankers and traders. The old system of Bengal trade would collapse in the coming years as the British traders quickly realized the foolishness of paying for something they could easily seize. The systematic looting of the Bengal economy had begun. In 1758 the East India Company delivered an additional monthly bill to Mir Jafar of Rs. 110,000 to cover the costs of the occupying troops. In addition to paying for the occupation, the Bengali *Nawab* and the Jaget Seths were expected to fund all trade, a new fort, and an effort in Madras to displace the French.²²⁶ In 1758, Clive seized the mint²²⁷ and ordered the rate of interest charged to English traders and the East India Company by the Jaget Seths lowered to just 4%.²²⁸ This drop from the 12% charged non-British traders and the 9% risk free rate previously charged the East India Company along with the loss of the mint, rendered the loans made by the House of Jaget Seths very unprofitable. In 1758, Robert

²²⁵ This is the underlying structure that sustains all middlemen. Middlemen operate between producers and consumers. While middlemen are often necessary they are despised by both producer and consumer because they create frictional costs that drive up prices. The internet has proved devastating to middlemen, because it more closely connects producers and consumers. The Amazon phenomenon provides a perfect illustration of this. In the old economy publishers, wholesalers and retailers claimed the lion's share of the profit of book sales. Writers claimed the hyena's share. Amazon eliminated middlemen and gained monopoly power by connecting writers to readers. Amazon did not invent this strategy. Both J.D. Rockefeller and Andre Carnegie employed this same simple strategy.

²²⁶ Ibid., 83-84

²²⁷ Chatterjee, 197

²²⁸ John Malcolm, *The Life of Robert Lord Clive, Volume 2* (London, John Murray, 1836). 185

Clive believed “Bengal is itself an inexhaustible fund of riches.”²²⁹ The East India Company now possessed Bengal and these riches belonged to the metropolitan core.

By 1760, Holwell returned to Calcutta. As a man of the periphery he was uncomfortable in the metropole of London. His story of the Black Hole, initially the talk of the city, had been eclipsed by Clive’s great victory. As a successful resident of the periphery he knew there were great opportunities to be had in Bengal. On February 25, 1760 Clive departed Calcutta with an enormous treasure and the rights to a substantial *jaggier*.²³⁰ By then Holwell knew about the suicide of Omichand following Clive’s betrayal.²³¹

Upon Clive’s departure Holwell became the acting president of a city that had much changed since his ignoble departure. The city was being rebuilt and this time the East India Company controlled every aspect of the marketplace and finance. The native system had been replaced with East India Company representatives manipulating markets and appropriating whatever they could find of value. The elegantly balanced trading and finance system existed in name only, the metropole had exerted its will.

Holwell’s skill at exploiting new opportunities and adapting to changing circumstances staid him well in this new world. Within a year of his return Holwell became the acting president of Calcutta and deposed Clive’s puppet *Nawab*, Mir Jafar. Holwell then installed his own puppet *Nawab*, Mir Kassim. In the process he amassed even more personal wealth, drawn from the wealth of Bengal. Essentially, Holwell replaced Clive’s puppet *Nawab* with his own puppet *Nawab*. When Robert Clive returned

²²⁹ John Malcolm, *The Life of Robert Lord Clive, Volume I* (London, John Murray, 1836). 370

²³⁰ Henry Dodwell, *Clive and Dupleix, The Beginning of Empire* (New Delhi, Asian Educational Services, 1920), 157

²³¹ John Zephaniah Holwell, *India Tracts*, 13

in 1763, he was chagrined by the machinations of Holwell. On July 8, 1763, Clive immediately deposed Mir Kassim, Holwell's puppet *Nawab* and returned his own puppet *Nawab*, Mir Jafar to power.²³² For his effort Clive delivered yet another demand for reparations from his puppet, Mir Jafar. Clive next threw Holwell out of Calcutta to eliminate a potential competitor for power. Before placing Holwell on a boat back to England Clive proclaimed that Holwell had proven "unfit to preside where integrity as well as capacity is equally necessary."²³³ Clive then arranged for East India Company to ban Holwell from India in perpetuity.

After his return Holwell failed to gain respectability. As a shareholder in the East India Company, he complained that the company could not be both the sovereign power and profitable in Bengal. He was ignored. Holwell entered a voluntary internal exile and retreated to Bath. It was in Bath that he did most of his writing including the invention of Hinduism. He built a mock Bengali palace, became a vegetarian, and attempted to reform Christianity to incorporate the religious ideas he had imported from Bengal. Holwell's wealth insulated him and made him comfortable, but his wealth could not buy him the level of power he had possessed in the periphery.

²³² Dodwell, 226

²³³ Ibid., 283.

