

DIGITAL ACCESS TO SCHOLARSHIP AT HARVARD
DASH.HARVARD.EDU

HARVARD LIBRARY


The Incorporation of India: The Tata Business Firm Between Empire and Nation, ca. 1860-1970

Citation

Raianu, Mircea Constantin. 2017. The Incorporation of India: The Tata Business Firm Between Empire and Nation, ca. 1860-1970. Doctoral dissertation, Harvard University, Graduate School of Arts & Sciences.

Link

http://nrs.harvard.edu/urn-3:HUL.InstRepos:41141253

Terms of use

This article was downloaded from Harvard University's DASH repository, and is made available under the terms and conditions applicable to Other Posted Material (LAA), as set forth at

https://harvardwiki.atlassian.net/wiki/external/NGY5NDE4ZjgzNTc5NDQzMGIzZWZhMGFlOWI2M2EwYTg

Accessibility

https://accessibility.huit.harvard.edu/digital-accessibility-policy

Share Your Story

The Harvard community has made this article openly available.
Please share how this access benefits you. Submit a story

“The Incorporation of India:
The Tata Business Firm Between Empire and Nation, ca. 1860-1970”

A dissertation presented

by

Mircea Constantin Raianu

to

The Department of History

in partial fulfillment of the requirements

for the degree of

Doctor of Philosophy

in the subject of

History

Harvard University

Cambridge, Massachusetts

January 2017

© 2017 Mircea Constantin Raianu

All rights reserved.

Dissertation Advisor: Professor Maya Jasanoff Mircea Constantin Raianu

**"The Incorporation of India:
The Tata Business Firm Between Empire and Nation, ca. 1860-1970"**

Abstract

This dissertation examines how and why one single corporation, Tata, acquired exceptional influence on economic and political life in modern India. It does so by charting the expansion of Tata from one of many merchant families, making their fortunes in the cotton and opium trades across the Indian Ocean in the mid-nineteenth century, to the commanding heights of the Indian national economy, with diverse interests in steel, hydroelectricity, chemicals, and aviation by the time of independence in 1947. In parallel, Tata-funded institutions served as conduits for transnational technology and knowledge flows, notably in the realms of engineering, social science, medicine, and atomic research. My analysis shows that private corporations like Tata played a crucial, autonomous role in the construction of national economies – at times acting like a state themselves, at other times in direct opposition to state aims. I argue that Tata's distinct nation-building role was made possible by three principal factors: extraterritorial financial connections, especially with East Asia and the United States; quasi-sovereign control over land, labor and natural resources within India; and networks of scientific and technical expertise cultivated through strategic philanthropy. In the context of postcolonial development, these converging forms of material and knowledge infrastructure took on heightened significance, but also generated lasting contradictions between the state and private capital across the key temporal divides of decolonization and market liberalization. The dissertation draws on public and private archives in the UK, US, and India, and makes use of the near-complete business records of the Tata firm. Blending economic, cultural, legal, and intellectual history, it primarily contributes to the historiographies of modern South Asia and global capitalism.

Table of Contents

Abstract	iii
Acknowledgments	vi
Introduction	**1**
The Tata Paradox	3
State and Corporation	9
Sources and Methods	15
Chapter Outline	21
Chapter 1. Becoming *Swadeshi*	**28**
Houses on the Sand	32
Instruments of Finance	42
"As the Romans Did"	49
Boom and Bust	52
The Difficulty of Being *Swadeshi*	62
Up the Country	68
Chapter 2. Governing Land and Labor	**74**
An Outpost of Modernity	78
The Search for a Site	81
A Sovereign Space	92
Encountering Expertise	100
The Ends of Welfare	108
The Meaning of Jamshedpur	113
Chapter 3. Worlds of Philanthropy	**119**
A Landed Gentleman	124
A Dream Deferred	127
Philanthropy and the World	138
The Uses of Knowledge	145
Fundamental Research at Last	150
Philanthropy and the Nation	159
Chapter 4. National Capitalists, Global Wars	**162**
Empire's Arsenal	167
The Americans Are Coming!	175
Eight Indians	179
Going It Alone	187
Steel Duel	196
Annus Mirabilis, 1957-58	202

Chapter 5. Between Paternalism and Technocracy **209**
Halfway to Utopia 213
The Measure of the Worker 219
Forging Industrial Peace 228
Crisis and Reappraisal 233
Fashioning the Corporate Self 241
Steel Pastoral 245

Chapter 6. The Social Responsibilities of Business **254**
The Politics of Conversion 261
Reinventing Trusteeship 269
In Defense of Free Enterprise 277
A Meeting of Minds 283
In Search of a Code 289
The Afterlives of CSR 294

Conclusion **300**

Bibliography 308

Acknowledgments

My first and deepest thanks go to the members of my committee. My advisor, Maya Jasanoff, has taught me how to write, how to teach, and how to be a historian, from the simple task of asking the right questions to the subtle art of communicating ideas beyond the circumscribed world of academia. She has been a shining example of mentorship and dedication to her students, which I can only hope to emulate. Sugata Bose welcomed me into his circle of graduate students and always made time for me, even in the midst of an extraordinary Lok Sabha campaign. Sunil Amrith's arrival at Harvard has been a blessing. His kindness, generosity, and enthusiasm for the project from its earliest stages have made all the difference. No single scholar has inspired my overall intellectual trajectory more than Manu Goswami. I am enormously grateful for her sage advice and brilliant insight into what this work could be. Likewise, the imprint of Emma Rothschild's approach to the history of ideas and economic thought is, I hope, felt throughout these pages. Last but certainly not least, David Engerman has been an invaluable interlocutor and reader from Cambridge to Kyoto to Sydney and back.

To my undergraduate teachers and mentors at Berkeley I owe my resolve to pursue an academic life. Gene Irschick's courses first set me upon the path of studying South Asian history and, more importantly, showed me the possibilities of a theoretically informed perspective on the past. Tom Laqueur believed in me and championed my aspirations from the start. James Vernon and Tom Metcalf gave me my first taste of the graduate school experience, and James's wise counsel and encouragement in the years since have done much to carry me over the line.

At Harvard, I have had the great fortune to learn from Judith Surkis, Ajantha Subramanian, Jean and John Comaroff, Erez Manela, David Armitage, Roger Owen, and Carrie Elkins. Farther afield, my thinking has been shaped by many fruitful conversations with Eric

Beverley, Nick Cullather, David Edgerton, Ramachandra Guha, Ayesha Jalal, Yasmin Khan, Sonal Khullar, Rachel Lee, Erik Linstrum, Jonathan Parry, Tirthankar Roy, Andrew Sanchez, Priya Satia, Caroline Shaw, Glenda Sluga, Carolien Stolte, and Karin Zitzewitz. My language teachers, Fahmida Bano and Arshad Jamal in Lucknow and especially Richard Delacy at Harvard, have opened up new worlds.

The research for this dissertation was made possible by a Fulbright-Nehru Fellowship and a Frederick Sheldon Traveling Fellowship, which allowed me to spend the 2013-14 academic year in India, as well as by short-term grants from the Weatherhead Center for International Affairs, the South Asia Institute, the John Clive Fellowship, and the Program on the Study of Capitalism Research Fellowship at Harvard.

In India, my thanks go to Neeraj Goswami and the staff at the Fulbright-Institute of International Education in Delhi, who eased my transition and provided crucial logistical support as I embarked on a nomadic research itinerary. I am deeply indebted to the many archivists and librarians who worked tirelessly to assist me with my work, especially Rajendra Prasad Narla at the Tata Central Archives in Pune, Swarup Sengupta at the Tata Steel Archives in Jamshedpur, and Oindrila Raychaudhuri at the TIFR Archives in Mumbai. Without their openness, knowledge, and expert guidance, my time in the archives would not have been nearly as rewarding. In a similar vein, I thank the helpful staff at the Nehru Memorial Museum and Library and the National Archives of India in Delhi, the Maharashtra State Archives and the Godrej Archives in Mumbai, and the West Bengal State Archives in Kolkata.

While in India, I benefited enormously from the advice and hospitality of a great many people. I sincerely thank Divya Gupta and Dilip Simeon in Delhi, Jairus Banaji and Rusheed Wadia in Mumbai, Anthony D'Costa and Mritiunjoy Mohanty in Kolkata, and Santanu Sarkar in

Jamshedpur. Amar Farooqui at the University of Delhi generously agreed to supervise my research. I am grateful to everyone who agreed to be interviewed for this project, especially Jawaharlal Sharma and Saryu Roy in Jamshedpur, Xavier Dias in Ranchi, and Viraf Mehta in Delhi. Thank you also to those who shared their time and opened doors, in particular Shernaz Cama, Indira Chowdhury, Pheroza Godrej, Yezad Kapadia, Amit Mukherjee, and Yutika Vora.

In London, I thank Ed Bottoms at the Architectural Association Archives, who helped me navigate the Otto Koenigsberger papers, as well as the dedicated staff of the British Library, the National Archives at Kew, and the London School of Economics Archives. Rusi Dalal led me on an unforgettable walking tour of Brookwood Cemetery in Surrey, where Jamsetji Tata and his sons are buried.

Significant portions of this dissertation have been presented at conferences and workshops in Cambridge, Princeton, Kolkata, Madison, Minneapolis, Chicago, New Haven, Birmingham, Kyoto, Atlanta, Seattle, Stanford, and Sydney. I thank all my fellow panelists, discussants, and audience members for their stimulating questions and incisive comments.

For their friendship and solidarity throughout my time at Harvard, I thank Greg Afinogenov, Ania Aizman, Aditya Balasubramanian, Mou Banerjee, Elise Burton, Rohit Chandra, Rishad Choudhury, Nick Crawford, Namita Dharia, Hardeep Dhillon, Darja Djordjevic, Josh Ehrlich, Carla Heelan, Philippa Hetherington, Tom Hooker, Abbas Jaffer, Sadaf Jaffer, Neelam Khoja, Matthew Kustenbauder, Kristen Loveland, Daniel Majchrowiz, Nadia Marx, Salmaan Mirza, Shaun Nichols, Arafat Razzaque, Kathryn Schwartz, Dan Sheffield, Deniz Turker, Anand Vaidya, and Lydia Walker. Hearty salaams and shukriyas to my seniors in the South Asia field, Sana Aiyar, Dinyar Patel, Ben Siegel, Julie Stephens, and Gitanjali Surendran, who took me under their wing and were always on hand to answer my questions and

calm my anxieties. I also extend my warmest thanks to the staff and graduate student associates of the Weatherhead Center for International Affairs, which has provided a home and a sense of community within what can sometimes feel like a large and impersonal institution.

Beyond campus, friends and colleagues far and wide have enriched this work and my entire PhD experience. Thank you to Lys Alcayna-Stevens, Andrew Amstutz, Hannah Archambault, Uday Chandra, Rohit De, Radhika Govindrajan, Leslie Hempson, Harry Kennard, Janhvi Maheshwari-Kanoria, Aphrodite Papadatou, Holly Shaffer, Matt Shutzer, Asheesh Siddique, Dominic Vendell, Rashmi Viswanathan, Sam Wetherell, and Hollian Wint. I owe special thanks to Aaron Jakes, David Boyk, Samantha Iyer, Tehila Sasson, and Nishita Trisal, whom I have called upon for advice and proofreading more times than I can count.

I have known Erin Mosely for six happy years, coinciding exactly with the making of this dissertation from prospectus to final draft. Her deep love and unending support has sustained me through good and bad times. She has shown me much of the world, from one Great Lakes region to another. I owe her more than could ever be expressed in an acknowledgments page. My parents, Şerban and Andreea Raianu, have made this work possible in every way, from giving me a childhood surrounded by books to bringing me to a new country where my esoteric interest in history might be rewarded, and, above all, believing that I had the wisdom to choose the right path in life. Finally, this dissertation is dedicated to my grandfather, Eugen Prahoveanu. When I was fifteen years old, he dedicated his textbook *Essential Economics* to me, with the wish that I would one day "become a worthy intellectual." I hope I have begun to repay that faith.

Introduction

> You wake up in the morning to a Titan alarm, have Tata Tea for breakfast, call your office on Tata Indicom, go to office in a Tata Indica and lunch at the Taj. After work you may shop at Westside or have a cuppa at Barista. This list could go on. Yet, the first thing that comes to mind when we think of this great organisation is trust and commitment.
>
> - T.R. Doongaji, former Managing Director, Tata Services[1]

> We all watch Tata Sky, we surf the net with Tata Photon, we ride in Tata taxis, we stay in Tata Hotels, we sip our Tata tea in Tata bone china and stir it with teaspoons made of Tata Steel. We buy Tata books in Tata bookshops. Hum Tata ka namak khate hain. We're under siege.
>
> - Arundhati Roy, author and activist[2]

The two passages quoted above attest to the remarkable influence of one corporate group, Tata, on everyday life in twenty-first century India. Tata products and services are inescapably ubiquitous, the brand instantly recognizable. Both authors speak directly to a middle-class urban citizen-consumer (Doongaji's "you," Roy's "we"), the prototypical neoliberal subject in an economy unshackled by market reforms since 1991. After all, only a select few Indians can afford to have lunch at Bombay's majestic Taj Hotel or to sip tea from bone china. Yet the two authors invoke the Tata name for starkly different reasons. To Doongaji, Tata's material success matters far less than the ethical compact of "trust and commitment" between the citizen-consumer and the corporation. Indians trust the quality of Tata products and value the group's dedication to social responsibility. Roy, a sharp critic of contemporary capitalism, draws precisely the opposite ethical implication. The Hindi phrase, "Hum Tata ka namak khate hain," literally translates as, "We eat Tata's salt." The metaphor of "eating the salt," connoting loyalty

[1] Tata Central Archives, Pune (hereafter TCA), TS-2004-NO-03-VOL-38-MAR-PG-07. Tata Services, launched in 1957 at the behest of then-Chairman J.R.D. Tata, is a company that coordinates flows of knowledge, expertise and communication within the Tata Group as a whole. It oversees various entities such as the Department of Economics and Statistics, the Tata Administrative Services, the Tata Management Training Center, and, importantly, the Tata Central Archives. See Shubha Madhukar, "Fifty years on: Services and the Tatas," September 2007. <http://www.tata.com/article/inside/jKxhIESS7ks=/TLYVr3YPkMU=> (accessed 21 September 2016)

[2] Arundhati Roy, "Capitalism: A Ghost Story," *Outlook*, 26 March 2012.

and patronage, has a long history in the political culture of the subcontinent. During the Mughal period, it functioned as a "ritual of incorporation" binding conquered subjects to the emperor.[3] Roy's usage of the phrase is perhaps meant to indicate mere servility, but it also suggests that the private corporation has now surpassed the state as a sovereign power in its own right. Citizen-subjects are "under siege," their relationship to capital no longer mediated by the welfare state and its promise of a more just and egalitarian future.

Why is the scene of a life lived entirely in a Tata-branded world so easily depicted, and so deeply familiar to audiences in India as to require little explanation or justification? What accounts for the ever-widening gulf between the celebration of corporate giants as stewards of a prosperous economy, and the condemnation of corporate greed as suffocating Indian democracy? This dissertation takes Tata seriously as a case apart, showing how it came to stand for the contested role of private capital in the making of the Indian national economy more than any other firm. Tata was at the forefront of every critical juncture in the political economy of modern India: the eclipse of classical liberal doctrines of free trade, the intertwined rise of nationalism and a new protectionist imperial order, decolonization and the advent of the developmental state, and finally market liberalization and the return of India as a major player in the world economy. As a distinct institutional expression of capitalism, and a key node through which capital, labor, commodities, technologies, and ideas flow, the corporation is a privileged site from which to reexamine these transformations.

Numbers tell only part of the story. In 1931, before the end of British rule, Tata was the largest business group in India in terms of paid-up share capital and total assets. Moreover, it was the only Indian-owned group in the top 15, the other spots being occupied by the British

[3] Richard Eaton, *The Rise of Islam and the Bengal Frontier, 1204-1760* (Berkeley: University of California Press, 1993), 162-64.

expatriate managing agencies. In 1958, ten years after independence and the departure or dissolution of most British agencies, Tata remained in first place. The top of the table was unchanged in 1991, on the eve of liberalization, and again in 2016 when the latest calculations were made. The Tata group, now comprising over 100 separate companies operating in over 80 countries around the world, remains India's wealthiest in terms of both market capitalization and total asset value.[4]

The evolving composition of Tata's portfolio is equally, if not more, significant. From one of many merchant families in the port city of Bombay, making their fortunes in the cotton and opium trades across the Indian Ocean, Tata ascended to the commanding heights of the Indian national economy. By the time of independence in 1947, their interests ranged from textile manufacturing to iron and steel, hydroelectric power generation, chemicals, aviation, and automobiles. More recently, information technology has been the group's most consistently profitable division. Not only does Tata's path mirror the broad transition from trade to industry to services, its corporate structure is capacious enough to contain them all at once, rarely shedding the weight of the past. In this sense, Tata is an apt microcosm of Indian capitalism over the past century, both synchronically and diachronically.

THE TATA PARADOX

What explains this extraordinary degree of continuity and resilience? What contestations and contradictions does it mask? In a short essay written twenty years ago, which remains the

[4] Data from 1931 taken from Claude Markovits, *Indian Business and Nationalist Politics 1931-1939: The Indigenous Capitalist Class and the Rise of the Congress Party* (Cambridge: Cambridge University Press, 1985), Appendix I, 190. For 1958, see R.K. Hazari, *The Structure of the Corporate Private Sector: A Study of Concentration, Ownership and Control* (Bombay: Asia Publishing House, 1966), 17. For 1991 and 2016, I have drawn on, *inter alia*, Gita Piramal, "Big business and entrepreneurship," *Seminar* No. 528 (August 2003); "Tata group market value nears Rs. 6 trillion," *The Hindu*, 1 September 2013; "In India, 15 of the top 20 business groups are family-owned!", Rediff.com, 18 August 2016, <http://www.rediff.com/business/report/special-in-india-15-of-the-top-20-business-groups-are-family-owned/20160818.htm> (accessed 27 November 2016)

only synthetic survey of Tata in the context of Indian business history to date, Claude Markovits advanced the notion of a "Tata paradox." The first aspect of this paradox was that Tata served as the most recognizable face of capitalism in India while at the same time being quite unrepresentative of Indian capitalists as a whole. Tata was in a category of its own, displaying "characteristics of both the indigenous and expatriate" firms "in addition to some which appear largely unique." It was "strictly 'non-family'" firm, separating ownership and control and coming closest to the ideal type of the joint-stock managerial corporation in the West. Tata employed professional managers and talented non-relatives, relied on more transparent methods of financing than their competitors, and maintained extensive social and economic ties across community boundaries – a noteworthy cosmopolitan ethos in a business environment strictly segregated according to race, caste, region, and ethnicity.[5]

Tata was judged to have avoided the worst aspects of the dominant form of corporate governance in colonial India, the "managing agency" system. Initially developed by British mercantile houses in Calcutta in the early nineteenth century, and later adopted by the first Indian textile manufacturers in Bombay and Ahmedabad, this system concentrated the management of joint-stock companies in the hands of a select few sponsoring "agents" (either individuals or holding companies). Agents controlled boards of directors, extracted commissions for services rendered, and acted as guarantors of trust for reluctant investors. But they were also widely

[5] Claude Markovits, "The Tata Paradox," in *Merchants, Traders, Entrepreneurs: Indian Business in the Colonial Era* (Basingstoke: Palgrave Macmillan, 2008), 152-57. The Bombay business world was far less racially segregated than that of the colonial capital, Calcutta, and Parsis tended to form partnerships with Europeans more readily than other communities. See Amiya Bagchi, "Multiculturalism, Governance, and the Indian Bourgeoisie," in *Capital and Labour Redefined: India and the Third World* (London: Anthem Press, 2002), 309-16; Tirthankar Roy, *Company of Kinsmen: Enterprise and Community in South Asian History, 1700-1940* (Delhi: Oxford University Press, 2010), 111-14; A.D.D. Gordon, *Businessmen and Politics: Rising Nationalism and a Modernising Economy in Bombay, 1918-1933*, Australian National University Monographs on South Asia No. 3 (Delhi: Manohar, 1978), 59-60.

accused of corruption, cronyism, and inefficiency.[6] The debate on whether the managing agency system was responsible for delaying India's industrialization is far from settled. Some historians view the managing agency as an evolving, contextually appropriate type of business organization designed to address to the overarching problem of trust in a financial landscape marked by a scarcity of capital and expertise, and by the unpredictability of seasonal fluctuations in supply and demand.[7] Others continue to see in the managing agency system the persistence of an old "trading outlook," an anachronism clinging on well past its time. As the "organizational expression of an accumulation of merchant or usury capital," the managing agency system could never represent fully mature industrial capitalism even when it sponsored bona fide manufacturing enterprises.[8] In both frameworks, Tata remains an exception: a modern, technologically sophisticated, and entrepreneurially minded outlier. Few explanations are given or sought for why Tata might be different.

In what follows, I will show how Tata acquired its exceptional characteristics, particularly transparent methods of financing and a comparatively meritocratic and bureaucratic managerial hierarchy, through a gradual process of institutional evolution. It was not until the early 1930s that the managing agency firm in Bombay, Tata Sons, ceased to rely on a far-flung

---

[6] Omkar Goswami, *Goras and Desis: Managing Agencies and the Making of Corporate India,* The Story of Indian Business (Gurgaon: Penguin Random House, 2016); Blair Kling, "The Origins of the Managing Agency System in India," in *Entrepreneurship and Industry in India, 1800-1947*, ed. Rajat Kanta Ray (Delhi: Oxford University Press, 1992); Maria Misra, *Business, Race and Politics in British India* (Oxford: Clarendon Press, 1999); Gijsbert Oonk, "Motor or millstone? The managing agency system in Bombay and Ahmedabad, 1850-1930," *The Indian Economic and Social History Review* Vol. 38, No. 4 (2001): 419-52.

[7] According to this view, far from embodying "feudal" or "pre-industrial" attitudes, managing agents helped get new enterprises off the ground in a number of sectors, from export-oriented commodity production of jute and tea to manufacture of cotton textiles and steel. Diversification to avoid risk was "a common response to structural constraints." Rajnarayan Chandavarkar, *The Origins of Industrial Capitalism in India: Business Strategies and the Working Classes in Bombay, 1900-1940* (Cambridge: Cambridge University Press, 1994)*,* 65-68, 239-43; Roy, *Company of Kinsmen*, 117-22. Cf. Dipesh Chakrabarty, *Rethinking Working-Class History: Bengal 1890 to 1940* (Princeton: Princeton University Press, 1989)*,* 63-64.

[8] Nasir Tyabji, *Forging Capitalism in Nehru's India: Neocolonialism and the State, c. 1940-1970* (Delhi: Oxford University Press, 2015), xv-xx.

network of trading firms run by family members for financial and technical assistance. Around the same time, practices of "rationalization" and scientific management imported from the West were introduced on factory floors in Bombay and the steel town of Jamshedpur, but never without paternalistic or authoritarian countermeasures. It was not until the late 1950s, when the agency system was in terminal decline, that systematized information exchange between companies, personnel recruitment policies, internal codes of conduct, and other trappings of modern managerialism took hold. Tata's cosmopolitan ethos, too, was limited to certain spheres, being most evident in the institutions funded through Tata philanthropy. Family and community ties remained important throughout, often generating heated controversy when the financial reputation of Tata Sons was on the line, or when the Tatas' philanthropic commitments to the Parsi community came under question. While accepting the basic premise that Tata was distinct from other firms, I am interested in explaining precisely *why* and *how* it became so.

The second aspect of Markovits's paradox is that Tata maintained close ties with the colonial state while also fulfilling widely held aspirations among nationalists for the advancement of *swadeshi* (self-sufficiency) through industrialization. Tata's "pattern of diversification went even beyond a simple logic of the firm to become the first attempt at some kind of systematic economic planning in the Indian context." Whether by circumstance or design, Tata "came to fill a vacuum and to take upon itself some of the economic functions which were those of the state in in a Listian conception which was, before 1914, still anathema to the British rulers of India."[9] The writings of Friedrich List and the German historical school of political economy appealed to Indian nationalists due to the presumption that the integration of a national economic space under conditions of colonial domination would be undertaken by the state, not by private capital – still less so by one firm above all others. As M.G. Ranade, one of

[9] Markovits, "The Tata Paradox," 158.

List's most ardent promoters in India, succinctly put it: "The State is now more and more recognized as the national organ for taking care of national needs."[10] How could a private enterprise substantially beholden to India's alien rulers lay the foundations of national industry?

The prevailing tendency in Indian economic history has been to read the Tatas' position as "structurally induced" by their strategic relationship with the colonial state.[11] In a spatially fragmented economy, where regions were often more closely connected to world markets than to each other and where export-oriented British managing agencies (dealing in jute, indigo and tea) controlled the majority of capital, Indian business was left to develop in sectors with comparatively underdeveloped internal markets (cotton textiles, iron and steel).[12] To exploit such narrow openings, industrialists needed government protection in the form of tariffs and the abolition of excise duties. At the same time, their interests became linked with political nationalism "more so than perhaps anywhere in the world."[13]

---

[10] M.G. Ranade, "Indian Political Economy," in *Essays on Indian Economics* (Madras: G.A. Natesan & Co., 1920), 31. List's ideas contributed to the "formation of a strongly autarkic, idealist, and idealizing nationalist political economy," which "demanded an absolute congruence between the territory, history, and economy of the imagined nation." Manu Goswami, *Producing India: From Colonial Economy to National Space* (Chicago: University of Chicago Press, 2004), 11.

[11] Markovits, *Indian Business and Nationalist Politics,* 127. With the Tata Iron and Steel Company (TISCO) almost wholly dependent on government orders for rails in its early years, tariff policy has been the major area of analysis. See Amiya Kumar Bagchi, *Private Investment in India 1900-1939* (Cambridge: Cambridge University Press, 1972), 5. The most forceful argument for the overriding importance of a shift in government policy towards "modified free trade" to explain the success of TISCO is made in Vinay Bahl, *The Making of India's Working Class: A Case of the Tata Iron and Steel Company, 1880-1946* (New Delhi: Sage Publications, 1995), 36-39.

[12] Markovits, *Indian Business and Nationalist Politics,* 19-21, 35.

[13] Sven Beckert, *Empire of Cotton: A Global History* (New York: Alfred A. Knopf, 2014), 418-23. Unlike in Argentina and other areas of informal empire, where the British presence was identified with free trade and economic liberalism, the autocratic Raj "presented indigenous collaborating groups with a statist world-view quite inimical to that of the expatriate mercantile bourgeoisie." There was room to grow for Indian businessmen, but only when and where the colonial state deemed it necessary to encourage domestic production. Charles A. Jones, *International Business in the Nineteenth Century: The Rise and Fall of a Cosmopolitan Bourgeoisie* (Brighton, Sussex: Wheatsheaf Books, 1987), 85-86.

Tata carved out a unique "niche" for itself by separating the economic and political dimensions of *swadeshi*, giving only tepid support to the Indian National Congress while proudly assuming the mantle of industrial development in the service of the nation. It enjoyed "the best of both worlds" until the Second World War and independence, when this niche suddenly disappeared. Rival businessmen like G.D. Birla, who had openly supported and financed the Congress during the years of the independence struggle, moved closer to the corridors of power in New Delhi. As the restrictive "License-Permit Raj" took shape, the Tatas found themselves excluded from planning decisions, their further expansion restricted. This was partly because the "essential" industries they had pioneered, from steel to chemicals to hydroelectric power, now fell under the exclusive purview of the state. Paradoxically, Markovits concludes, "the already eroded imperial relationship between Britain and India nurtured and then protected the most 'national' of all Indian industries."[14]

With the benefit of hindsight, it is not Tata's failure to thrive after 1947 that is most in need of explanation, but rather its resilience and continual reinvention across different political economic regimes. They were neither truly "national" capitalists, tethering their vision of *swadeshi* to that of the nationalist project, nor "compradors" serving as the handmaidens of foreign interests. Across the formerly colonized world, business groups ensured their survival by cultivating an almost symbiotic relationship with the state. Carter Eckert's study of colonial Korea's leading industrialists, the Koch'ang Kims, shows how a highly diversified and vertically integrated enterprise owed its success to a shift in Japanese policy toward supporting an indigenous bourgeoisie (analogous to the British colonial state's decision to support the Tata iron and steel plant for the defense of the Empire after the First World War). But the balance of power between the Kims and the Japanese authorities was overwhelmingly tilted in favor of the

[14] Markovits, "The Tata Paradox," 159-63.

latter. Korean business groups were brought into the fold of the imperial state apparatus.[15] Similarly, Robert Vitalis has framed the emergence of Egyptian big business in the interwar period not as a "struggle between foreign and local capital" (the comprador-nationalist binary) but as "a conflict among local investors for access to resources and control over the rents represented by industry building." Conglomerates such as the 'Abbud group had access to both the state and foreign capital, which made possible "the creation of private enterprises and national industries." But most of the industries they established eventually entered the public sector, while the source of the rents was always the state.[16]

By contrast, the Tatas occupied a liminal position between empire and nation while also keeping their distance from the state in both its colonial and postcolonial avatars. I argue they were able to preserve and sustain a significant degree of autonomy due to three principal factors: enduring transnational financial connections, first with East Asia and then with the United States; quasi-sovereign control over land, labor, and natural resources; and networks of scientific and technical expertise cultivated through strategic philanthropy.

STATE AND CORPORATION

States and corporations are locked in an agonistic relationship, "a kind of *doubling*, in which the fate of state sovereignty and corporate power are conjoined and also in conflict."[17] The key to resolving the longstanding Tata "paradox" ultimately lies in determining the changing

[15] Carter J. Eckert, *Offspring of Empire: The Koch'ang Kims and the Colonial Origins of Korean Capitalism, 1876-1945* (Seattle: University of Washington Press, 2014), xii-xviii, 58-67, 125-26.

[16] Robert Vitalis, *When Capitalists Collide: Business Conflict and the End of Empire in Egypt* (Berkeley: University of California Press, 1995), xi-xvi.

[17] Joshua Barkan, *Corporate Sovereignty: Law and Government under Capitalism* (Minneapolis: University of Minnesota Press, 2013), 4.

contours of this relationship in India, and in identifying the particular variant of "national capitalism" Tata represented. I argue that Tata played a crucial, autonomous role in the creation of the Indian national economy – at times acting like a state, at other times in direct opposition to state aims. Tata was both a "surrogate state," acting as the spearhead for later state intervention (as in the opening up of the interior of India to mineral extraction and industrial production in the early twentieth century), *and* a "state within a state," exercising sovereign power over domains of its own (in enclaves such as company towns and model villages).

My title, "The Incorporation of India," reflects this duality. Through Tata's activities, India came to be 'incorporated' as a territorial economic body, inscribed by forms of material infrastructure (textile mills, steel and chemical plants, hydroelectric dams) and what I term "knowledge infrastructure" (universities, research centers, laboratories). These categories appear to neatly map onto the dyad of "investment and equipment (physical or tangible capital) and the human skills and knowledge developed in their operation (intangible capital)," posited by Alfred Chandler and Takashi Hikino as inherent characteristics of large industrial enterprises.[18] But for Chandler and Hikino, physical and intangible capital are perfectly complementary consequences of the production process in economies of scale. The various forms of nation-building infrastructure I map out here were more loosely connected with one another, and evolved along separate paths. They were the product of contingency and conflict, rather than of grand design or structural necessity.

The Indian economy was also 'incorporated' in a different sense, as entire fields of economic activity were subjected to increasingly concentrated pools of capital and expertise. Territorial closure relative to the world, marked by the encasement of production and

[18] Alfred D. Chandler, Jr., and Takashi Hikino, "The large industrial enterprise and the dynamics of modern economic growth," in *Big Business and the Wealth of Nations,* ed. Alfred D. Chandler, Jr., Franco Amatori, and Takashi Hikino (Cambridge: Cambridge University Press, 1997), 24-27.

consumption within the borders of the nation-state through import-substitution industrialization, thus accompanied the internal expansion and consolidation of capitalist "social forms" – in this case through the formation of stable, diversified, and monopolistic corporate entities.[19] What may seem at first as an interregnum between the canonical first and second phases of globalization, one ending after the First World War and the other beginning in the 1970s, was in fact generative of new financial, political, and intellectual connections to the world mediated by private capital beyond the reach of the state.

The following description of the Empress Mills, Jamsetji Tata's first industrial venture in the interior of India, vividly captures the spectacular quality of the "state within a state:"

> Any stranger who happens to see the huge yellow walls on both sides of the Jumna Tank, the call chimneys, the heavy motor lorries & the adjoining bungalows, forms an opinion that the Empress Mills is a State. If he is more inquisitive and enquires further, he is led only to confirm his former opinion. Because, though it has no freedom in the political sense, if you take into consideration the existence of the Mills for the past two generations & more, the thousands of workpeople, servants, peons employed there, the schools, dispensaries & model villages they have provided for their workpeople, you will find that it is not merely an industry, but has become a rich State by itself. [20]

Tata's separation of economic and political *swadeshi* is clearly illustrated. Though not politically independent or legally sovereign, the textile mill was a state-in-miniature by virtue of the wealth it produced, the services it provided, and the social relations it engendered.

How are corporations akin to states, and under what conditions? The concept of corporation as state or as "private empire" has been widely applied, from Robert Clive's East India Company in the eighteenth century to King Leopold's Congo Free State in the nineteenth

---

[19] Andrew Sartori, "Global Intellectual History and the History of Political Economy," in *Global Intellectual History*, ed. Samuel Moyn and Andrew Sartori (New York: Columbia University Press, 2013), 126-27. For a concise restatement of the position that India "deglobalized" after 1947 by withdrawing from export trade, see Tirthankar Roy, *India in the World Economy: From Antiquity to Present* (Cambridge: Cambridge University Press, 2012), 224-31.

[20] TCA, FP29A/II/JN Tata Obituaries and Press Clippings, Copy of translation of an extract from the monthly magazine *Udyam* for the month of October 1930.

to Rex Tillerson's Exxon Mobil in the early twenty-first. When shorn of context, as Steven Press reminds us, this concept tends to obscure the legal and political conditions of possibility for the commodification of sovereignty.[21] What, then, did it mean for a corporation to be like a state at the precise historical moment when *national* states and economies were coming into being? The East India Company had been a "body politic on its own terms," exemplifying a "hybrid" early modern form of sovereignty that became obsolete following the interlinked rise of the nation-state in Britain and the colonial state in India. Within this framework, the modern state may be seen as one corporate form triumphant over others, which became purely commercial institutions rather than bodies politic.[22] Yet just as colonial and nationalist political economy alike accepted the unitary, territorial sovereignty of the state, corporations like Tata took on a set of diverse sovereign attributes in the interstices of state power.

Manu Goswami has traced the formation of a new colonial "state space" in India after the end of East India Company rule in 1858 through a range of institutions and practices, including transportation and irrigation infrastructure, state-issued paper currency, reformed *hundis* (bills of exchange), a single annual state budget, and the standardization of accounting procedures. In response, nationalist political economy reinforced the "divide between an internal, national economic space enclosed within the borders of a state and a foreign, international economy that existed beyond state territories." Goswami situated the emergence of national developmentalism

---

[21] Steven Press, *Rogue Empires: Contracts and Conmen in Europe's Scramble for Africa* (Cambridge, MA: Harvard University Press, 2017), 7-8; William Dalrymple, "The East India Company: The original corporate raiders," *The Guardian*, 4 March 2015; Steve Coll, *Private Empire: ExxonMobil and American Power* (New York: Penguin Books, 2012).

[22] Philip J. Stern, *The Company-State: Corporate Sovereignty and the Early Modern Foundations of the British Empire in India* (New York: Oxford University Press, 2011), 6, 208-13. Along the same lines, Julia Adams has argued that the early modern Dutch state and East India Company (Vereenigde Oost-Indische Compagnie or VOC) were both "patriarchal patrimonial formations" of the same kind. Of the VOC, like its English counterpart, it was said that "it is not only a trading company but also a state." The VOC enjoyed a considerable degree of political autonomy while acting as a means for the overseas expansion of the metropolitan state's power. However, in time the company was gradually "subsumed under state-to-state networks." Julia Adams, *The Familial State: Ruling Families and Merchant Capitalism in Early Modern Europe* (Ithaca: Cornell University Press, 2005), 20-21, 58.

in India as part of a global phenomenon described by Karl Polanyi as the "great transformation," namely "the rise of protectionist regulatory frameworks in response to Britain's attempt to introduce a self-regulating world market."[23] Sandra Halperin has also drawn on Polanyi to argue for a consistently "dualistic pattern of development" in both metropole and colony, based not on the integration of domestic markets but on interaction "among powerful families, and business and merchant communities around the world." Nationalism as ideology "worked to render invisible the trans-local networks that linked together, and sometimes created, the top strata of local societies." While there have been phases of nationally "embedded" and free market capitalism, "periods when capital is relatively more and relatively less free from national state regulation," the territorial coincidence of economy, nation, and state was never complete.[24]

Polanyi's key conceptual contribution in *The Great Transformation* was the notion of "embeddedness", derived from the discovery by midcentury economic anthropologists that "man's economy, as a rule, is submerged in his social relationships."[25] At the heart of Polanyi's argument was an opposition between disembedded markets and embedded social life. This was intended as a critique of the utopian liberal project, not as "a realistic account of actually existing capitalism." Polanyi overlooked the "bureaucratic revolution of the late nineteenth century that

[23] Goswami, *Producing India,* 7-19, 67.

[24] Sandra Halperin, "Nationalism Reconsidered: The Local/Trans-local Nexus of Globalisation," *Studies in Ethnicity and Nationalism,* Vol. 9, No. 3 (2009): 466-75. Halperin uses this notion of a "translocal institutional complex," joining together capitalists and aristocracies around the world while excluding the mass of the population residing within national borders, to critique Polanyi's explanation of the 'great transformation.' According to Halperin, Polanyi views society as "organic and sociologically undifferentiated," ignoring both class structures and the role of imperialist wars. But by seeing European and Third World development as manifestations of the same type of dualism, she overlooks some of the particularities of colonialism, such as the emergence of business groups negotiating between imperial, national, and 'translocal' affiliations. See Halperin, *War and Social Change in Modern Europe: The Great Transformation Revisited* (Cambridge: Cambridge University Press, 2004), xiv-xx, 270-71.

[25] Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon Press, 1957), 48.

allowed governments to promote mass production and consumption in alliance with corporations," as well as capitalists' frequent demands for protection against market forces.[26] Indeed, the only individual capitalists Polanyi discussed in detail were the Rothschilds, "trans-local" agents par excellence. His interest was in the bankers and high financiers, "subject to no *one* government" and embodying a "metaphysical extraterritoriality," not industrialists bound by national borders.[27]

My aim is to show that capitalists themselves can be "embedded" in many ways, not just through state regulation but also socially, culturally, and ideologically. National capitalism, expressed as *swadeshi* in India, did not mask the existence of "trans-local" elites but domiciled and integrated them within the nation-state form. Corporate capital played its part in mediating global and national scales at the very moment they were being dramatically reconfigured by a series of 'great transformations,' including both the collapse of the international liberal order and the passage from a world of empires to a world of nation-states. But this process of mediation was far from complete, leaving the terms of engagement between state and capital open to contestation – in the interplay of "extraterritorial" finance and territorial nationalism, in dominion over the land and the making of laboring subjects, in the distribution of philanthropic gifts and the circulation of ideas. "Embedded" capitalists were forced to grapple with fundamental ethical questions: how and where to invest, whether to cut deals with state officials or take an oppositional political stance, and, above all, what they owed to workers, citizens, consumers, and the nation as a whole. National capitalism was thus, implicitly, a form of "responsible" capitalism *avant la lettre.*

---

[26] Fred Block, introduction to *The Great Transformation,* by Karl Polanyi (Boston: Beacon Press, 2001), xxiii-xxviii; Keith Hart, "Karl Polanyi's Legacy," *Development and Change* Vol. 39, No. 6 (2008): 1135-42.