CONCLUSION

As this paper demonstrates, the peripheral economy of Bengal supported the East India Company's successful invention of Calcutta. Calcutta originated as a city dedicated to the business of trade. Greed gave the city life and fear animated it. These two elemental dictated the fate of Calcutta. Greed drove the *Nawab* of Bengal to invade the city in search of a lost treasure. Fear of losing easy access to an important strategic resource, saltpeter, drove the East India Company to retake the city and invade Bengal. Greed again took the helm when the East India Company began the systematic looting of Bengal and the crushing of the native finance system. Fear returned on May 10, 1857, when the Indians revolted against the East India Company and the British government took control of India.

An examination of the peripheral economy of Calcutta exposes the type of individual most likely to succeed on the periphery. That is the outsider. Outsiders do not inherit social networks and position by birth; they must forge their own. Within the metropole this is often impossible. On the periphery the man or woman of invention encounters fewer structural obstacles; challenges can be overcome by wit and guile. The metropole cannot enforce conformity in the periphery where personal and business relationships grow unhampered by convention. Holwell, Omichand, Depchand, Wajeed, and the Jagat Seths were all outsiders with unconventional ideas.

Finally, we see the concept of rescue recur when things go awry on the periphery. The metropole agrees to rescue the outpost, but at a cost. The rules of the metropole must be obeyed. This rescue doomed the native traders and native financiers of Bengal. Their

fortunes were appropriated by the metropole and their power diminished. The average Bengali's life changed little.²³⁴

The ideas of the peripheral world of Calcutta appeared widely in Europe throughout the century following the Black Hole Incident and the battle of Plassey. In 1776, Adam Smith wrote *The Wealth of Nations*, which began the European dialogue on free trade. In 1825, David Ricardo challenged the corn laws and attacked the mercantile economic structure of England. In 1854, Dr. John Snow established the connection between cholera (Bengal fever) and water supplies. Snow's observations validated J.Z. Holwell's observations nearly a century earlier. On May 17, 1796 Edward Jenner established that vaccinations with cow pox could prevent small pox. The cow pox vaccination operated in much the way the Bengal vaccination with weakened pathogens had worked in India. Upon his return J.Z. Holwell founded the British vegetarian movement, which is still very active today. In the 1760s Holwell manufactured an explanation of religion in Bengal. He named this religion Hinduism. He conflated what he knew of Bengal religious practices with *Paradise Lost* by John Milton. Holwell's way of interpreting religious practices in India became widely accepted and continues to shape the way western Europeans view the religions of India. In this way innovation flowed from the periphery, flowed back to the metropole through a thousand small channels, despite efforts by the metropole to regularize the periphery.

²³⁴ The invasion of the British for the average Bengali meant little. Like Jon Charnock's widow rescued from the funeral pyre, the victories of the East India Company and the British, simply exchanged one master for another. Life in the peripheral city of Calcutta remained largely unchanged for the average Bengali.

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APPENDIX A: THE BLACK HOLE OF CALCUTTA

By six in the evening all had been lost. Fort William, betrayed from within, fell to the rapacious *Nawab* of Bengal after three days of dogged resistance. The European and Topaz²³⁵ defenders along with a small number of women, stood under the arched veranda, beneath the governor's apartment, watching the thunderous, late June sun drop below the horizon. The captives, numbering one hundred and forty six souls, hopefully anticipated a respite from Calcutta's sweltering heat and blinding light, while the senior officer among them, Judge John Zephaniah Holwell, carefully observed the close guard held on the pitiful cluster by the *Jemmaatdaars*, the Suba's most loyal soldiers. Judge Holwell and his cohort harbored thoughts of mass escape. Besides the guard directly over them, another was placed at the stairs, and plus four or five hundred native gunmen occupied the parade ground. Escape appeared impossible. In addition to his troops, Siraj-ud-Daulah, the *Suba* controlled the two twenty-four pound cannons that no relief ship could approach.²³⁶

The flames from the blazing armory on one side and hot breath of the fire in the carpenters yard opposite deeply concerned Holwell. Situated between these conflagrations, choking on smoke, the Englishmen surmised that the *Nawab*, Siraj-ud-Daulah, meant to burn them alive for his troop's entertainment. This theory was gained credence when at seven-thirty men with torches appeared and entered the governor's apartment. Rather than passively roasting to death, the prisoners resolved to die fighting

²³⁵ Individuals of mixed Portuguese and Indian blood were spoken of as Topaz.