[27] Polanyi, *The Great Transformation*, 10-12.

SOURCES AND METHODS

The study of business firms and families remains in the shadows of both high politics and insurgent subalternity in the historiography of modern South Asia, not least due to a paucity of sources. The opening of dedicated business archives promises to enrich a field long dominated by the weight of state archives in London and New Delhi. As Ida Tarbell observed in one of the first histories of a modern corporation, written a century ago, "there is in existence just such documentary material for a history of the Standard Oil Company as there is for a history of the Civil War or the French Revolution, or any other national episode which has divided men's minds."[28] So it is with Tata, which has left behind a longer paper trail than any other Indian firm but has not yet been the subject of a comprehensive monograph. This dissertation is the first to make full use of the records of Tata companies dating back to the mid-nineteenth century, including internal correspondence, board minutes, account books, legal documents (wills and court cases), memoirs, newspapers, and advertisements. These records are held in two sites separated by more than a thousand miles, the Tata Central Archives (TCA) in Pune and the Tata Steel Archives (TSA) in Jamshedpur.

TCA is located on the leafy campus of the Tata Management Training Center in Pune's most upscale neighborhood. Unlike many state archives in India, its holdings are meticulously preserved and made accessible to researchers with minimal bureaucratic hassle. Since it opened in 2001, TCA has offered itself as a source of 'best practices' to other business firms in the process of creating their own archives (Godrej has been the first to follow suit). By virtue of its location, TCA also doubles as a resource for inducting new Tata managers in the history, culture, and ethos of the firm. The primary objective of establishing an archive in the first place,

[28] Ida M. Tarbell, *The History of the Standard Oil Company,* Volume One (New York: McClure, Phillips & Co., 1904), vii-viii.

however, was its "evidential value." The prestige and finances of the Tata Group were at stake if reliable documentation could not be produced in response to legal challenges that might arise. For example, when Nagpur University wanted to rename its Convocation Hall, endowed by founder J.N. Tata, the original deed secured the Tatas' claim. In the dispute between Tata and rival conglomerate Reliance over the supply of electric power to Navi Mumbai (New Mumbai), the exact terms of the license granted to Tata in the early twentieth century were of paramount importance. Armed with historical information, Tata lawyers could argue the case "with conviction."[29] The TSA in Jamshedpur, housed within the Russi Mody Center for Excellence amidst imposing Masonic pyramids and columns designed by famed Parsi architect Hafeez Contractor, performs a similar function as an integral part of the steel company's public face in its proprietary township.

At times, the independent researcher is little more than an interloper in a dense nexus of knowledge and power far exceeding the scope of mere academic inquiry. The Tata archives would surely exist even if no outsider visited them. What, then, justifies their display of openness and transparency? Corporate archives embody a powerful impulse to present oneself to the public and to posterity, analogous to the way a state chooses to open its bureaucratic archive to citizens as a prerogative of sovereignty. As Charles A. Jones has noted, corporations that most closely resemble states keep "the most state-like archives."[30] By recognizing external claims to knowledge, the Archives simultaneously legitimize Tata as an institution of national and global standing. Tata began to gather company records in the early 1950s under the auspices of the Department of Economics and Statistics (DES), with a view to publishing "a book on the

[29] Interview with Rajendra Prasad Narla, archivist, Tata Central Archives, Pune, 15 January 2014.

[30] Jones, *International Business in the Nineteenth Century*, 24.

progress of industrial development and organisation in India of which Tatas would form the main skeleton."[31] The manuscript, entitled *The House of Tata*, was never published, but digitized DES files, numbering in the tens of thousands, serve as the core of the TCA collections today.

Through archives and related public relations initiatives, corporations are "always engaged in a kind of storytelling aimed at improving their public image and justifying their actions." In-house histories, popular books by journalists, and business school case studies using carefully curated sources "function as marketing materials intended to present the company's most positive case." In response, Purnima Bose and Laura Lyons advocate a "cultural studies approach" of reading "hegemonic source materials" in the business archive against the grain to uncover "the accidents, crises, and failures that are inevitably part of a corporation's past."[32] Tata is indeed the subject of proliferating hagiographies in multiple genres, cementing a singular narrative of the firm as bearer of an unbroken tradition of ethical, nation-building, and socially responsible capitalism.[33] Rather than attempting to deconstruct or counter this narrative in the vein of cultural criticism or journalistic exposé, I have chosen to read the Tata archives on their own terms, as "condensed sites of epistemological and political anxiety rather than as skewed

[31] TCA, T53/DES History Project 1, Outline of the proposed Monograph on the Tata Organization, sd. John Matthai, 18 November 1954.

[32] Purnima Bose and Laura E. Lyons, "Introduction: Toward a Critical Corporate Studies," in *Cultural Critique and the Global Corporation*, ed. Purnima Bose and Laura E. Lyons (Bloomington: Indiana University Press, 2010), 3-9.

[33] See, *inter alia*, R.M. Lala, *The Creation of Wealth: The Tatas from the 19th to the 21st century*, (New Delhi: Penguin, 2006), *For the Love of India: The Life and Times of Jamsetji Tata* (New Delhi: Penguin, 2004), *Beyond the Last Blue Mountain: A Life of J.R.D. Tata* (New Delhi: Penguin, 2003), *The Romance of Tata Steel* (New Delhi: Penguin, 2007); Rudrangshu Mukherjee, *A Century of Trust: The Story of Tata Steel* (New Delhi: Penguin, 2008); Philip Chacko and Christabelle Noronha, *Salt of the Earth: The Story of Tata Chemicals* (Chennai: Westland Ltd., 2014); Harish Bhat, *Tata Log: Eight Modern Stories from a Timeless Institution* (New Delhi: Penguin, 2012); Morgen Witzel, *Tata: The Evolution of a Corporate Brand* (New Delhi: Penguin, 2010); Sunil Mithas, *Dancing Elephants and Leaping Jaguars: How to Excel, Innovate, and Transform Your Organization the Tata Way* (North Potomac, MD: Finerplanet, 2014); Peter Casey, *The Greatest Company in the World? The Story of Tata* (New Delhi: Penguin, 2014).

and biased sources."[34] I reconstruct the conversations, deliberations, and contingent decisions made by actors within the firm, often in minute detail. This is history written in the conditional tense, registering what was tried and failed or what might have been, dead ends as well as successful resolutions. Focusing on the "small-scale geography" of information exchange within the firm works to disaggregate the master "logic" of capitalism in a particular time and place.[35]

The rich diversity of sources in the Tata archive requires engagement with a correspondingly diverse array of methodologies. The study of corporate actors in South Asia has been marooned on different islands, becoming the preserve of business historians modeling entrepreneurship and firm structure, sociologists seeking to explain class formation and behavior, or labor historians exploring domination and resistance. It has also secured promontories in histories of law, economic ideas, science and technology, and gender and the family. This dissertation bridges the gap between these domains, taking inspiration from the methodologically capacious field of the "history of capitalism." In the United States, historians of capitalism have sought to bring together the previously disparate concerns of business, economic, and labor history. Businessmen are no longer viewed "as atomized individuals in search of profit but as complete social actors embedded within particular social, cultural, and political networks." A major focus has been on the creation of markets through "elite collective action," and on the ways in which corporations institutionalized prevailing notions of risk management and liberal

[34] Ann Stoler, *Along the Archival Grain: Epistemic Anxieties and Colonial Common Sense* (Princeton: Princeton University Press, 2009), 20.

[35] Miles Ogborn, *Indian Ink: Script and Print in the Making of the English East India Company* (Chicago: University of Chicago Press, 2007), 69-70, 103; Jeffrey R. Fear, "Constructing big business: The cultural concept of the firm," in *Big Business and the Wealth of Nations,* ed. Chandler et. al., 561-69.

individualism.[36] With the exception of Ritu Birla's genealogy of "Indian Economic Man," arguing for the separation of economy and culture under colonialism, no similar integrative turn has taken place in the study of South Asian capitalism.[37] Conversely, the history of capitalism as a field remains largely U.S.-centric, even as it extends in productive new directions.

This dissertation contributes both to a truly global history of capitalism and to several areas of burgeoning interest in the historiography of modern South Asia, among them law and sovereignty and intellectual history. For example, a new generation of legal historians, theoretically informed and interested in specific cases and pieces of legislation, has only belatedly turned to the realm of the economy.[38] I recover an untapped legal archive of disputes around the application of the Land Acquisition Act (1894) and the Charitable Endowments Act (1890), two influential laws still on the books in India today, to show how Tata was able to acquire vast swaths of land and founded philanthropic trusts through the codification and reproduction of exceptions to the unitary sovereignty of the state. Tata's assumption of sovereign power within this legal matrix, rather than a vernacular "ethos" *a priori* incommensurable with colonial "market governance," precipitated its confrontation with the state.[39]

Writing intellectual history from the vantage point of a single continuously operating firm highlights the strange, often surprising paths taken by transnational ideas of scientific

---

[36] Sven Beckert, "History of American Capitalism," in *American History Now*, ed. Eric Foner and Lisa McGirr (Philadelphia: Temple University Press, 2011), 314-20; Jonathan Levy, *Freaks of Fortune: The Emerging World of Capitalism and Risk in America* (Cambridge, MA: Harvard University Press, 2012).

[37] Ritu Birla, *Stages of Capital: Law, Culture, and Market Governance in Late Colonial India* (Durham, NC: Duke University Press, 2009).

[38] Mitra Sharafi, "South Asian Legal History," *The Annual Review of Law and Social Science* Vol. 11 (2015): 313-17; Birla, *Stages of Capital,* 6; Tirthankar Roy and Anand V. Swamy, *Law and the Economy in Colonial India* (Chicago: The University of Chicago Press, 2016).

[39] Cf. Ritu Birla, "Vernacular Capitalists and the Modern Subject in India: Law, Cultural Politics, and Market Ethics," in *Ethical Life in South Asia*, ed. Daud Ali and Anand Pandian (Bloomington: Indiana University Press, 2010).

management, industrial psychology, and corporate social responsibility in India. As Emma Rothschild has written, "ideas, which are discontinuous, are connected to institutions which are continuous over time."[40] This dissertation joins several recent studies of capitalists as authors and disseminators of economic and social thought. Like the Dongya corporation in China studied by Brett Sheehan, which freely mixed "Confucian paternalism and Chinese nationalism with Western Christianity, 'scientific' management, hygienic practice, consumer capitalism, industrialism, and modern discipline," the Tatas adopted an eclectic managerial philosophy in the pursuit of their own "Industrial Eden."[41] In the steel town of Jamshedpur, the nation's most ostensibly primitive workers would be transformed into modern laboring subjects at one with the most technologically sophisticated machinery, all under the firm guidance of the company's paternal hand. Like the "men of capital" in Mandate Palestine brought to life by Sherene Seikaly, the Tatas envisioned a "utopic capitalist future" for India, drawing on Gandhi alongside Henry Ford and F.W. Taylor, on democratic socialism as well as free-market liberalism. Political and ideological categories in India, as in the Middle East or China during the same period, "were neither stable nor ones that could preclude a shared intellectual project."[42] The Tata vision of capitalist modernity proved resilient and adaptable in the long run, underpinning both the Nehruvian developmental model linking industry with social progress and its Gandhian and neoliberal antitheses.

---

[40] Emma Rothschild, "Arcs of Ideas: International History and Intellectual History," in *Transnationale Geschichte: Themen, Tendenzen und Theorien,* ed. Gunilla Budde, Sebastian Conrad and Oliver Janz (Göttingen: Vandenhoeck & Ruprecht, 2006), 220-21.

[41] Brett Sheehan, *Industrial Eden: A Chinese Capitalist Vision* (Cambridge, MA: Harvard University Press, 2015), 2-9.

[42] Sherene Seikaly, *Men of Capital: Scarcity and Economy in Mandate Palestine* (Stanford: Stanford University Press, 2016), 16, 25-35.

CHAPTER OUTLINE

The dissertation is divided into six chapters, along both chronological and thematic lines. The first part (chapters 1-3) spans the century before the Second World War, while the second part (chapters 4-6) covers the period from the 1940s to the 1970s. My choice of the Second World War rather than independence as the main temporal divide is deliberate. The war fundamentally altered the relationship between state and capital, sparking wide-ranging debates on planning and an international struggle for influence between Britain, the United States, and the Soviet Union that left a profound impact on Indian political economy beyond the formal transfer of power in 1947. Nationalist politicians, intellectuals, and businessmen began to take sides in a Cold War contest of ideas and visions of the future. Intensified production and labor unrest accelerated the selective import of expertise in industrial relations, urban planning, and social science. I have chosen the end point of the mid-1970s because the Emergency represented the high water mark of Indian capitalism's identification with the nation-state, breaking apart the postwar alliance of big business and oppositional Gandhian politics. Market reforms and "re-globalization" began shortly after Indira Gandhi's return to power in 1980. It is perhaps no coincidence that the Tata archives dry up considerably at this point.

Within each part of the dissertation, I stress two additional turning points. The first is the global financial crisis of 1920-21, which contributed more than any other event to the reorientation of Indian business toward internal markets and the erosion of an earlier system of finance based on long-distance trade. The second is India's foreign exchange crisis of 1957-58, which tempered the growing hostility between big business and the Nehruvian state and recast competing visions of capitalist versus socialist development within a Cold War frame. This was also the year of the last direct challenge to the Tatas' control over Jamshedpur, in the shape of a

Communist-led strike inextricably tied to global geopolitics, and the beginning of a relatively stable phase of labor-management relations.

The six chapters may be read as mirrored pairings, corresponding to three main strands of argument. Chapters 1 and 4 tell the political and economic story of the Tatas' expansion, with an emphasis on transnational financial connections with China, Japan, and the United States. Chapters 2 and 5, centered on the company town of Jamshedpur in eastern India, explore shifting modes of corporate governance, from the assumption of sovereign control over land to the interplay of paternalism and scientific management. Chapters 3 and 6 trace the institutionalization of philanthropy, the networks of expertise it brought together, and the eventual mobilization of corporate good works against the state in the political language of "corporate social responsibility."

Chapter 1, "Becoming *Swadeshi*," begins with the origins of the Tata firm in the cotton and opium trades across the Indian Ocean in the mid-nineteenth century. Complicating the assumption of a neat transition from mercantile and industrial capitalism, the chapter argues for the continuing importance of trading activities in the structure and operations of the Tata firm. A brief sketch of the family, examining founder Jamsetji Tata's relationship with his sons Dorabji and Ratanji and his nephew R.D., sets the scene for a discussion of the formation of Tata Sons in Bombay as a managing agency to promote industrial investment. This branch of the family business remained legally separate from its trading counterparts, R.D. Tata & Co. in Shanghai and Hong Kong, and Tata Limited in London. Intense disagreement broke out within the family over the necessity of diversifying beyond India, amidst ongoing financial crises and bankruptcies in the Parsi business community in Bombay. The second part of the chapter considers the challenges of financing the Tatas' industrial activities, following the tensions between their

swadeshi claims and reliance on foreign financial and technical assistance. A global crisis in the early 1920s forced the Tatas to sell major assets and enter into unfavorable agreements with U.S. and British interests, which increased the political pressure by Indian nationalists to restrict the firm within a bounded economic state-space. In sum, this chapter argues that if the Tatas eventually became a "monopoly house" in a protected national economy, this was due to the contingent failure of an earlier strategy of expansion rather than a foregone conclusion.

Chapter 2, "Governing Land and Labor," reconstructs the legal, political, and social context of the Tatas' foray into resource extraction in the interior of India. It shows how the increasing involvement of private capital in land and labor markets affected agrarian social relations, and how a reluctant colonial state was called upon to support this process through legislation and administrative fiat. The first part focuses on the process of acquiring land for the steel town of Jamshedpur between 1909 and 1919. The Tata Iron and Steel Company (TISCO) pursued a shrewd strategy of obtaining leases from local *zamindars* (landowners) while relying on the legal apparatus of the colonial state to secure absolute tenurial rights. However, TISCO found itself having to adjudicate the claims of resident *adivasi* (tribal) populations as it took on the functions of employer, landlord, and municipal government. The second part of the chapter outlines the origins of a culture of managerial expertise in TISCO through the work of the Department of Social Science and Administration at the London School of Economics, funded by a Tata philanthropic foundation and tasked with making recommendations on welfare policy at Jamshedpur. The company resisted the implementation of Taylorist measures of increasing labor efficiency until the early 1930s, as visiting British and American experts found themselves unable to resolve the problem of disciplining unskilled tribal workers in a modern industry.

Chapter 3, "Worlds of Philanthropy," follows the transition from local and community-based charity to "constructive" nation-building projects. It argues that the Tatas' institution building was not an expression of a coherent underlying nationalist aspiration, nor a purely strategic calculus. Tata philanthropy offered a vision of modern India that went beyond the economy, yet was inseparably connected with it. I trace the origins of this vision to founder Jamsetji Tata's interest in technological improvements and reputation as a scientifically curious industrialist. Negotiations between Jamsetji's heirs and recalcitrant colonial officials over the establishment of the Indian Institute of Science in 1909 set a precedent for the fraught relationship between Tata philanthropy and the state. The settlement of Jamsetji's will, using the colonial Charitable Endowments Act (1890), first enabled private donations of family property to be converted into all-purpose charitable trusts. In a recurring pattern, institutions initially funded by the Tata Trusts were brought under state ownership and thereby made to justify nation-building claims. Commitments to medical research, especially for leukemia and radium therapy, also drew Tata into closer contact with transnational networks of scientific expertise. The chapter uncovers the wide-ranging influence of Tata philanthropy on knowledge production in late colonial India, by examining the work of the Tata Institute of Social Sciences (TISS), a school of practical social work that later became a pioneering research university, and the Tata Institute of Fundamental Research (TIFR), cradle of India's atomic program after 1947.

Chapter 4, "National Capitalists, Global Wars," returns to the narrative of Chapter 1, beginning on the eve of the Second World War with the unresolved tensions between the Tatas' economic nationalism and their reliance on foreign capital. It asks how we can think about Indian capitalists as political actors in the period of decolonization and the emergence of the developmental nation-state. This chapter tracks the shifting strategies of the Tatas in the context

of declining British influence and growing Soviet-American competition. The Indian state's need for foreign investment and the apathy of Anglo-American capital due to fears of nationalization created an opportunity for the Tatas to develop an autonomous political program in opposition to the state. This chapter argues for the importance of foreign capital as an overlooked "extra-territorial dimension" to the political economy of the decolonizing Indian state. Despite their fears about each other's designs on the subcontinent, British and American officials initially failed to grasp the importance of India's planned industrial development until Soviet involvement changed their minds almost overnight. Soviet aid to public sector projects in turn attracted American capital to India, which ended up strengthening the Tatas more than any other firm. The chapter concludes with the Tatas' successful approach to the World Bank in 1957-58 to finance the expansion of their steel plant at Jamshedpur.

Chapter 5, "Between Paternalism and Technocracy," rethinks the transition from paternalism to scientific management within the Tata firm in a global and comparative frame. In response to widespread labor unrest in the immediate postwar period, the Tata steel company turned once again to foreign experts, including urban planners and industrial psychologists, for guidance. Management embarked on a complete overhaul of labor policy at Jamshedpur, first through a revision of the wage structure and the establishment of a Personnel Department, followed by a turn to collective bargaining with a docile company union. The inadequacy of these measures was brutally exposed in the last violent strike in the history of the Tata Iron and Steel Company in 1958. An unstable mixture of paternalistic and technocratic methods thereafter proved successful in securing industrial peace, but at the expense of the earlier utopian prognostications of social scientists. The second part of the chapter shows how exchanges of information among different Tata companies in the mid-1950s created a shared corporate ethos,

which reflected the compromise between paternalism and managerialism in labor policy. The chapter concludes with an analysis of the Tatas' public relations efforts, focusing on artworks and photographs depicting the *adivasi* body at work in the Jamshedpur steel plant. Narratives of the Tata steel company bridging the primitive and the modern deliberately mirrored the Nehruvian vision of social progress through industry.

Chapter 6, "The Social Responsibilities of Business," connects the internal codification of ethics and values within the Tata firm, described in the previous chapter, with the wider political organization of Indian business during the late 1950s and early 1960s. Confronted with the rise of bureaucratic planning, a restrictive licensing system, and the Congress Party's adoption of socialist rhetoric, businessmen responded by drawing on a disparate set of ideas, including Mohandas K. Gandhi's concept of "trusteeship" and free-market liberalism, to ensure their legitimacy as political actors. The key figures who made this process possible were the Gandhian leader Jayaprakash (JP) Narayan and his close friend Minoo Masani, a close adviser to the Tatas. Both had abandoned Marx for Gandhi and were drawn into a transnational network of anti-communist thinkers after the Second World War. This chapter follows a series of conferences and associations spearheaded by JP and Masani, from the Seminar on the Social Responsibilities of Business (1965) to Business for Social and Economic Progress (1973). These initiatives defined the contours of corporate social responsibility (CSR) in India, focusing on voluntary codes and commitments to fight "black marketing" and corruption, but did not resolve the problem of collective action among Indian business houses. Tata broke from the Gandhians altogether by the time of the Emergency in 1975, preferring to sponsor concrete local projects such as model villages and slum resettlement schemes and eventually taking a leading role in the professionalization of CSR through alliances with NGOs and civil society groups.

The conclusion follows each of the three major strands of argument into the aftermath of the economic reforms of 1991, when Indian capitalism began to trespass the borders of the nation-state once more. It shows how the unraveling of the postwar status quo revived older conflicts over the risks of overseas expansion, the extent of corporate sovereignty over land and labor, and the responsibilities of companies to local, regional, and national communities. The period of relative stability for Indian capitalism, whose origins this dissertation explores, was not a mere interlude between two ages of unfettered globalization. As nation-builders and social actors, corporations mediated the "great transformation" of the world economic order, putting a human face on the abstractions of the market. But by fashioning themselves as sovereigns on par with the state, and consumers, workers, and citizens as their subjects, corporations leave open vital spaces of contestation and claims making.

Chapter 1. Becoming *Swadeshi*

Early in the year 1864, a young Parsi merchant from Bombay named Jamsetji Nusserwanji Tata sailed to England, carrying a set of bills of exchange issued on the China market as securities for the consignment of cotton to Liverpool. By the time the ship docked, the price of cotton had fallen precipitously and the bills had become worthless. Tata spent most of his time in Lancashire observing the workings of the cotton trade, while successfully managing the liquidation of his father's firm and laboriously restoring its credit. When he returned to India a few months later, Tata found Bombay in the grip of a disastrous financial crash. The whole of the city "was sitting on the stool of repentance, with sackcloth and ashes; while the disconsolate creditors held *Dharma* at the door of their ruined debtors."[1]

The U.S. Civil War had launched a speculative frenzy among cotton merchants in Bombay eager to supply Britain's needs following the blockade of shipments from the American South. The ensuing crash was truly global, affecting not only Bombay but also Liverpool, Egypt, and other far-flung outposts of the "empire of cotton."[2] Indian merchants, who had served primarily as middlemen in global networks of commodity exchange, responded by turning to manufacture. Within two decades, textile mills would spring up all around Bombay, acting as the crest of a rising wave of industrialization. No single figure was more closely identified with this process than Jamsetji Tata. From initial fortunes made in the cotton and opium trades, Tata led the way in the expansion of heavy industry: first in textile mills, then in establishing India's first integrated iron and steel plant and pioneering the generation of hydro-electric power. He was

[1] D.E. Wacha, *The Life and Life-Work of J.N. Tata*, Second Edition (Madras: Ganesh & Co., 1915), 4, 16-17.

[2] Beckert, *Empire of Cotton,* 272-73.

widely seen as embodying the spirit of *swadeshi* or self-reliance "long before Swadeshism was boomed in Bengal" as a self-consciously nationalist movement.[3]

What did it mean to be *swadeshi* in late colonial India? The term encompassed multiple dimensions, holding together the economic and the political in uneasy tension. Politically, it is by now well known that the most ostensibly modern section of Indian big business, led by the Tatas, was the least pro-nationalist. Their attitude to the major campaigns led by the Indian National Congress in the 1920s and 30s, often relying on the mass mobilization of workers and peasants, swung between cautious engagement and open hostility.[4] Economically, being *swadeshi* meant producing goods for home consumption and, as far as possible, training Indian staff and experts to assume responsibilities previously held by of foreigners belonging to the British managing agencies and the colonial civil service. The Tatas fell short on this count as well. They employed professional managers, many of them British and American, to a much greater extent than other Bombay firms. The markets for their products, from cotton cloth to pig iron and finished steel, were truly global (when not controlled by the colonial government in times of war).

Yet by the end of the 1930s, a clear shift had taken place. Politically, the Tatas and other big business houses pursued a rapprochement with the Indian National Congress and attempted to act in concert against foreign business interests. Economically, they adopted a new strategy of internal consolidation and reliance on domestic markets at the expense of maintaining financial and trading connections beyond India's shores. Tata in particular became *swadeshi* belatedly and painstakingly, due to the contingent failure of an earlier strategy of expansion rather than as a foregone conclusion.

---

[3] Wacha, *Life and Life-Work of J.N. Tata,* 8.

[4] Markovits, *Indian Business and Nationalist Politics,* 75-76, 189; Beckert, *Empire of Cotton,* 423. For this reason, the class of small marketeers and traders was said to have constituted the "real national bourgeoisie." Gordon, *Businessmen and Politics,* 1.

Tata had always stood apart by virtue of the technical complexity and high capital requirements of its flagship ventures. The firm's distinct trajectory, however, illuminates a more general trend. The prevalence of *swadeshi* rhetoric, as well as the outsized role of the colonial state in setting tariff policy, has obscured the persistence and slow erosion of global connections beyond the British Empire – with China, Japan, and the United States. Historians have hitherto focused their attention on the relative positions of the governments in London and India, different clusters of Indian business in Bombay and Calcutta, and the expatriate British managing agencies. The impact of other players, such as trading firms, Marwari intermediaries, and foreign technical experts, has been neglected or imperfectly glimpsed.

The Civil War crash by no means signified the end of the Tatas' participation in trade. Global connections forged by subsidiary firms allowed the Tatas to expand, though, as we shall see, there was a high price to pay. Trading firms established by many Parsi merchants in the late nineteenth century helped to solve the problem of remitting profits that had plagued the first generation of participants in the China trade.[5] The rise and fall of two little-known trading companies, R.D. Tata & Co. in Shanghai, Kobe, and Paris, and Tata Limited in London, determined the extent of the Tatas' participation in global markets – but they have up to now remained in the shadows.[6] Both Tata & Co. and Tata Limited were ultimately costly failures, which restricted the scope of the Tatas' activities beyond India. But these two firms played a crucial role in acquiring market information for the export of cotton and pig iron, and to financing large, capital-hungry enterprises such as the iron and steel plant and the hydro-electric

[5] The famed Jamsetjee Jeejeebhoy, for example, had found it impossible to bypass British and American control of the circulation of bills of exchange. See Asiya Siddiqi, "The Business World of Jamsetjee Jeejeebhoy," *Indian Economic and Social History Review* Vol. XIX, Nos. 3 & 4 (1982): 313-14, 323-24.

[6] The consensus so far is that Tata & Co. was a "financial success," and stood the parent company "in good stead" by providing much-needed expertise and access to markets in China and Japan. However, it became "something of a side-show in relation to the [parent] firm's manufacturing ventures." Sunil Kumar Sen, *The House of Tata, 1839-1939* (Calcutta: Progressive Publishers, 1975), 9; Markovits, "The Tata Paradox," 157.

power companies. They linked Bombay directly with financial markets in London, New York, and Japan. Maintaining a widely dispersed network of agents and go-betweens, many of them family members, enabled the Tatas to meet the challenge of participation in global markets beyond the constraints imposed by imperial power or commercial rivals.

Since the Tatas and other Bombay capitalists could never establish a real control over the movement of goods "from field to factory or port," they also remained dependent on Marwari kinship networks to connect them with inland markets.[7] Marwaris permeated the Tata organization as selling agents, partners, and shareholders. Originally merchants and bankers in Rajasthan, the Marwaris expanded throughout India, concentrating especially in Calcutta. They controlled provincial markets and entrepôts, becoming "infamous" for secretive financial practices conducted within families and closed to outsiders. For the colonial state, the Marwaris stood for speculation and the distortion of market practice through the workings of custom against law.[8] Their importance to major business houses trading above board on the new stock market in Bombay only came to light during moments of financial crisis, when the account books were thrown open and reckonings had to be made. If the Tatas can be firmly placed on the formal side of the formal-informal divide in Indian business, they did also take "recourse to the bazaar and to social networks" when necessary.[9] The Marwaris were gradually displaced as the

[7] Referencing widespread rumors of the existence of a private firm siphoning off profits, Markovits concludes that Tatas' financial practices were perhaps closer to the "traditional" Marwari model than usually assumed. Markovits, "The Tata Paradox," 156-158; Gordon, *Businessmen and Politics,* 2-3.

[8] Birla, *Stages of Capital,* 19-20, 166, 176. See also Thomas A. Timberg, *The Marwaris: From Jagat Seth to the Birlas,* The Story of Indian Business Series (New Delhi: Penguin/Allen Lane, 2014).

[9] This flexibility was a distinct feature of the managing agency system in India, which came to be characterized by "wrongful, and yet not necessarily illegal deals" such as speculation in raw materials at the expense of manufacture. Roy, *Company of Kinsmen,* 122-128.

Tatas sought to cultivate a reputation for financial probity and to capture internal markets for themselves.

The final piece of the puzzle of the Tatas' expansion was their continual – and controversial – recourse to American expertise and technology. As early as 1912, proponents of *swadeshi* favored a closer relationship between fledgling Indian enterprises and the United States as a means of "bypassing the imperial metropole." From the First World War to the Great Depression, the American connection allowed the Tatas to circumvent restrictive colonial state policies and to save troubled companies from bankruptcy or mismanagement. Tata therefore acted as a point of entry for American influence in India, which would take on greater significance during the Second World War as independence neared. But India was not brought into the fold of an expanding informal "American technological empire" without resistance.[10] The political controversies continually swirling around the Tatas' reliance on foreign capital exposed the contradiction between lofty *swadeshi* aspirations and the harsh constraints of establishing technically and financially complex industries in a colonial setting.

HOUSES ON THE SAND

The origins of the Tata family fortune are shrouded in myth and rumor, particularly in relation to the opium trade. Jamsetji's grandfather belonged to a priestly family with its roots in the small town of Navsari in Gujarat. As the first member of the family to move to Bombay, he served as a minor revenue clerk for an *inamdar* (permanent revenue holder) on the island of Salsette, and owned a small shop on Bazargate Street in the Fort area.[11] It was Jamsetji's father,

[10] Ross Bassett, *The Technological Indian* (Cambridge, MA: Harvard University Press, 2016), 8-10, 49, 55.

[11] TCA, FP30, Reminiscences of Jamshedji E. Saklatvala on JN Tata, 7; T53-DES-T20-IMPORTANT-EXTRACTS-DHARAVI-2, Note on Tata History, August 1910.

Nusserwanji, who took to business on a larger scale, moving between Navsari and Bombay. Jamsetji was born at Navsari in 1839, when his father was just 17 years of age. Nusserwanji first accumulated significant capital through contracting work during the brief British occupation of Bushire (on the Persian Gulf) in early 1857.[12] The young Jamsetji was brought into the firm of Nusserwanji & Kaliandas soon after, with the goal of developing the China trade. In 1859 Nusserwanji opened a branch at Hong Kong, importing cotton and opium and exporting tea, silk, and gold from China. Jamsetji established another branch in Shanghai and began to acquire valuable knowledge of commodities and markets.

One of the partners in Nusserwanji & Kaliandas was the ambitious Jain broker Premchand Roychand, whose speculations came to a crashing end with the fall in cotton prices after the U.S. Civil War. Roychand's failure forced a temporary suspension of the Tatas' exploits in China.[13] One of the earliest extant archival records on the Tatas' business dealings affords a glimpse into the complexities and uncertainties of transactions in cotton around the time of the crash, as well as of the multiplicity of actors involved. This was a suit filed in the Court of Chancery in London in 1865, brought by Nusserwanji and Jamsetji Tata, alongside five other Indian merchants of Shanghai, Hong Kong, and Bombay, against the London firms of Springfield, Son & Nephew and Lindsay & Co. The plaintiffs alleged that they had drawn two bills of exchange, worth £10,000 in total, for delivery of 605 bales of cotton on the ship *Lalla*

---

[12] In this period, Bushire became the most important port city in the Persian Gulf, serving as a "point of transfer between long-distance maritime trade and long-distance caravan trade." The volume of trade with India reached its highest point in the early 1860s due to the cotton boom, bringing Indian merchants into closer contact with the commercial world of the Gulf. See Willem Floor, "Bushehr: Southern Gateway to Iran," in *The Persian Gulf in Modern Times: People, Ports, and History*, ed. Lawrence G. Potter (New York: Palgrave Macmillan, 2014), 182-87.

[13] F.R. Harris, *Jamsetji Nusserwanji Tata: A Chronicle of His Life,* Second Edition (London: Blackie & Son, 1958), 1-7; D.E. Wacha, *A Financial Chapter in the History of Bombay City* (Bombay: A.J. Combridge & Co., 1910). For a recent assessment of Premchand Roychand's life and career, see Lakshmi Subramanian, *Three Merchants of Bombay: Doing Business in Times of Change,* The Story of Indian Business Series (New Delhi: Penguin/Allen Lane, 2012), chapter 4.

Rookh to Springfield, Son & Nephew, with Lindsay & Co. as an intermediary. The consignment was never made, "the cotton market having begun to decline," whereupon the plaintiffs requested Lindsay & Co. to remit the balance of £4,496 to Springfield, Son & Nephew. This they did, through a further undertaking by Jardine, Matheson & Co., but soon after Lindsay & Co. "suspended payment" and went out of business. Springfield, Son & Nephew refused to accept the bills of exchange under the original agreement and threatened "to endorse, part with, or dispose of the said Bill of Exchange…for value to some other persons or person, and to apply the proceeds thereof to their own use," which left Nusserwanji Tata liable for the full amount to the Bank of Hindustan, China, and Japan, Limited.[14] The only non-Parsi merchant listed among the plaintiffs was a Marwari, Cheniram Jesraj, who was serving as the Tatas' opium broker and whose firm would later hold the selling agency for the four Tata textile mills.[15]

The outcome of the case is not known, but it reveals the fragility of trust in a volatile market and the absence of transparent and reliable mechanisms of financing. Bills of exchange, issued by the East India Company and other private business houses and backed by leading merchant banks in the City of London, financed the lucrative opium and cotton trades and served as the key mechanism of remitting profits. This system, described by Marx as one of "fictitious credit," blurred the line between trade and speculation.[16] So Premchand Roychand's failure must be viewed in the context of a greater swindle. British trading firms in China were equally crippled by the crash, which then affected even those Bombay merchants who were trying to

[14] The National Archives, Kew (hereafter TNA), C 16/290/N34. *Narrondas, J.N. Tata et. al. v. Springfield* (1865), Bill of Complaint.

[15] Cheniram Jesraj, originally from Bisau near Ramgarh, started one of the few Marwari *banian* firms in Bombay in 1880. Thomas A. Timberg, "Three Types of the Marwari Firm," *Indian Economic and Social History Review* Vol. 10, No. 1 (January 1973): 18.

[16] Jairus Banaji, "Seasons of Self-Delusion: Opium, Capitalism, and the Financial Markets," *Historical Materialism* Vol. 21, No. 2 (2013): 3-8.

honor their commitments. In this environment, it was not surprising that the Tatas decided to exit the China trade.

So far, the Tatas' experience was typical of the many Parsi families who took to long-distance trade. As the East India Company gradually assumed territorial power in India in the late eighteenth century, expatriate intermediaries operating overseas displaced the typical indigenous "portfolio capitalist," whose wealth derived mainly from revenue farming and the mobilization of military resources.[17] The Parsis, as master shipbuilders on the western coast of India, readily took advantage of the altered commercial milieu to assemble a different kind of portfolio. Their success was due, in part, to their inheritance of the "maritime tradition" of the Arabian Sea coupled with the opening up of trade with East Asia, which saw them "connecting Aden with Canton in their own ships."[18] Through the consignment system, Parsis formed lucrative partnerships with British agencies, shipping opium and raw cotton from the Indian interior to China. The most successful merchant of his time, Jamsetjee Jeejeebhoy, made his name and his fortune by closely collaborating with the agency house of Jardine & Matheson. Among British and Parsi merchants alike, moral considerations were largely absent from the decision to enter the extraordinarily profitable opium trade.[19]

Parsis may have worked with European partners more readily than other communities, but the relationship was never free of conflict. Following the end of the East India Company's trading monopoly, the "intimate world of 'friends' and 'neighbours' was shattered by free trade,"

---

[17] Sanjay Subrahmanyam and C.A. Bayly, "Portfolio capitalists and the political economy of early modern India," in *Merchants, Markets, and the State in Early Modern India*, ed. Sanjay Subrahmanyam (Delhi: Oxford University Press, 1990), 264-65.

[18] Tirthankar Roy, "Trading Firms in Colonial India," *Business History Review* 88 (Spring 2014): 18.

[19] Richard J. Grace, *Opium and Empire: The Lives and Careers of William Jardine and James Matheson* (Montréal: McGill-Queen's University Press, 2014), 339-43.

as firms from Liverpool and Glasgow "flooded" Bombay. By the time the Opium War broke out in 1839, the year of Jamsetji Tata's birth, British interests increasingly dominated the China trade.[20] The Parsis' middleman role was also eroded in the 1840s and 50s by the railway, steamship, and electric telegraph, which made communication with the Indian interior easier and enabled the rise of new groups of Hindu merchants dealing directly with Europeans. To secure their position, Parsis took the lead in forming joint-stock companies, often as "extensions of the older family firm." Kinship continued to structure business dealings and alliances. It might even be possible to speak of a single "loosely organized Parsi company at work" in mid-nineteenth century Bombay.[21] Family networks helped to restore credit and ensure the viability of firms that had suffered heavy losses.[22] By the time the post-Civil War crash hit in the mid-1860s, Parsi traders had at their disposal various strategies to combat the problem of trust and the dangers of volatile markets: not only the support of family members to keep fledgling concerns afloat, but also the ability to take advantage of new opportunities along a vast arc stretching from the Indian Ocean to East Asia.