²³⁶ J.Z. Holwell, *A Genuine Narrative of the Deplorable Deaths of the English Gentlemen and Others, Who were Suffocated in the Black Hole in Fort William, at Calcutta In the Kingdom of Bengal; In the Night Succeeding the 20th day of June 1756* (London: A Millar in the Strand, 1758), 3-5.

by rushing the guards, seizing the guard's weapons, and killing as many of the occupiers as possible.²³⁷

Before launching the suicidal charge, Commander Holwell advanced to ascertain more information. He determined that instead of igniting the governor's apartments, the Siraj-ud-Daulah's soldiers desired to merely loot the residence and required torches to illuminate their search.²³⁸ With this knowledge the men stood down and awaited their fate. It might be said, that before the sun rose again, the survivors came to regret their decision to reject the suicidal charge.

As the fires burned and the captives cowered, at least two men remained voluntarily. The first to refuse an easy escape, J.Z. Holwell, had directed the English side of the battle and commanded the fort until the end. The second man, the company's blacksmith, a man named Leech actually escaped and returned. Having found a small boat, Leech came back through "a passage few were acquainted with" to rescue his commander.²³⁹ When Holwell refused Leech's offer of escape, the noble Leech declared his intention to share his leader's fate. Soon enough movements among the guards foreclosed the two men's chance to escape, as the *Jemmatdaars* prepared to move the prisoners to a more secure enclosure.

At first the soldiers herded the prisoners into the barracks, where the captives hoped to spend a comfortable night awaiting ransom. However, once within the confined space of the barracks the guards drew their scimitars and clubs. Using their weapons as prods the guards compelled the unfortunate survivors through a small door and into a

²³⁷ Ibid., 6.

²³⁸ Ibid.

²³⁹ Ibid., 7.

room of less than eighteen cubic feet. The pressure from the men dodging the guards' blows overwhelmed the resistance of those already in the room. Some of the men pushed back, intending to rush the guards. Better to die by the sword than suffocate like beasts. However, their attempt failed. This space, later known as the Black Hole of Calcutta, now imprisoned the unfortunate one hundred and forty-six captives, who had access to just two small strongly barred windows for air. Making matters worse the men and women had no water.²⁴⁰

Near the head of the assemblage and crushed against the iron bars of the window, Holwell bellowed and sought to establish order. The men had already tried to force the thick wooden door, but as it opened inward, they quickly abandoned the idea. Panic began to spread. Holwell entreated for calm. He assured his fellow captives that only through order and discipline could they hope to survive the night. They must resign themselves to suffering and control their passions, lest the heat of their passions hasten their demise. As the multitude drew silent and reflected, the cries of the wounded echoed in the small room and the angel of death claimed its wages. Holwell later recalled he had faced death many times "with too much propriety to be alarmed at the prospect, and indeed felt much more for my wretched companions than myself."²⁴¹

Seeking a solution to the catastrophic situation, Holwell called to an older *Jemmaatdaar* posted beneath the window. He offered the guard a reward of a thousand rupees for communicating the sufferings of the prisoners to his superiors. Holwell offered to pay for the delivery of water and splitting the one hundred and forty six captives into

²⁴⁰ Ibid., 9-10.

²⁴¹ Ibid., 12.

two rooms. The guard disappeared, but soon returned empty handed. Holwell doubled his offer. Again the old man disappeared, but he soon returned to say that without orders from the Siraj-ud-Daulah, nothing could be done. Following the looting of the fort, the *Nawab*, Siraj-ud-Daulah had fallen asleep and none dared awaken him. As Siraj-ud-Daulah slept, most of his prisoners died.

As the hellish night wore on, temperatures remained high and bodies drained of moisture. Prisoners desperately sought both cool air and water. The men quickly stripped to their essentials and attempted to improve air circulation by crouching and waving their hats. This action crowded the cell even more densely, and when it was at last abandoned several of the captives failed to rise again. Beneath a low platform in the cell, the men slid the bodies of the dead. By nine o'clock, the men's thirst drove them to again try the door as they hurled unprintable epitaphs at the guards. The air grew more putrid with the smells of urine, effluvia, and death.²⁴²

The captives grew delirious for fresh air and water, they howled for "water, water." The old *Jemmaatdaar* took pity and brought two skins of water to pour through the bars. With the appearance of water all discipline collapsed and the small amount of water passed around in the men's hats inflamed rather than quenched their horrible thirst. More men slipped from the life straining for access to windows or fighting for water. Other guards, drawn to the ruckus, expressed great satisfaction watching the Englishmen turn on one another.²⁴³

²⁴² Ibid., 15.

²⁴³ Ibid., 17-19.