The Tatas could have been one more casualty of the crash, never to be heard from again. But another fortuitous military commission came to their rescue at this juncture. Nusserwanji Tata made a handsome profit of Rs. 40 lakhs from a contract to supply the Indian expeditionary force led by Sir Robert Napier, who set out in 1868 to punish the ruler of Abyssinia for

---

[20] Siddiqi, "The Business World of Jamsetjee Jeejeebhoy," 304-06, 311-17; Madhavi Thampi and Shalini Saksena, *China and the Making of Bombay* (Mumbai: K.R. Cama Institute, 2009), 28-29, 59; Jesse Palsetia, *The Parsis of India: Preservation of Identity in Bombay City* (Leiden: Brill, 2001), 52-57; Jones, *International Business in the Nineteenth Century,* 48-55, 80-82.

[21] Rusheed R. Wadia, "Bombay Parsi Merchants in the Eighteenth and Nineteenth Centuries," in *Parsis in India and the Diaspora*, ed. John R. Hinnells and Alan Williams (Abingdon, Oxon: Routledge, 2008), 124-28; Christine Dobbin, *Urban Leadership in Western India: Politics and Communities in Bombay City, 1840-1885* (Oxford: Oxford University Press, 1972), 16-19.

[22] Roy, *Company of Kinsmen,* 113-14.

imprisoning British subjects. Nusserwanji then traveled to Japan and China, reopening a branch of his old firm at Hong Kong with the assistance of his brothers-in-law Dadabhai and Sorabji Tata, who had remained active in the opium trade. This was the beginning of Tata & Co. Upon Dadabhai's death in 1876, Nusserwanji and Jamsetji withdrew from the firm, but the father re-joined in 1880, against the son's wishes, "for Mr. Jamsetji regarded the branch to be too remote for efficient supervision." It was only in 1883, when Dadabhai's son R.D. took over, that the business of Tata & Co. was put on a sound footing.[23] The family was brought closer together upon the formation of Tata & Sons as a managing agency controlling textile mills in 1887, with R.D. and Jamsetji's son Dorabji as partners.[24] This firm, while remaining legally distinct from Tata & Co., was deeply connected to its trading counterpart by more than blood. Jamsetji's success in the textile industry relied upon finding new markets for the export of cotton, bypassing the colonial state's restrictive tariff policies and the monopoly now held by British shipping.

Situating the Tatas' much-heralded transition to manufacturing in the late nineteenth century in a master narrative of industrialization within the borders of British India has obscured the importance of market information provided by widely dispersed trading firms and selling agents. Jamsetji Tata's first major independent venture as an entrepreneur did radically alter the development of the textile industry in India. The Empress Mills, opened in 1877 at Nagpur in the Central Provinces, was located hundreds of miles from Bombay but nearer to sources of raw cotton and untapped markets. This was a truly pioneering move that set Jamsetji apart from his

[23] Harris, *Jamsetji Nusserwanji Tata,* 11-13; Sen, *House of Tata*, 8-9.

[24] Harris, *Jamsetji Nusserwanji Tata,* 40.

contemporaries, as well as prefiguring subsequent patterns of land and labor control by Indian capitalists.[25]

But turning to manufacture did not solve the problem of breaking into export markets. Soon after opening the Empress Mills, Jamsetji Tata looked to French territory at Pondicherry, with a view to capture the French colonial markets in West Africa. As late as 1899, he submitted a memorandum to the French Minister of Colonies detailing a similar arrangement at Mahe on the Kerala coast.[26] Nothing came of these proposals. Instead, Jamsetji's second major venture in the textile industry was to open a new mill in Bombay in 1886, where he hoped to produce cloth for export to China and the Middle East. Located in Kurla, at the northern edge of the city, it was named the Swadeshi in a sign of the changing times.

The Swadeshi Mill's failure to make a dent in the China market was mitigated through the shrewd activities of Jamsetji's agents in the Middle East.[27] As sales lagged and Chinese customers complained of the low quality of the cloth, a solution was found in procuring finer varieties of cotton from Egypt. Without it, the Swadeshi would likely not have survived.[28] The Tatas were now on a collision course with the colonial government, whose tariff policies served the interests of Lancashire producers in order to preserve India as a market for finished goods. In 1894 Tata & Sons lodged a protest against the imposition of higher excise duties on finer yarn

---

[25] Tirthankar Roy, "Embracing the World: Parsis after the China Trade," in *Across Oceans and Flowing Silks: From Canton to Bombay 18th-20th Centuries*, ed. Pheroza J. Godrej and Firoza Phuntakey Mistree with Sudha Seshadri (Mumbai: Spenta Multimedia, 2013), 65-66.

[26] Harris, *Jamsetji Nusserwanji Tata,* 38-39. The first mechanized spinning mill in India was established at Pondicherry in the 1830s to serve West African markets. As "an infertile offspring of European capital, intercolonial trade, and European states," it may not have provided a model for the future development of the industry. But Jamsetji's attempts show that even the most inwardly focused Indian pioneers in cotton manufacture considered taking advantage of European competition. See Beckert, *Empire of Cotton,* 172.

[27] Harris, *Jamsetji Nusserwanji Tata,* 52-59.

[28] TCA, T53-DES-T59S-MIS-NOTES-1, Notes on the history of the Swadeshi Mills.

(40s. count and upward) as "a fatal blow" to the development of a manufacturing process "still in its experimental stage." They needed this yarn to produce high-quality cloth of the kind demanded not only "with a view to its consumption within the country itself," but also around the world. "China itself has entered the lists as a producing instead of being merely a consuming country, and Japan still more so," noted the Tatas.[29] To remain competitive, Bombay millowners attempted to break into the Japanese and Chinese markets and forge alliances with interests equally opposed to Britain's monopoly.

As Indian merchants increased their presence in Japan in the early 1890s, information exchanges and joint ventures began to develop, suggesting "an emergent Asian economic alignment."[30] Tata & Co. was the first Indian trading firm to secure a foothold in the port city of Kobe in 1891, signing a contract with the Naigai Men Company for the import of Indian cotton. Due to the absence of a direct shipping route between India and Japan, merchants were forced to contend with a European shipping cartel led by the British Peninsular and Oriental Steam Navigation Company (P&O), which controlled the route via Hong Kong, charged high fixed prices, and set a maximum limit of bales per month that could be transported.[31] Seizing the opportunity to simultaneously reduce the transaction costs of his Bombay mills and strike a blow for India's commercial and strategic autonomy, Jamsetji Tata boldly proposed a new shipping line as a joint venture between his firm and the Nippon Yusen Kaisha (NYK) in 1893. R.D. Tata's firm in Kobe assisted in the negotiations for lower rates, and Jamsetji urged his sons to guarantee a minimum quantity of freight. "If we secure," he wrote, "anything like a hundred

[29] National Archives of India, New Delhi (hereafter NAI), Finance Department, Statistics and Commerce Branch, A Proceedings, Nos. 427-429 (September 1894), Protest by Messrs. Tata & Sons against any measure which will have the effect of imposing an excise duty on cotton goods produced in India.

[30] Roy, "Trading Firms in Colonial India," 20-21.

[31] Hiroshi Shimizu, "The Indian merchants of Kobe and Japan's trade expansion into Southeast Asia before the Asian-Pacific War," *Japan Forum* Vol. 17, No. 1 (2005): 28-29.

thousand bales of cotton, and, say, about two thousand chests of opium, it will be greatly to the advantage of our trade, to excite our opponents to lower their rates as low as possible." The inclusion of opium is significant insofar as the P&O had reserved for itself the exclusive right to ship the drug, which made up the largest share of its profits.

The new Tata Line was short-lived, undercut by a ruthless price war with the P&O (referred to by Jamsetji as the "war of freights") and by the hostility of the British government. The Bombay millowners likewise "deserted" Jamsetji in his hour of need, following the appearance of anonymous letters in the press condemning the new venture.[32] One of the gravest charges, strongly refuted by Tata & Sons in the pages of the *Indian Textile Journal*, was that "this line had been started from interested motives," given Tata & Co.'s participation in the cotton export trade. The relationship between the two firms had to be thoroughly disavowed: "Capital has been made of the resemblance between the titles of the two firms coupled with the fact that one partner of our firm [R.D.] is also partner in Messrs. Tata & Co. Beyond this, there is or has been no connection whatever between these two firms, whose line of business is entirely distinct…It is not contended that we are putting Messrs. Tata & Co. on especially favorable terms as compared with other shippers."[33] This might have not been the most convincing line of defense, given the active collaboration between the Tata firms in securing the agreement with NYK. Tata & Co.'s presence in China and Japan afforded an indispensable foothold in the race for new markets, even as it threatened the security and credibility of Tata & Sons in Bombay.

[32] Harris, *Jamsetji Nusserwanji Tata*, 92-98; Sen, *House of Tata,* 24-25.

[33] TCA, Box 539, T53/PRD/Old Records/Misc/7, Tata & Sons to The Editor of the *Indian Textile Journal*, 21 February 1894. The letter went on to point out that of the 15,700 bales of cotton shipped to Japan, only 5,300 bales belonged to Tata & Co.

In the long run, Tata's vision of closer Indo-Japanese cooperation proved prescient. For Japanese shipping companies, this type of joint venture "constituted more than just a binational partnership," but "also generated linkages with two global trading networks." Parsi merchants remained the key intermediaries between the East and West Asian cotton trades. The global expansion of Japanese trading networks posed "an incipient challenge to the citadel of British capitalism," a long-term objective also pursued by Indian industrialists.[34] The connections between Indian and Japanese business in this period served both parties as points of entry into global commodity markets structured by European imperial hegemony.[35]

The episodes recounted here in lieu of an origin story – the military commissions in Bushire and Abyssinia, the fluctuations in the cotton market influenced by the American Civil War, the circulation of cotton bales across the globe, and the failed shipping line linking Kobe and Bombay – point to a consistent underlying extra-territorial dimension to the Tatas' business activities in India. If the narrative of their rise to prominence is told from this perspective, abandoning *swadeshi* manufacture as the inevitable endpoint, a slightly altered picture emerges. At the 'high noon' of the British Raj, Indian businessmen succeeded in the first instance not by inscribing themselves within the anticipated economic boundaries of a territorial nation-state, but by aggressively going global. Financial connections with distant markets played a crucial role even in the Tatas' most outwardly *swadeshi* projects, the iron and steel plant and the hydroelectric power companies.

[34] William D. Wray, "Nodes in the Global Webs of Japanese Shipping," *Business History* Vol. 47, No. 1 (January 2005): 5-10. This was not always a purely adversarial process, but could accommodate strategic partnerships and information sharing. For example, during the First World War, the NYK's operations in the East were strengthened by the appointment of the British managing agency Andrew Yule as their Calcutta agents.

[35] Cf. Shimizu, "The Indian merchants of Kobe," 43-44.

INSTRUMENTS OF FINANCE

In the later years of his life, while consolidating his position in the textile mill industry, Jamsetji Tata harbored a greater ambition: India's first integrated iron and steel plant. Where successive half-hearted attempts by the British colonial state to take advantage of India's rich mineral resources had failed, Tata saw an opening for Indian enterprise to take the lead. A keen but cautious supporter of the Indian National Congress, particularly its Liberal Bombay wing led by Pherozeshah Mehta and D.E. Wacha, Tata appealed to a strand of nationalist politics increasingly committed to industrialization as a way of stemming the "drain" of wealth from India.[36] Dadabhai Naoroji, fellow Parsi and leading figure in the Congress, was the chief exponent of the drain theory and an early enthusiast of the iron scheme. The unfavorable comparison between India and Japan weighed on him: "Let India be put in the same economic conditions as Japan, as a self governing country with all its resources at its own command and fructifying in its own pockets. But how can India be expected to be like Japan – bleeding all its resources at the command and for benefit of a foreign people."[37]

Because capital and technical expertise were scarce in India for a venture of such unprecedented scale and complexity, Tata and his sons initially turned to the London money market in order to secure financing. Naoroji disapproved, writing to Tata that it was "a matter of grief that you should become the instrument of enabling foreigners to carry away the natural

[36] On Jamsetji's relationship with the Congress, expressed mainly through consistent financial support of the Bombay Presidency Association, see Harris, *Jamsetji Nusserwanji Tata,* 247-50. The exact amount of his contributions remains unknown. The only definite sum that can be pinpointed is a Rs. 500 contribution in 1889. NAI, Dadabhai Naoroji Papers, J.N. Tata to Naoroji, 27 November 1889. I am thankful to Dinyar Patel for providing me with a copy of this letter.

[37] TCA, T30/DES History Project 1, Dadabhai Naoroji to J.N. Tata, 9 December 1898. As part of the exhaustive investigations of the global iron and steel market, the Mining Department of Tata Sons kept a close eye on developments in Japan, where the new Imperial Iron and Steel Works at Yawata opened in 1901. Tata Steel Archives, Jamshedpur (hereafter TSA), Box 546, Appendices (1902), British Consular Report on the Capital Expenditure of the Imperial Japanese Government Iron Works.

wealth of India." Naoroji proposed an alternative source of finance, asking Tata if was not "possible for you to raise the million you want from the Indian Princes."[38] In response, Tata declared himself "most anxious and willing to utilize Indian capital." But in order to ensure that the project would be "worked on strictly commercial principles," he refused "to borrow the necessary capital in India at a higher rate than…in Europe or America." Furthermore, the introduction of foreign capital would itself be of great benefit to India. Tata did propose to offer shares and debentures to wealthy Indians, asking Naoroji "if you can see your way to recommend any chiefs and princes to support this scheme in this way."[39]

When the Tata Iron and Steel Company (TISCO) was registered on the Bombay stock market in 1907, Indian capitalists and princes alike responded enthusiastically. All 8000 original shareholders were Indians, both Parsi and non-Parsi. Ownership was highly concentrated, with 13 per cent of the share capital in 1911 held by the rulers of fifteen princely states. The entire first debenture issue of £400,000 was subscribed by Maharaja Scindia of Gwalior, while the *diwan* of Bhavnagar State, Prabhashankar D. Pattani, sat on the company's Board of Directors.[40] This is commonly regarded as either an unambiguous triumph of *swadeshi* or as a clever move by the Tatas to "take advantage of the prevailing atmosphere" to float their concern.[41] TISCO's shareholder profile in fact was the outcome of a far more complex series of negotiations, conflicts, and fluctuations in global investment markets.

Indian princes were not the nationalist saviors of a company cruelly shut out by colonial racism. The Tatas' appeal to the princes took place in tandem with their approach to British and

[38] TCA, FP, J.N. Tata-Dadabhai Naoroji Correspondence, Naoroji to Tata, 16 September 1902.

[39] NAI, Dadabhai Naoroji Papers. J.N. Tata to Naoroji, 19 September 1902. Courtesy of Dinyar Patel.

[40] Sen, *House of Tata,* 38-39; Mukherjee, *A Century of Trust,* 18-20.

[41] Bahl, *Making of India's Working Class,* 72-73.

American financiers, and represented the continuation of an older strategy of playing off sovereign powers against each other, much as Jamsetji had attempted with the Pondicherry mill and the NYK shipping line. It was an extension of the principle of intercolonial competition on a different scale.[42] In effect, the Tatas were playing a double game and attempting to walk a fine line between the competing demands of interlinked markets in London and Bombay: "It is true that we are pledged to an attempt to raise some capital in India; and it is equally true that Indian capital will need larger inducements than English. But it is not possible to offer discriminating terms to the two sets of subscribers to capital since, if that were done, Indian capital would find profit in subscribing with a view to immediate selling out in England."[43]

London financiers showed no interest in Tata's project, a stance commonly attributed to racial prejudice or narrow self-interest.[44] The principal difficulty stemmed from metropolitan capitalists' reluctance to back concerns in India, and their preference for China and other areas of Britain's "informal empire."[45] A despairing R.D. Tata complained:

---

[42] On this point, Amiya Bagchi emphasizes the importance of "the political *separateness* of the native states from British India" for industrialization: "insofar as the native states provided a market and some capital for the development of Indian enterprise, the effect on industrial growth was positive." Bagchi, *Private Investment in India,* 213-15. Emphasis mine.

[43] TCA, T30/DES History Project 2, B.J. Padshah to Bezonji Dadabhai, 20 February 1905.

[44] Bagchi, *Private Investment in India,* 292-93. On racial barriers between British and Indian business in this period, see also Misra, *Business, Race and Politics in British India.* Amartya Sen has suggested a different but complementary explanation of British financiers' reluctance to invest in TISCO, not due solely to racial bias in a "homogeneous" British bloc but to a wider "social ethos" preventing competition between established industrial interests in Britain and India. This was, according to Sen, a largely "non-profit consideration." Amartya Sen, "The Pattern of British Enterprise in India 1854-1914: A Causal Analysis," in *Entrepreneurship and Industry in India, 1800*-1947, ed. Rajat Kanta Ray (Delhi: Oxford University Press, 1992), 117-18, 123-26.

[45] By 1913, less than half of British foreign investment was directed towards Britain's 'formal' empire; over one quarter went to Latin America. See John Gallagher and Ronald Robinson, "The Imperialism of Free Trade," *The Economic History Review*, New Series, Vol. 6, No. 1 (1953): 5-10. On the geographical preferences of City financiers in this period, mainly in settler colonies (Australia, New Zealand, the Cape Colony) and areas of informal British influence, see P.J. Cain and A.G. Hopkins, "Gentlemanly Capitalism and British Expansion Overseas II: New Imperialism, 1850-1945," *The Economic History Review*, New Series, Vol. 40, No. 1 (Feb. 1987): 11.

> It is a known truth admitted by Anglo-Indians themselves and complained in the papers that English financiers will go to China, South Africa or South America to invest their capital rather than come to India their own dependency with such a settled Government. Show me one instance where a capital of the magnitude we want was invested in India by English financiers for industrial and mining enterprises and I will show dozens of instances in which they invested in wild goose schemes in all parts of the world.[46]

The conflict that mattered was not between British and Indian interests along racial lines, but between London capitalists and the colonial state: "Rothschild [and others] will have nothing to do with a country whose Government will not allow them to make money."[47] Prospective British partners also feared competition with Tata & Co.'s existing business interests in East Asia. As a remedy, R.D. Tata attempted to "use his influence in Japan" to ensure that "a Chinese concern supported by Tata and worked through Japs, would be hospitably received by the London money-market" – albeit to no avail.[48]

The importance of Tata & Co. and R.D.'s contacts in China and Japan in these negotiations has been overlooked. Most accounts of the origins of TISCO as a *swadeshi* enterprise center instead on the failed attempt to secure British financing, followed by the eagerness of Indian investors to come forward and the colonial government's change of attitude. In the face of growing competition in steel from the European continent and the United States, the Viceregal administrations of Curzon and Minto and the India Office under Secretary of State George Hamilton were gradually persuaded to support an indigenous iron and steel plant. Jamsetji Tata skillfully deployed arguments against the prevailing free trade policy to make his case. In 1901, calling attention to the incorporation of J.P. Morgan's U.S. Steel, he wrote that "it seems impossible to withstand the blow aimed by this American Combination at the Free British

[46] TSA, File No. 93 (vii), R.D. Tata to Sassoon David, 5 February 1907.

[47] TCA, Box 539, T53/PRD/Old Records of Various Companies/8/Tata Limited London, B.J. Padshah to R.D. Tata, 15 March 1907.

[48] TCA, T30/DES History Project 2, B.J. Padshah to R.D. Tata, 2 October 1906.

Trade unless Great Britain in her own interests adopt the American policy of protective tariffs."[49] TISCO eventually obtained two major concessions in 1905: a reduction in railway freight and a guaranteed order of 20,000 tons of rails.[50]

Neither the fortuitous convergence of changes in economic policy at the state level nor the impetus of *swadeshi* nationalism explains TISCO's success. The fate of the new company would come to depend on the export of pig iron to East and Southeast Asia, in addition to the guaranteed rail orders for finished steel.[51] In its formative years, TISCO aimed to "to avoid coming in violent conflict with foreign imports into the country" and thus "to distribute a variety of our goods widely in markets overseas." The shipping arm of the Mitsui *zaibatsu*, the Mitsui Bussan Kaisha, was granted a monopoly on sales of pig iron up to 1913.[52] Tata & Co.'s longstanding position in Japan facilitated this deal. When it was discovered that Mitsui was making disproportionately large profits on sales in 1916, TISCO proposed appointing a salesman of their own "attached to the Tata firms in the East, and the Tata firms acting as Agents with the help of the salesman should push on the sales of the company's pig in China, Japan and other countries."[53] In short, the establishment of TISCO entailed an expansion of trading activities and the proliferation of overseas business connections, both in the financing and operational phases.

---

[49] TCA, FP41A, DJ Tata-BJ Padshah-RD Tata Correspondence, 1902-1907, J.N. Tata to H.A. Crump, Secretary (Revenue Department) to the Chief Commissioner, Central Provinces, 1 April 1901.

[50] TCA, T53-DES-T34-MINUTES-01, W.L. Harvey, Secretary to the Government of India, to Messrs. Tata & Sons, 9 August 1905; Bahl, *Making of India's Working Class,* 76-77.

[51] TCA, T53-DES-T34-MINUTES-01, Minutes of Conference in London on 16th March 1905 between Mr. Robert Miller, Managing Director, and Messrs. Tata, Perin and Weld; Sen, *House of Tata,* 38-39, 46.

[52] TCA, T53-DES-T34-MINUTES-01, Tata Iron and Steel Company Board Meeting No. 87 held on 23rd May 1912.

[53] TCA, T53-DES-T34-MINUTES-02, TISCO Board Meeting, 27 April 1916.

The realization of Jamsetji Tata's other great dream, the generation of hydroelectric power, set in motion similar dynamics. Just as with the Empress Mills at Nagpur and the steel company, the venture would be *swadeshi* primarily by virtue of exploiting previously dormant resources in the hinterland. A valley at the top of the Western Ghats would be dammed, generating electric power to "to run the Tramways of Bombay, to supply as much electric lighting as may be required in Bombay, and to have a balance over for the supply of power in a few cotton mills, and sufficient for small local industries."[54] Familiar anxieties over finance soon arose. A "Syndicate" was formed under Robert Miller, "a man of considerable influence in Indian affairs" with "a large circle of financial friends" who had taken an interest in floating electric lighting concessions for Delhi and Lahore on the London market.[55]

One of Miller's first steps was to attempt to persuade the Gaekwad of Baroda to join. This posed immediate problems with regard to the princely ruler's involvement with TISCO: "We had always hoped to have him subscribe a large sum in our iron mining scheme…Guicowar [*sic*] is such a man that he will like to evade it if he can get a plausible excuse without in any way offending us."[56] Princely support was fickle, limited in scope, and always pursued as part of a broader appeal to European and American bankers.

The Syndicate's efforts came to a dead end in the wake of a global financial crisis in 1907, at the same time as TISCO decisively turned to the Bombay market. Tata Sons learned that "owing to the financial trouble in America, our [Hydro] scheme cannot be financed" abroad. As

[54] TCA, FP-41, J. N. Tata to Richmond Ritchie, Secretary to Lord George Hamilton, 10 May 1901.

[55] TCA, T53-DES-T20-IMPORTANT-EXTRACTS-DHARAVI-1, C.F. De Nordwall to B.J. Padshah, 1 December 1904; T.O. Gallender to J.W. Brown, 1 December 1904; Proceedings at a meeting held on 19th June 1905 to consider arrangements regarding the West of India power undertaking.

[56] TCA, T53-DES-T20-IMPORTANT-EXTRACTS-DHARAVI-2, Edward Miller to D.J. Tata, 24 July 1905; FP B.J. Padshah Correspondence, R.D. Tata to B.J. Padshah, 27 July 1905.

had been the case with TISCO, "negotiations in the one country would necessarily interfere with the negotiations in the other."[57] The Tata Hydro-Electric Company was thus floated with exclusively Indian capital. Its shareholder profile resembled that of TISCO, boasting an impressive roll call of Indian princes. The list of subscriptions included "40 lacs of rupees from Gwalior; 10 lacs from Baroda; 12 lacs from Mysore…and 20 lacs from Bhavnagar."[58] Dorabji Tata later recalled that the princes had come forward as a result of an appeal by the Governor of Bombay, George Clarke, who told Dorabji that "he knew what London City financiers were and wished we could raise the money in India." This allowed the Tatas to finally get "out of the hands of the London Syndicate." Clarke publicly said that "it was a pity Indian investors did not do their best to help a really Swadeshi Scheme," and then personally solicited the help of the princes. As Dorabji saw it, the company's "flotation was assured chiefly through the interest the Governor took in it." From the perspective of the colonial state, the princes' involvement was a political boon "because it proved to the world that they were loyal and believed in the stability of the British Government."[59]

The profound undercurrent of antipathy between the colonial state and metropolitan finance was here again in evidence. Officials' priorities had begun to shift, at the very least toward a political use of *swadeshi* rhetoric against the nationalist movement. Princely states, whose untapped financial reserves offered an escape valve to beleaguered Indian capitalists, were made part of a shared project of building up indigenous industry. But none of this would have been possible without the failure of the steel and hydroelectric propositions to secure

[57] TCA, T53-DES-T20-IMPORTANT-EXTRACTS-DHARAVI-2, Tata Sons & Co. to Bombay Hydro-Electric Syndicate, London, 25 October 1907; Bombay Hydro-Electric Syndicate to Tata Sons & Co., 10 January 1908.

[58] TCA, T53-DES-T20-IMPORTANT-EXTRACTS-DHARAVI-2, Sakhawat Hussain, P.S. to the Ruler of Bhopal, to Tata Sons & Co., 4 October 1910.

[59] TCA, T30/DES History Project 1, D.J. Tata to Lalubhai (Samaldas), (5?) July 1925.

financial backing from London and New York, a failure largely extrinsic to the Tatas' own plans and to changes in colonial state policy.

"AS THE ROMANS DID"

Jamsetji Tata died in 1904, before he could witness his twin dreams come to life. Upon the patriarch's death, his sons Dorabji and Ratanji and cousin R.D. were faced with a series of momentous decisions about how best to alter the organization of the firm, whose branches now extended far beyond a cluster of textile mills. In family and business matters alike, their guide was B.J. Padshah, Jamsetji's right-hand man and trusted adviser. Padshah was a brilliant polymath, an ex-College Vice Principal who dabbled in mathematics and Theosophy.[60] The firm was caught between Dorabji Tata's conservatism and aversion to risk and R.D. Tata's ambitious commercial schemes, with Padshah as the mediating force. It was at once a conflict over scale, scope and territorial aspirations. With Tata & Sons about to commit to managing pioneering industrial enterprises in the heart of India, connections with global markets had to be nurtured and sustained. How could this be accomplished without endangering the Bombay firm's reputation and credit? Tata had kept its distance from the "speculation mania in which Parsis and Gujaratis were deeply involved."[61] However, speculative activity persisted in the shadow of multiple financial crises.

Fierce disagreements about the distribution of shares in TISCO threatened to tear apart the family. The three partners, particularly Dorabji and R.D., also clashed on the question of who should obtain the new company's selling agency at Calcutta. R.D. argued there was "no other

[60] TCA, T53-DES-TATA INDUSTRIAL BANK LTD-1, TISCO's Brief Resume of Mr. Burjorji Padshah's Career.

[61] Sen, *House of Tata,* 139-40.

way out of the difficulty than by Tata & Co. taking up the agency." Dorabji believed that the firm was overextended, and did not see Tata & Co.'s involvement as the solution.[62] Padshah informed R.D. that "the general policy is one of curtailment in all departments… wherever possible & that on the chief ground that the brothers wish to feel that they are not burdened with too much responsibility." Further expansion would require a reorganization of the firm, and here Padshah proposed a radical solution:

> Tata & Sons live on Mill commissions; there is not much room for new partners there; I, therefore, revert to an idea which I have encountered in several minds since the death of Jamshedji – the amalgamation of Tata & Co. & Tata & Sons, under the style of Tata, Sons & Co. (The word Sons will largely add to the goodwill of the firm. The Marwaree seems an incongruous element in such a firm).[63]

It is telling that Tata & Co.'s Marwari agents, who had played such a vital role in the China trade, would be excluded on the grounds of respectability. Padshah's proposal rested on the three partners having equal shares in the new firm. Even though Dorabji and Ratanji "will bring into the firm bigger credit than you, and bring in the large profits of mill agencies entirely due to the brothers' shareholdings, you will be bringing in the great agency business of Tata & Co. including the new schemes" then underway.[64]

For the arrangement to work, Padshah had to dampen R.D.'s enthusiasm for continual diversification, which was sure to bring ruin on both firms: "YOU are extending everywhere and starting but on new lines everywhere, and your assets have no liquidity." R.D.'s plans for new mills, housing projects, and mines in India and Singapore were commercially promising, Padshah believed, but fraught with uncertainty. His advice to R.D. rang with the sonorous echo of history, as might have been expected from a former schoolmaster:

---

[62] TCA, FP, D.J. Tata Correspondence, D.J. Tata to B.J. Padshah, 11 August 1905.

[63] TCA, FP, B.J. Padshah Correspondence, B.J. Padshah to R.D. Tata, 21 June 1906.

[64] TCA, T30/DES History Project 2, B.J. Padshah to R.D. Tata, 24 August 1906.

> There have been Empires and Empires, the Romans built slow, but firmly planted their foot on all the ground they acquired. The Arabs rode through huge realms on the whirlwind and the storm and when they were barred by ocean or mountain range, they found that the conquered peoples had already risen in their rear. Plant your industrial Empire with the organising precision of the Roman, and not with the fever of the Arab.[65]

For Padshah, the Tatas' future would be secured by treading carefully between unbridled expansion, championed by R.D., and Dorabji's instinct for retrenchment. This required the constant management of family conflicts.

Historians have been divided on the question of whether Tata Sons as a managing agency was "strictly 'non-family,'" with ownership clearly divorced from control, or whether it exhibited a "concentration of control in the hands of members of the Tata family."[66] What Padshah understood, particularly in urging R.D. to purge Tata & Co. of its Marwari elements, was the ultimate importance of trust and reputation. As Tirthankar Roy reminds us, in Indian business communities capital "chased individual family names."[67] To place the firm on a sound footing, the Tata name had to remain unblemished, no matter the changes in personnel taking place at the lower levels of the firm.

The most concrete result of the exchanges between R.D. and Padshah was the establishment of a new company in 1907. Headquartered in London, Tata Limited was to be simultaneously a trading firm, conducting independent transactions in jute and pearls; the main selling agency for the Tata mills' cotton in Europe; and an organization that could assist in procuring machinery, technical expertise and market information for TISCO.[68] It would also perform the role of London bankers for the Swadeshi Mills, remitting profits on cotton shipments

---

[65] Ibid.

[66] Markovits, "The Tata Paradox," 155; Sen, *House of Tata,* 84-85.

[67] Roy, *Company of Kinsmen,* 120.

[68] TCA, Box 539, T53/PRD/Old Records/Misc/8, B.J. Padshah to R.D. Tata, 15 March 1907.

to the Levant, Egypt and Europe hitherto routed through third parties such as the Ottoman Bank at Istanbul, the Imperial Ottoman Bank at Smyrna, the Banque d'Orient, and the Crédit Lyonnais.[69] The new firm thus built on existing contacts and access to markets, without introducing any significant organizational innovations. Operating on a greater scale than Tata & Co. in China and Japan, Tata Limited was more vulnerable to speculation, and its managers on the spot far more difficult to control.

Dorabji Tata looked askance at these developments. His and Padshah's warnings to R.D. proved well founded, with the specter of bankruptcy and ruin looming over Parsi merchants and British managing agencies alike. Tata & Co. had suffered heavy losses in the pearl and rubber trade, and was only kept afloat through Dorabji and Ratanji's help. In 1913, Dorabji wrote to R.D. that the Bombay office was desperately trying to "keep the fact of your position from the knowledge of all and sundry." The brothers "always live in dread lest speculation or incapacity or mistakes on the part of a partner or agent might land us into trouble and disgrace" like so many others around them.[70] This was not the last time that the family's "commercial morality" was severely tested and found wanting. The wide mandate of Tata & Co. and Tata Limited to trade independently would come back to haunt the Bombay firm.

BOOM AND BUST

On the surface, the outbreak of the First World War was a godsend for TISCO. Its entire output was placed at the disposal of the imperial government, which allocated steel for rails on the basis of need and the condition of oceanic communications. For example, the Army Council

[69] TSA, File No. 93 (i), Agents (Tata Sons), Bombay, to Tata Limited, London, 27 June 1907.

[70] TCA, FP, D.J. Tata Correspondence, D.J. Tata to R.D. Tata, 5 November 1913.

in London decided in 1916 that "an additional 26 miles of track will be required for Egypt coming in priority after the first 20 miles for Mesopotamia." Rails could only be supplied to Egypt from India, given the risk of interception by German submarines if diverted to France.[71] TISCO's contribution to the war effort earned it enormous goodwill in official circles. Victory in Mesopotamia, the Viceroy declared, would not have been possible without the company's assistance. The Tatas played their part "as skilled negotiators and enthusiastic collaborators with the Government of India in their military plans."[72]

Aiding the war effort promised to bring commercial opportunities to TISCO during peacetime. As part of the proposals for extending the works, the company offered to build a benzol (motor fuel) distillation plant for the government's Explosives Department. Since "the whole question of the establishment of a Military Arsenal for India" was likely to be left unresolved until the end of the war, TISCO anticipated slow but steady progress in industrial policy.[73] Other Tata companies were also poised to reap the rewards. The Ministry of Munitions approached Tata Limited to inquire about the manufacture of anti-gas respirators from coconut shell charcoal, to be undertaken by the newly opened Tata Oil Mills in Cochin, Kerala. The Director of the Geological Survey reached out to the Tata Hydro-Electric Company regarding the possibility of supplying electric power for aluminum production.[74]

Yet the Tatas were never mere profiteers, and their relationship with the colonial

---

[71] TNA, MUN 4/512, B.B. Cubbitt, War Office, to India Office, 20 December 1916; H.O. Manse, Brig.-Gen., to Sir E. Moir, 30 December 1916.

[72] Bagchi, *Private Investment in India,* 303-06; Markovits, *Indian Business and Nationalist Politcs,* 11-12.

[73] TSA, Box 45, File No. 2, H. Treble to A.J. Bilimoria, 6 January 1916.

[74] NAI, Indian Munitions Board (Chemicals & Minerals), A Proceedings, Nos. 1-86 (July 1919), File No. M.-375, C.A. Innes, Controller of Munitions, Madras, to R.D. Bell, Controller of Industrial Intelligence, 28 June1918; TCA, T53-DES-T20-BO-2, Tata Hydro-Electric Power Company Board Meeting No. 120, 28 October 1915.

government remained fraught. With the entry of the United States into the war and the mobilization of additional resources across the Atlantic, shipments of machinery to TISCO "as a war measure could not be placed in the first rank of urgency." As Chairman Dorabji Tata put it before the General Meeting of TISCO in October 1917: "the war has taught us all a great and terrible lesson. It brought home to us our utter helplessness and dependence on foreign machinery and foreign goods."[75] In an attempt to encourage the formulation of a coordinated industrial policy that would tilt the scales in favor of manufacturing in India and away from the prevailing doctrine of free trade, Dorabji Tata agreed to serve on the Industrial Commission appointed by the government in 1916 to investigate India's wartime production capacity.

At the same time, the Tatas were not averse to calling upon the principles of free trade to protest against restrictions on the purchase of equipment and the employment of personnel. A frustrated Padshah wrote to the London offices of Tata Limited in 1916, warning that "if the Board of Trade are very anxious to keep up its export and prohibit at the same time the export of machinery…they must not complain if we go to America, as an alternative."[76] At Padshah's urging, the Tata Hydro-Electric Company granted "a definite percentage of their total electrical business" to the U.S.-based General Electric Company, since they are "up to date beyond any other" competitor.[77] The Government of India demanded that only purchases made from firms

[75] TCA, T53-DES-T34-MINUTES-2, TISCO Board Meetings, 18 October 1917, 15 August 191(8?), 7 November 1918.

[76] TSA, Box 45, File No. 2, Padshah to Treble, 15 May 1916.

[77] TSA, File No. 601(iii), General Electric Company (1916-1925), Arrangement made with the General Electric Company in 1916, 17 May 1922. British manufacturers had no experience with the high voltage required for the transmission of electricity from the Ghats to Bombay (110,000 Volts over 60 miles). Even so, the policy of Tata Hydro "favored Great Britain so far as circumstances could permit," as 66% of their orders were placed within the Empire. To mitigate official criticism, orders were placed through G.E.'s British subsidiary, the Thomson Houston Company. Maharashtra State Archives, Mumbai (hereafter MSA), Revenue No. 625, Pt. III (1919), Tata Sons to A.F.L. Brayne, Under Secretary to the Government of Bombay, Revenue Department, 27 September 1918; Tata Sons to P.J. Mead, Chief Secretary to the Government of Bombay, 23 May 1919.

within the British Empire be used for the construction of the second hydro-electric plant in the Andhra Valley in 1919, as a condition for approving the land acquisition agreement.[78] The British Trade Commissioner lobbied the Bombay Government in support of the restriction, stating that he had been "very much impressed by the absence of British Machinery" in use at Tata Hydro, likely at the behest of American engineers.[79] The Tatas rejected the clause as "a negation of the present free trade and fiscal policy of the British Empire," claiming that questions of imperial policy could only be determined after the war.[80] American connections proved useful to the Tatas for more than technical reasons, serving as a lifeline against the government's reluctance to definitively commit to a new industrial policy.

The end of the First World War marked the arrival of the Industrial Commission's report, which made for pleasant reading in Bombay. The lessons of the war had apparently been learned: "India must become the arsenal of the East. For military reasons, consequently, an industrial revolution is necessary; and not only necessary but urgently necessary." A coordinated, centralized government push to encourage domestic manufacturing was now inevitable. "The old *laissez-faire* doctrine is as dead as Queen Anne," wrote one official.[81] Such confident assertions masked the continuation of "fundamental disagreements" over what the new policy would entail: whether large or small-scale industries would be supported, and whether financial control would be devolved from London to Delhi. The Commission's report, as Partha Sarathi Gupta has noted,

[78] MSA, Revenue No. 625, Pt. I (1919), Copy of a D.O. letter dated 16th June 1919 from J.W. Meares, Chief Engineer, Hydro-Electric Survey of India, to W.J.J. Howley, Chief Engineer, Public Works (Irrigation) Department, Madras Presidency; TCA, T53-DES-T20-TP-BO-1, Tata Power Co. Board Meeting No. 11, 19 November 1920.

[79] MSA, Revenue No. 625, Pt. II (1919), Thomas M. Ainscough, Trade Commissioner, to George Carmichael, Member of Council of the Governor of Bombay, 18 July 1918.

[80] MSA, Revenue No. 625, Pt. III (1919), Tata Sons to A.F.L. Brayne, 27 September 1918; Tata Sons to P.J. Mead, 23 May 1919.