By eleven that evening the guards grew bored and withdrew any further hope of water. At the time Holwell estimated the dead to be over forty-five in number. The deaths had the perverse effect of allowing more freedom of movement. As the evening wore on, Holwell, in a fit of despair, resigned his position at the window and moved toward the platform where he hoped to die in peace. His friend, Edward Eyre, spoke to Holwell, but collapsed and died in midsentence. Holwell, expecting to soon join Eyre in the after world, found a space on the platform and lay down “recommending myself to heaven, having the comfort of thinking my sufferings could not have long duration.”²⁴⁴

Yet after ten minutes, Holwell’s determination to live returned. He clamored up despite his enormous pain and called loudly for air and water. His fellow prisoners acting out of loyalty and compassion for their leader, provided a small amount of water and brought Holwell back toward the window. Mad with thirst Holwell attempted to drink his own urine and sweat. The urine proved too bitter, but the sweat became life sustaining as he sucked it from his sodden shirt. A young gentleman, named Lushington, surreptitiously joined Judge Holwell in sucking the sleeve of Holwell’s shirt. The young man later attributed his survival to this action.²⁴⁵

Between Judge Holwell and the window stood an enormous Dutchman, who competed for air with Holwell and knocked the judge to the floor of the cell repeatedly. This battle for air, which lasted for three hours, exhausted Holwell. Sometime after two AM despair again gripped the judge, and he again resolved to die. This time he

²⁴⁴ Ibid., 12.

²⁴⁵ Ibid., 23-25.

decided to slice open a vein with his penknife. However just as he drew the blade, he “passed out” next to the body of his good friend Mr. Cary.

Morning dawned, and the *Jemmatdaars* called for the leader of the English. The captives located what they believed to be Holwell’s body from the stack of the dead. Much to their surprise Holwell remained alive. They revived him and delivered him to the guards, who hauled their prisoner before the *Nawab* for questioning. Siraj-ud-Daulah believed a huge fortune stolen by the British lay buried somewhere within the fort and that Holwell knew its location. So while most of the other prisoners were released, Holwell remained under the control of Siraj-ud-Daulah.

In addition to holding onto Holwell, Siraj-ud-Daulah retained the unfortunate wife of the dead Mr. Cary, an attractive young woman he later took into his seraglio. When the British Public later learned of the fate of Mrs. Cary, they clamored against the depravity of this Oriental tyrant. This story line of Occidental women captured by savages aligned perfectly with the “captive and survival” stories then popular in the Americas. These stories told of frontier families where American Indians killed the men, enslaved the women, and adopted out the children to be raised as natives. In the North American colonies reports of white Indians circulated freely.²⁴⁶

²⁴⁶ Western European concepts about native peoples are thoroughly explored by Edward Said in his ground-breaking book, *Orientalism*, published in 1978. Said examined the way Europe described the Oriental world through literature and art. Said demonstrates how western Europeans both eroticized and demonized the Orient with tales of capture, subjugation, perversion, feminization, and fetishism. The Orient became a place, like a dream, where anything could happen and the laws of civilization were suspended. The capture of Mrs. Cary with the erotic overtones of the seraglio fell clearly into Said’s theory. Based on his observations, Said demonstrates the ease with which western Europeans justified assuming the role of paternal civilizer in an erotic, unjust, irrational, chaotic environment. Anything done by these civilizing white fathers could be excused as long as the act occurred in the name of bringing civilization to a wild place. This gift of civilization pervaded Britain’s moral justification for building Empire, and Holwell’s account of his experiences deeply supported that rationalization of empire.

After several days the *Suba* returned to his capitol, Murshidabad, with Holwell in tow. Siraj-ud-Daulah held Holwell for three and a half more weeks, before releasing him as a concession to his grandmother, the wife of the prior *Nawab*, Alivardi Khan.²⁴⁷ The widow of Alivardi Khan had opposed the ascension of Siraj-ud-Daulah and yet she still wielded power in the court. Like her husband, she saw the value of the British as trading partners and as allies against their common enemy, the Maratahs.²⁴⁸ In the politically charged court of Murshidabad, Siraj-ud-Daulah concluded ransoming Holwell was preferable to executing him.

Upon his release Holwell repaired to Fulta where he spent the remainder of the summer with the other survivors. Holwell recorded that one hundred and forty six men and women entered the Black Hole of Calcutta but only twenty-three survived the terror and emerged alive.

The only problem with Holwell's story of the Black Hole of Calcutta was that it was a fabrication, a canard, a cover up, a ruse, and a lie."²⁴⁹

²⁴⁷ Kathleen Blechyden, *Calcutta Past and Present* (London: Thacker and Creed, 1905), 48.

²⁴⁸ The Maharatahs were an invading tribe outside of Mughal control and based in Western India near Puna. During the eighteenth century they attacked Bengal repeatedly in search of wealth and land.

²⁴⁹ Chatterjee, *The Black Hole of Empire*, 18-19.