[81] NAI, Commerce & Industry (Industries), A Proceedings, Nos. 7-22 (July 1919), Note by A.H. Ley on the recommendations of the Indian Industrial Commission, 18 September 1918.

deliberately excluded fiscal questions. The point was not lost on its chief critic, the nationalist leader Pandit Madan Mohan Malaviya, who submitted a bristling minute of dissent. The imperial "subsystem" of British expatriate businessmen and civil servants intent on preserving the "home charges" that sustained imperial rule in India would, in time, doom the experiment.[82]

The government's new industrial policy may have been a failure, reduced to the rump of providing favorable tariffs to a select few industries (among them iron and steel).[83] But the limited introduction of "discriminating protection" or "modified free trade" gave a fillip to Indian industrialists' plans for expansion, particularly in the interior of India. As British economist H.S. Jevons succinctly put it: "India cannot afford to be for ever dependent on a culture developed in great seaport cities. There is a want of balance."[84] With their interests anchored in steel and hydro-electricity, Tata stood to benefit from protection and government encouragement of industries, limited as it was, more than any other firm.

The year 1918 caught B.J. Padshah in a buoyant mood, even as he found himself marginalized by Dorabji from the decision-making process in Bombay. Writing from the offices of Tata Limited in London, Padshah put forward a comprehensive plan of expansion and consolidation in all branches of the firm, bridging *swadeshi* nationalism and mercantile internationalism:

---

[82] Clive Dewey, "The Government of India's 'New Industrial Policy,' 1900-1925: Formation and Failure," in *Economy and Society: Essays in Indian Economic and Social History*, ed. K.N. Chaudhuri and Clive Dewey (Delhi: Oxford University Press, 1979), 216-17, 221-31; Partha Sarathi Gupta, "State and Business in India in the Age of Discriminatory Protection, 1916-1939," in *Power, Politics and the People: Studies in British Imperialism and Indian Nationalism*, ed. Sabayasachi Bhattacharya (London: Anthem Press, 2002), 114-15, 126-27; Gordon, *Businessmen and Politics,* 23-25.

[83] Dewey, "The Government of India's 'New Industrial Policy,'" 217; Markovits, *Indian Business and Nationalist Politics,* 11-12.

[84] Herbert Stanley Jevons to Alfred Marshall, 15 February 1923, in *The Correspondence of Alfred Marshall, Economist, Volume Three: Towards the Close, 1903-1924*, ed. John K. Whitaker (Cambridge: Cambridge University Press, 1996), 282-83.

> If the Tata firm become an organ of public service widely recognized, if the Tata firm include more & other than Tatas, if the Tata interests include so many ordinarily conflicting businesses, that a parallelism between Tata interests & the interests of the general public cannot be avoided, if Tata finance be the finance of a large wealthy & able group (preferably international), what is there to fear?

Padshah suggested entering a range of "fascinating business," such as "Hydro, Jute Mill, Cotton seed, Jherriah Electric, Low Temperature Carbonisation, Aerial transport." Dorabji was "afraid of possible disasters" and continued to insist that "there must be some limit to extensions." But Padshah was convinced that expansion could be achieved systematically, reiterating his old advice to R.D.: "my proposition is to do it with alert intelligence as the Romans did by securing each inch of ground won. They, the Romans, planted Colonies; I ask you to plant subsidiaries."[85]

Many of these schemes grew directly out of the Tatas' wartime tenders, bolstered by the Industrial Commission's report. An electrochemical industry in the Koyna Valley, generating power for aluminum and nitrogen production, was "being pushed forward with all possible speed." The idea was originally supported by the Munitions Department for reasons of imperial security.[86] Two additional hydro-electric power companies, in the Andhra and Mulshi Valleys in the Western Ghats, were also underway by the end of 1919.

The key to the success of Tatas' postwar expansion, as before, was to find a robust method of financing. At the end of the war, Padshah promoted the creation of the Tata Industrial Bank for the purpose. Inspired by similar institutions in Germany and Japan, the bank's "special business and object will be to finance and assist the development of existing and new industries." It would also strengthen the Tatas' "direct connection with the London Money Market, and be

[85] TCA, FP, B.J. Padshah Correspondence, B.J. Padshah to R.D. Tata, 23 July 1918.

[86] TNA, DSIR 37/193, Tata Limited to The Controller of Munitions Inventions, 26 August 1919; Tata Limited to Dr. J.A. Harker, 27 April 1920; MSA, Revenue No. 625, Pt. II (1919), A.J. Bilimoria to Revenue Department, Bombay, 10 April 1919.

able to tap its vast resources."[87] Unlike R.D.'s preference for speculations in commodities such as pearls, rubber, and tin, Padshah envisioned the Bank's investments in essential infrastructure as serving a broadly developmental objective. Entry into numerous and varied sectors, including wool and silk mills, hydro-electricity, aluminum and cement manufacture, irrigation, land reclamation, railways and tramways, and more, was justified by the opening up of new markets in India's agrarian interior: "Urbanization of rural localities will bring urban civilization into villages – electric power and light and transport, roads, motor lorries, schools, hospitals, well-built cottages, stores and thus breathe new life into villages."[88]

Padshah's vision was not as autarkic as it might initially appear; the needs of finance consistently demanded recourse to far-flung markets and networks only tenuously connected to the rural hinterland. The branches of the Tata Industrial Bank extended from the great financial centers of London, Bombay, and Calcutta to inland entrepôts (Kanpur and Hyderabad) and the outer reaches of India's sphere of economic influence (Rangoon and Basra).[89] Any account of industrialization within the boundaries of the future Indian nation-state space is incomplete without attention to the obscure financial realm that could both underwrite and undermine the growth of *swadeshi* enterprise.

One of the key objectives of the Bank was to bridge the gap between the financial connections nurtured by Tata Limited in London and the interests of Tata & Sons in Bombay. For example, investment by Tata Limited in a Dyes Company was not only "very remunerative

[87] TCA, T30/DES History Project 2, Extract from a Circular (Private and Confidential for Friends Only) dated 5 November 1917, regarding the proposed Industrial Bank, issued by Tata Sons & Co.

[88] TCA, T30/DES History Project 1, B.J. Padshah to R. Tilden Smith, 3 September 1920.

[89] TNA, BT 58/80/COS/9684, Tata Industrial Bank Ltd. (Companies particulars as to Directors of 1917), 12 August 1921; NAI, Foreign & Political (Secret-War), Nos. 376-381 (January 1920), Notes re: Letter from the Tata Industrial Bank, Limited, Bombay, dated the 11th October 1919, and Telegram from Secretary of State for India, dated the 27th November (received 2nd December) 1919.

in itself," but would also help TISCO "with inside knowledge about dyes manufacture at Sakchi [Jamshedpur], a project which the Directors of the Steel Company have been anxious to bring into existence." This, in turn, neatly aligned with "the interest of the Industrial Bank in the finance of the new industry."[90] The main criticisms lodged against the Bank by shareholders were that the ventures it supported were almost exclusively Tata-related, rather than contributing widely to the growth of new industries, and that it did not employ enough Indian branch managers.[91] The incursion of formal banking, backed by Bombay industrialists such as the Tatas, on the traditional *shroffs* and moneylenders also provoked widespread resentment.[92] In 1924, "certain interested parties, whilst posing as friends of the Tatas," engineered the amalgamation of the bank with the Central Bank of India, thus putting an end to "an Institution which was the pride of the House of Tata."[93]

The swift downfall of the Tata Industrial Bank did not take place in a vacuum. It was one act of a larger drama, as a slump in the fortunes of Bombay industry in the early 1920s brought the entire firm to the brink of ruin. Most of Padshah's schemes were left unrealized, including the Koyna electrochemical project and the dyes factory at Jamshedpur. In retrospect, as a company insider later recalled, it was all for the best: "Thank God, Tatas did not touch any of these projects otherwise…the result would have been disastrous when bad times came."[94] Tata

[90] TCA, T53-DES-T71-BO-1, Minutes of the Meetings of the Board of Directors, Tata Limited, 11 December 1917. This investment was apparently made at Padshah's instance, without the consent of the Bombay office. T53-DES-T71-1, File No.374, Proposed reconstruction of Tata Ltd., London (Shares), Notes on Tata Limited, 9 January 1940.

[91] TCA, T53-DES-TATA INDUSTRIAL BANK LTD-2, Notes on Tata Industrial Bank, n.d.

[92] Gordon, *Businessmen and Politics,* 85-86, 109.

[93] TCA, T53/PRD/Old Records/Mis.4, Speech by R.D. Lam at farewell function, Taj Mahal Hotel, 27 March 1946.

[94] Ibid. Adam Tooze has described the global deflationary crisis of 1920-21, which began in Japan, as "probably the most underrated event in twentieth-century world history." See Adam Tooze, *The Deluge: The Great War, America and the Remaking of the Global Order, 1916-1931* (New York: Viking, 2014), 353-62. On the effects of this crisis

Limited was especially hard hit. The firm had continued to participate in the jute and pearl trades as a way of supplementing its income beyond contracting fees for services rendered to the other Tata companies.[95] The consequences were disastrous. In 1921, the global jute market collapsed, forcing Tata Limited to call up its remaining capital and shift key assets to Tata & Sons in Bombay.[96] Shortly thereafter, "serious irregularities" in cotton transactions came to light. The Managing Director, H.F. Treble, had kept Tata Limited's dealings in cotton "concealed from Bombay and camouflaged in the Balance-Sheets…because his own personal transactions had been irregularly financed through the firm." Treble had then deliberately destroyed the records of these transactions to cover his tracks.[97] Once again, speculation and fraud on the trading side threatened the financial respectability of the parent firm in Bombay.

Tata Limited was doomed to failure by more than just the vicissitudes of markets. It had been forced to operate under the untenable contradiction of being legally distinct from Tata & Sons, while almost wholly dependent on revenue from agency commissions. The decision to open a separate English firm rather than a branch of the Bombay office was taken because "the partners did not desire to run any risk of rendering themselves liable for assessment on any part of their respective Bombay profits" by the English income tax authorities. Tata Limited was therefore advised "to conduct the business of the company as not to present any appearance of an agency for the Bombay firm," and to ensure that its correspondence with Bombay reflected this

---

on the Bombay share market beyond the Tatas' experience, see Markovits, *Indian Business and Nationalist Politics,* 12; Gordon, *Businessmen and Politics,* 176-77.

[95] TCA, T53-DES-T71-BO-1-038, Minutes of the Meetings of the Board of Directors, Tata Limited, 15 March 1916 and 31 October 1919.

[96] TCA, T53-DES-T71-1, H. Treble to B.F. Madon, 29 December 1921.

[97] TCA, T53-DES-T71-1, N.M. Muzumdar to Nowroji Saklatvala, 17 December 1924; "Cotton Transactions – Memorandum by Mr. Muzumdar," 3 January 1925.

fiction.[98] All of Tata Limited's paid-up share capital was provided by Tata & Sons. In times of need, the Directors in Bombay refused to distribute new shares, deciding instead that "the whole of the capital, in whichever form, should remain in the hands of Tata Sons Ltd."[99]

As losses mounted, and "with the stoppage of all trading business," Tata Limited was "necessarily confined to such business as may be placed by the Companies associated with Tata Sons Ltd." Its autonomy therefore relied on adequate remuneration from the various Tata companies it served, which was not forthcoming. The Tata Hydro-Electric Companies, for example, refused to pay commission for transactions in debentures and securities on the London money market. Tata Limited also had to face pervasive information asymmetries. TISCO's newly formed Sales Department in Calcutta left the London firm "entirely at sea as to their requirements, method or policy" regarding the sale of pig iron in Europe.[100] Paying full commission would have been the safest way to avoid raising the revenue authorities' suspicion about the status of Tata Limited as a branch office. But the slump had tightened the purse strings in Bombay, and the Tata companies were experimenting with different organizational solutions to distribute their products. The 1920s heralded the final stage of the shift away from a reliance on mercantile activities outside India, as well as the first step towards a new strategy of internal market capture.

[98] TCA, T53-DES-T71-1, Tata Sons & Co., Case for the Opinion of Counsel, 1 January 1917. The 1886 Income Tax Act "called for taxation of *all profits* made in British India, without regard to the territorial origin of the earner," thus delineating "a market arena distinct from traditional territorial boundaries." Birla, *Stages of Capital,* 56-57.

[99] TCA, T53-DES-T71-1, File No.374, Proposed reconstruction of Tata Ltd., London (Shares).

[100] Ibid.

THE DIFFICULTY OF BEING *SWADESHI*

In April 1920, the *Bombay Chronicle* published "The House of Tatas: Its Future and India's Prosperity," a damning exposé doubling as a retrospective history, subtitled "A Danger to Jamshedji's Life-Work." The author was an anonymous "Friend of the Family," who claimed special knowledge of the inner workings of Bombay House headquarters. At first, the article began, Tata enjoyed "no special place of honour" among Indian business houses, and made "no outstanding claim on the community." Jamsetji's painstaking efforts had raised the House of Tata to a position of unchallenged pre-eminence; its story was "a romance of modern India." At the time of writing, Tatas' financial interests were "bigger than those of any State and in a couple of years they will be as big as the budget figures of a great Presidency." But after Jamsetji's death, his successors threatened this illustrious legacy. Whereas Jamsetji "was like an old English squire on whom every member of the household looked" with respect, his son Dorabji lived an exclusive, aristocratic life "out of touch with the live organisations of his manifold activities." R.D. Tata, in many ways the driving force of the Tatas at this time, was "a French subject and married to a French lady, with interests in France," so "consequently we do not look upon him to maintain any National sentiments connected with the House."

The anonymous author reserved his greatest scorn for B.J. Padshah, "a dictatorial professor" who "professes a deep national life, but in practice has little faith in the capacity of Indians for any responsible positions." Held responsible for "the whole policy of the past few years of the House, in regard to the employment of men to responsible posts," Padshah was accused on believing "that the white-skinned blonde is a better man to control our destinies than a dusky Indian." This was all in contrast to Jamsetji, who had kept foreigners "at arm's length." How sincere, then, was the Tatas' *swadeshi* appeal to national sentiments? The article concluded

by recommending the creation of "a great Indian Industrial Tata Service" as "the bulwark against foreign industrial invasions."[101]

This extraordinary, unprecedented criticism made waves in the Bombay press. An anonymous letter to the editor rejected the charge of "nervous veneration for the 'white-skinned blonde'" leveled against Padshah, claiming he was "an embodiment of the best of our national aspirations." If Tatas resorted to the employment of foreigners in management positions, this was because "'in highly technical services, we have still to depend on expert knowledge."[102] In the fervent political atmosphere of Gandhi's Non-cooperation Movement, the Tatas found themselves repeatedly on the defensive regarding the question of foreign personnel.

The Tata Industrial Bank and TISCO were on the frontlines of the battle over Indianization between restive shareholders and management. At one of the "stormy" annual meetings of the Bank, Dorabji Tata angrily "put it to the critics whether they would prefer not to have an industry at all or have an industry with the aid of foreign technicians."[103] The lack of progress in training of Indian superior staff at Jamshedpur was particularly evident. In 1921, the Jamshedpur Technical Institute opened with much fanfare, promising the cultivation of Indian talent along the lines of the Tatas' successful apprenticeship scheme at the Empress Mills in Nagpur.[104] By the middle of the decade, the proportion of Europeans to Indians in the

---

[101] TCA, FP-NO-029B-JNT-RDT-OBITUARY-1920-04-12-PG-01, "The House of Tatas: Its Future and India's Prosperity, A Danger to Jamshedji's Life-Work," *The Bombay Chronicle,* 12 April 1920. The Tata Administrative Services, fulfilling the lofty goal of training expert cadres for national and industrial service, only came into existence long after independence (see chapter 5).

[102] TCA, FP-NO-029A-PART1-JNT-RDT-OBITUARY, "The Tatas and Mr. Padshah," letter to the editor of the *Bombay Chronicle,* 16 April 1920.

[103] TCA, T53-DES-TATA INDUSTRIAL BANK LTD-2, Notes on Tata Industrial Bank, n.d.

[104] TCA, T53-DES-T34-MINUTES-03, TISCO Board Meeting, 3 January 1919; TISCO General Meeting No. 14, 9 June 1921. In time, the Jamshedpur Technical Institute would prove successful in partially Indianizing the steel works, replacing around half of covenanted (foreign) staff between 1926 and 1933 and leading to a 50% reduction in

Jamshedpur works was only one-third of what it had been at the start. But management acknowledged that the Technical Institute was "gradually drifting away from the main object," only turning out men up to the rank of foreman.[105] In a letter to the nationalist labor leader Subhas Chandra Bose in 1928, TISCO Chairman N.B. Saklatvala admitted that "some of our top Indians have let us down," blaming "clannishness" for the prevalence of "superfluous men of their own caste or nationality" among Indian staff.[106] At the highest levels of the firm, financial considerations pushed the Tatas further away from their *swadeshi* ideals. Not only were they seen as laggards in Indianization, but also as actively selling off what had become effectively national assets.

A few months after the "House of Tata" article, the *Bombay Chronicle* published a short follow-up entitled "A Tata Contract," charging TISCO with having agreed to supply the total output of its new bar mill to the Truscon Steel Company (based in Youngstown, Ohio) for the manufacture of reinforced concrete buildings. This monopoly would "spell a great disaster to the economic interests of the country, throwing Indian industries at the mercy of a foreign firm." TISCO's American consulting engineer, S.M. Marshall, was blamed for the decision. The agreement with Truscon fell through within two years due to the American firm's second thoughts of entering the Indian market in the face of Belgian competition.[107] TISCO was willing

---

wage expenditure. The curriculum of the JTI also allowed for "continuity in work culture" by preserving the emphasis on "practical experience, physical fitness and presence of mind on the shop floor" cultivated by the first generation of American, British, and German engineers. See Aparajith Ramnath, "Engineers in India: Industrialisation, Indianisation and the State, 1900-47" (PhD diss., Imperial College London, 2012), 165-67, 195-96.

[105] TSA, Box 54, File No. A-53, "Notes on Substitution of European by Indian Labour," 20 January 1925; TCA T53-DES-T34-MINUTES-06, TISCO Board Meeting, 6 January 1928.

[106] TCA, T53-DES-T34-MINUTES-07, Subhas Chandra Bose to N.B. Saklatvala, 12 November 1928; Saklatvala to Bose, 20 November 1928.

[107] TSA, File No. 601(vii), Agreement between Tisco and Tuscon Steel Co. (1920-1922), John Peterson to S.M. Marshall, 13 October 1920; "A Tata Contract," *Bombay Chronicle,* 16 October 1920.

to take the risk in the first place because its financial position was rapidly deteriorating, and there were few viable options for disposing of surplus product. In a memorandum to the Government of India in 1923, TISCO declared it was "now in danger of being extinguished for want of working capital."[108]

That same year, the Tata Power Company reported that its shareholders had begun to default, and requested a £1,000,000 guarantee under the Trade Facilities Act on purchases of plant and machinery. It was hoped that English engineering firms could be induced to step in and seize the opportunity to "obtain a footing" in the industry.[109] But support in London was lukewarm, due to continuing apprehensions of American involvement in the Tata companies, as well as to the prevailing "intense anti-English feeling of the Parsee section of the community" in Bombay.[110] By 1925 "it has been found impossible to raise money for the Tata Power Company" in London.[111] Whereas TISCO was rescued by the grant of preferential tariffs, the future of the hydroelectric companies was clouded with uncertainty.

The crisis faced by the steel and hydroelectric companies in the mid-1920s had much in common with their original difficulties in financing, but this time neither the Government of India (with the singular exception of the 1924 steel tariff) nor the princely states came to their aid. The only way out was to appeal once more to American capital, now poised to enter India in a far more sustained manner. In 1925, the three hydro-electric companies, whose finances were

[108] TCA, T53-DES-T34-MINUTES-04, TISCO Memorandum to the Government of India, 13 October 1923.

[109] TCA, T53-DES-T20-TP-BO-1, Tata Power Board Meeting No. 35, 21 February 1953; TNA T 190/248, The Power and Traction Finance Company, Limited to The Secretary, 23 October 1922; Merz and McLellan, Consulting Engineers, to W.J. Sainsbury, Trade Facilities Act Advisory Committee, 27 October 1922.

[110] TNA, T 190/248, Allan M. Smith, Broadway House, to Laning Worthington Evans, General Post Office, 9 November 1923; T 190/249, Ref. No. 784A, 23 September 1924.

[111] TNA, T 190/249, Forbes Forbes Campbell & Co. to The Secretary, Treasury, Whitehall, 8 October 1925.

in varying shape, were amalgamated into what the Tatas hoped to sell as "one of the safest investments in the world."[112] TISCO's expert consultant in New York, Charles P. Perin, opened negotiations with the Electric Bond & Share Company (a holding company of General Electric) for the transfer of the agency of the amalgamated hydro companies. The Americans suggested forming a new entity, "Tata Super Power Ltd.," which would undertake all further expansions such as "developing a large steam plant on the Jherria Coal Fields or in that neighbourhood, and running a line to Jamshedpur and to Calcutta" to supply the jute mills and reduce dependence on coal.[113] The proposal thus aimed to strengthen the connections between different Tata concerns, extending hydroelectricity generation along pre-existing industrial corridors in order to serve the resource needs of the steel company in Jamshedpur. Unlike Padshah's postwar vision of integrated internal development of the Indian economy, the new venture would be under the control of a foreign concern – raising alarm both among colonial officials and Indian nationalists.

Rather than standing for *swadeshi,* it appeared to outside observers that the Tatas facilitated creeping Americanization. Rumors abounded that Dorabji Tata was contemplating selling the TISCO agency to an American group, either General Electric or U.S. Steel.[114] Bombay House was riven with infighting over the impending hydro agreement. R.D. Tata's son, J.R.D., "was most strongly against selling and stated that his father would never have agreed to parting with the hydro agencies." Lady Tata, Ratanji's widow, confronted Perin: "'I used to think you were a friend of the family – I now look upon you as our worst enemy.' I laughed and said, 'What have I done now?' and her reply was, 'Trying to introduce foreign capital and eliminate

[112] TCA, T30/DES History Project 1, John Peterson to R. Tilden Smith (1925).

[113] TCA, T53-DES-T20-TATA-HYDRO-ELECTRIC-COR-1, C.P. Perin to N. B. Saklatvala and J. D. Ghandy, 21 June 1927.

[114] Bahl, *Making of India's Working Class,* 172-73.

the Tatas.'"[115] By 1929, young J.R.D. had come around and all the Directors were "of one mind." The agreement stipulated a majority share be given to the American consortium in exchange of Rs. 37 lakhs, with the power to appoint four Directors (two American and two Indian, for "the necessary local colour"). Effective control over the hydro companies passed out of the hands of Tata Sons until 1951.[116]

The agreement was met with considerable hostility in the press. Prominent Board member Purshotamdas Thakurdas, who kept close to the Congress Party, warned that "the introduction of Americans in the Agency with favour…would militate a lot against the house of Tatas which was so far considered to be a national house." The Bombay Municipal Corporation promptly passed a resolution condemning the agreement.[117] Despite a lack of consensus within the nationalist movement on the question of foreign capital, there was a clear difference between technical collaboration (begrudgingly tolerated at TISCO on the grounds of the complexity of the industry) and outright managerial control. Congress leaders and a faction of the Indian business community, clustered around G.D. Birla in Calcutta and Thakurdas in Bombay, were on their guard against "indirect forms of penetration" by American interests, which could lead to a "newer type of dependence" outside the imperial relationship.[118] The very same perilous financial landscape that pushed the Tatas away from overseas trade and toward internal markets paradoxically forced them to rely on their American connections more than ever before.

---

[115] TCA, T30/DES History Project 1, Perin to Ghandy, 21 June 1927; TCA, T53-DES-T20-TATA HYDRO ELECTRIC-COR-1, H. Gibbs to Perin, 22 July 1927.

[116] TCA, T53-DES-T20-TATA HYDRO ELECTRIC-COR-1, Saklatvala to Ghandy, 18 July 1929; T53-DES-T20-BO-2, Tata Hydro-Electric Power Company Board Meeting No. 348, 21 August 1929; T53-DES-T20-ANNUAL REPORT-CHAIRMAN-SPEECH-1, Notes on Tata power companies, 21 October 1952.

[117] TCA, T53-DES-T20-BO-2, Tata Hydro Board Meeting, 21 August 1929; T53-DES-T20-TATA HYDRO ELECTRIC-COR-1, Resolution before the Bombay Municipal Corporation tabled by Dr. J.N. Choksy, 8 October 1929.

[118] Markovits, *Indian Business and Nationalist Politics,* 28, 140-41.

UP THE COUNTRY

In his old age, Dorabji Tata looked back on a decade of expansion with regret. Weighed down by the burden of mounting debts, he channeled his father's apprehensions about the China trade when he wrote to R.D.:

> My feeling always was against undertaking any business that had to be carried on at a great distance from the head-office as I always felt that we could not have the requisite control over it. That is why I always felt shy of the China & Japan business especially after the losses incurred by our representatives in those places… I shall be a crore, if not more, rupees to the bad including the losses made by Tata Ltd., London, during the last 3 years. And I believe that the cause is that we are doing much more business than we ought ever to have undertaken, and for which we are dependent on outsiders for management.[119]

Dorabji's position on this matter had always been consistent, though he had repeatedly allowed himself to be influenced by Padshah's enthusiasm. His warnings about overexpansion turned out to have something of a prophecy about them.

The chain of events leading to the Tatas' final withdrawal from the Eastern trade began with R.D.'s death in 1927. According to the terms of his will, R.D.'s "residuary estate" was divided among his children, with special provisions made for his son J.R.D. to succeed him as a partner in Tata Sons (he would become Chairman ten years later). The estate notably included landed property in Shanghai's French Concession valued at £21,132. The will granted power of attorney in Shanghai to Bejan Dadabhoy Tata, one of the few members of the family who had stayed on in China to manage two successful cotton mills.[120] But R.D.'s passing meant that the Bombay firm's trading connection with China and Japan would be severed at last.

---

[119] TCA, FP, D.J. Tata Correspondence, D.J. Tata to R.D. Tata, 26 January 1924.

[120] TNA, FO 917/2703, Certified copy of probate and will, R.D. Tata, in the High Court of Judicature at Bombay, 26 September 1927. B.D. Tata, a distant cousin, had arrived in Shanghai in 1904 to work for Tata & Co. In 1935 he constructed a grand house, named Avan Villa, on Wulumuqi North Road, but the family was forced to flee the city in 1949 after the Communist takeover. His son Jehangir Bejan Tata's memories of this time, and his search for his ancestral home, are movingly depicted by Mishi Saran, "A House for Mr. Tata," in *Traveling In, Traveling Out: A Book of Unexpected Journeys*, ed. Namita Gokhale (Noida: HarperCollins India, 2014).

An investigation of Tata & Co.'s accounts revealed a staggering amount of debt, which once again put Tata Sons in a difficult position. In 1930, J.R.D. informed the Directors that his father's estate was "in an insolvent condition and cannot pay" the Rs. 20 lakh gap between assets and liabilities. The firm's principal creditors included the Yokohama Special Bank and Taiwan Bank in Japan, the Hong Kong Shanghai Bank and the National City Bank of New York. They "had been mislead relying on Tata name, and if Tata Sons took up the attitude that they had nothing to do with R.D. Tata and Co., they would be justified in law but would leave a bad impression on the minds of the Bankers in different parts of the world." The "similarity of name" between the two firms acted as a virtual guarantee for investors. As one Marwari merchant from Calcutta put it, "I always thought that so long as Tata Sons Ltd., was there, it would be quite safe to trade with R.D. Tata & Co. Ltd." This meant that Tata Sons had no choice but to assume the debts and "do their best to avoid a forced liquidation." Otherwise, their industrial interests would be adversely affected:

> In Japan and the United States and even in Shanghai, people do not know the difference between R.D. Tata & Co. and Tata Sons Ltd. Already there are reactions on us. Tata Iron and Steel loan which we wanted to negotiate through the National City Bank of New York, finds difficulty because of R.D. Tata & Co. mess up. Our Tata Iron & Steel Co. pig iron negotiations in Japan were also questioned because of what had happened to R.D. Tata & Company.[121]

In a sensitive political and economic environment, the Tatas had to maintain good relations with Japan from a position of relative weakness. [122] The creditors, especially the Japanese banks, drove a hard bargain and forced Tata Sons to guarantee Tata & Co.'s losses up to 85 percent.

---

[121] TCA, T53-DES-RDT-1, Tata Sons Ltd. File No. 240 re: R.D. Tata & Co., Ltd. (Liquidation).

[122] At this time, Japan was the principal market for India's pig iron exports. Facing intense competition from Russia in the Japanese market, TISCO management was confident that the Japanese could not "afford to put themselves entirely in the hands of the Russians." However, the very real possibility of Japan relying its own blast furnace plant in Manchukuo had to be guarded against. TCA, T53-DES-T34-MINUTES-11, R. Mather to A.R. Dalal, 6 July 1935; J.C. Mahindra to A.R. Dalal, 19 August 1936.

After the agreement was signed in 1930, Tata & Co. ceased all trading operations and went out of existence after paying its debts. The Directors had agreed to these terms for both practical and "sentimental" reasons, "in consideration of keeping Tata name unsullied…and saving shareholders who have close connections with Tatas."[123] Chairman Nowroji Saklatvala fulminated at the outcome: "Enough to say that the Japanese Banks who owe practically their whole position in India to the Tatas and in a great measure to poor R.D. have shown no gratitude for all that has been done for them."[124] His words, beyond their obvious self-justificatory intent, serve as a reminder of the deep historical role the Tatas had played in forging commercial linkages between India and Japan.

Apart from the repercussions of Tata & Co.'s collapse on financing for the steel company through formal banking channels, the "position of our Marwaris" would be "considerably shaken."[125] Marwari names abounded on the list of the company's shareholders. Conversely, Marwari agents, such as the Tatas' stalwart collaborators Cheniram Jesraj, were also major debtors to the Company. Their debts were settled by recourse to informal assets held by families, such as an emerald necklace worth Rs. 50,000/- given by "Mr. Sitaram's grand-mother" to be used as collateral in case a "dispute between C.J., and Messrs. R.D. Tata Co. Ltd" should arise.[126] For many years, Tata Directors in Bombay had expressed unease at both the steel company's and the mills' dependence on Marwari intermediaries. Here was an opportunity to enact a clean break.

---

[123] TCA, T53-DES-RDT-1, Tata Sons Ltd. File No. 240 re: R.D. Tata & Co., Ltd. (Liquidation).

[124] TSA, File No. 46(iii), N.B. Saklatvala, Saklatvala to D.J. Tata, 11 July 1930.

[125] TCA, T53-DES-RDT-1, Tata Sons Ltd. File No. 240 re: R.D. Tata & Co., Ltd. (Liquidation).

[126] TCA, T53-DES-RDT, copy of a letter from Mr. Brijmohan Lakshminarayan, Bombay, to M/s. Tata Sons Ltd., 22 February 1932.

The textile mills were slowest to dispense with the services of upcountry middlemen. In 1933, the Board of Directors of the Empress Mills at Nagpur held a heated discussion about the future of their Marwari selling agents, Jamnadhar Potdar & Co. It was alleged that "the Company's connection with them had produced disastrous results, the outstandings had considerably increased and doubtful debts had begun to figure in the Balance Sheets for the last three years." Some members advocated that the managing agents in Bombay take upon themselves the responsibility of both cotton purchases and sales of cloth and yarn, or depute a special representative to Nagpur. The agents refused, unwilling to see the Marwaris "become insolvent" and fearing the "considerable disorganisation of the Company's selling agency" that would result.[127] Entrenched commercial relationships were difficult to break, especially when prices were exceptionally volatile and could not be easily fixed. Bombay millowners and European cotton exporters were most successful at circumventing middlemen through "direct trading," which involved sending their own agents into the interior. Brokers and marketeers, mainly Marwaris, were blamed for the pervasive speculation affecting the cotton market. In response, Marwaris gradually moved from trading to industry by purchasing their own mills.[128]

TISCO pursued a parallel strategy for expansion "into remote parts of the country" by establishing a centralized Sales Department, which led to accusations of manipulating prices, eliminating smaller re-rolling mills, and displacing local merchants. TISCO's sales policy during the Depression years has been described as "a familiar device of a monopoly house."[129] In 1931, the Bihar and Orissa Industrial Conference passed a resolution calling for the withdrawal of

[127] TCA, T53-DES-T59C-BO-3, Extract from the Minutes of the Meetings of the Board of Directors of the Central India Spinning Weaving & Manufacturing Co. Ltd., held on 14 February 1933 and 20 April 1933. Jamnadhar Potdar were "our Marwaris" referred to in connection with Tata & Co.'s liquidation.

[128] Gordon, *Businessmen and Politics,* 34, 50, 71-74, 85-86, 111-12.

[129] Sen, *House of Tata,* 65.

protection to TISCO. Its policy of price discrimination against smaller producers and in favor of pig iron exporters was held to be "in favour of European Concerns and Foreign Industries and to the detriment generally of Indian Concerns and Indian Industries."[130] When the concessional freight rates agreement between TISCO and the Bengal-Nagpur Railway came up for renewal one year later, the company faced an outpouring of "wild and extravagant statements" in the Legislative Assembly, necessitating "constant and continuous propaganda work."[131] According to one pointed complaint in the Assembly, the low freight rates enjoyed by TISCO "deprived the people of Bihar and Orissa from carrying on business in pig iron in their own land," rendering "the advantages of the Tatas being in their midst" null and void.[132] The Tatas were thus drawn into regional politics, forced to justify themselves before the newly elected Congress ministries after the passage of the Government of India Act in 1935 – all the while insisting that "we are an all-India concern with no provincial bias whatever."[133]

Recent scholarship has focused on the challenge posed by the "informational superiority" of middlemen, who knew far more about both customer prices and quality of steel than the company itself. To meet this challenge, TISCO created its own network of depots and stockyards and enacted prohibitions on re-sales and "forward contracts," which gradually increased its bargaining power over its erstwhile dealers. Chikayoshi Nomura has persuasively argued for an increasingly close connection "between urban-based merchant-capitalist financiers and inland

---

[130] NAI, Industries & Labour (Industries), File No. I-258 (1931), R.C. Pandit, Bihar and Orissa Chamber of Commerce, to the Secretary, Federation of Indian Chamber of Commerce and Industry, 4 July 1931.

[131] TCA, T53-DES-T34-MINUTES-09, TISCO General Meeting, 23 August 1933.

[132] India Office Records, British Library, London (hereafter IOR), L/F/7/254, Extract from Official Report of the Legislative Assembly Debates, re: Freight Agreement between the Tata Iron and Steel Company, Limited, and the Bengal-Nagpur Railway, August 1934.

[133] TCA, T53-DES-T34-MINUTES-08, Board Meeting, 5 August 1932; Note on Ottawa Conference, 6 August 1932.

markets." This, in turn, might have produced the conditions of possibility for collective action by the Indian business class in support of protected national markets and, eventually, in limited concert with the agenda of the developmental nation-state.[134] While the importance of this shift is undeniable, the process was both uneven and determined by other factors beyond the balance of power between TISCO and smaller merchants within India. The Tatas' reorientation toward domestic markets resulted from the slow erosion of an earlier strategy of expansion based on active partnership and cooperation between semi-autonomous trading and industrial branches.

The financial crisis of the mid-1920s decisively shifted the spatial scale at which the Tatas operated from an oceanic world of trade to the territorial boundaries of British India, while simultaneously increasing their dependence on foreign capital. This can be seen in the curtailment of Tata Limited's mandate to trade independently, the bankruptcy and liquidation of Tata & Co., the displacement of Marwari partners, the sale of the Hydro agency to the Americans, and the rise of TISCO's centralized Sales Department. Embarking on a "transformative" evolutionary path of initiating new industries forced Tata and other Indian capitalists to confront the "speculative" practices characteristic of their mercantile pasts.[135] A fundamental contradiction animating economic *swadeshi* thus emerges. To build a self-sufficient national economy through industrialization required cultivating complementary global networks of trade and finance, which were more vulnerable to systemic shocks. These networks were made through a wide constellation of relationships beyond the imperial, stretching from the Indian Ocean to China, Japan, and the United States, through which Indian capital moved, multiplied, and occasionally disappeared.

---

[134] Chikayoshi Nomura, "Selling steel in the 1920s: TISCO in a period of transition," *Indian Economic and Social History Review* Vol. 48, No. 1 (2011): 105-09, 112-13.

[135] Tyabji, *Forging Capitalism,* 14.

Chapter 2. Governing Land and Labor

In the winter of 1932, while vacationing in India, the American writer and agriculturist Louis Bromfield accepted a spontaneous invitation to visit the steel city of Jamshedpur. As he gazed out the window on the overnight train journey from Calcutta, Bromfield imagined himself traveling back in time. As the train passed from Bengal into Bihar and Orissa, the countryside "grew wilder and wilder, the villages smaller and farther apart, the lonely farms little more than clearings in wild jungle." The people, too, "grew smaller, harder, darker, more savage in appearance." In just a few hours, Bromfield felt that " we had come back to the very beginning of mankind." This reverie of the past was suddenly interrupted by a vision of the future:

> There appeared in the sky ahead of the train and a little to the left an immense glow with billowing clouds of smoke tortured and churning over and over in shades of rose and scarlet and gray and black. It was the kind of night spectacle sometimes provided by volcanoes like Stromboli but more often by great steel cities like Mannheim or Pittsburgh or Birmingham.

Arriving at his destination, Bromfield discovered "a vast industrial city" of one hundred thousand people, "as big as Gary, Indiana, set down in the midst of dense jungle and aboriginal people."[1] His account, cast in the mold of familiar Orientalist tropes, was typical of early visitors to Jamshedpur. Like many others, Bromfield made sense of the spectacle of full-blown industrialization in an unlikely, remote corner of the world by referencing the location of the Tata steel plant amidst sparsely populated villages and dense jungles, and the unskilled tribal workforce operating the most up-to-date machinery. At the same time, he saw Jamshedpur as analogous to the well-known centers of the Industrial Revolution in the West – as an exotic curiosity, but also as an immediately recognizable, quintessentially modern space.

Jamshedpur was a city of many firsts. It was the first company town in India exclusively owned and run by an Indian firm. It was the site of the first experiment with industrial production

[1] Louis Bromfield, Introduction to John L. Keenan, *A Steel Man in India* (New York: Duell, Sloan and Pierce, 1943), xi-xiii.

in the Indian interior, far from Calcutta and Bombay, the coastal financial and trading centers of British India. It was also the first sustained attempt by a private company to bring together and govern a settled population of workers from across India, from local *adivasis* (tribals) to migrants from Punjab, Bengal, Madras, and everywhere in between, as well as managers and technical experts from Britain, the United States, and continental Europe. Located at the confluence of the Kharkhai and Subarnarekha Rivers in the province of Bihar and Orissa, approximately 250 miles west of Calcutta as the crow flies, Jamshedpur was ideally positioned to take advantage of the key natural resources necessary for steel production: coal, iron ore, limestone, and water. Since its foundation in 1909, Jamshedpur has continued to grow. Today it is arguably the oldest and largest extant company town in the world, with a population exceeding one million. Municipal services continue to be provided exclusively by the Tata steel company.[2] The Jamshedpur model of private urban governance has proven exceptionally resilient up to the present, neither pure capitalist 'enclave' nor regionally integrated township. It typifies a flexible, heterogeneous form of corporate sovereignty, dependent upon the state in some respects but fiercely resistant to it in others.

Jamshedpur's many firsts generated just as many unresolved problems and contradictions. For more than two decades before his death in 1904, Jamsetji Tata pursued his dream of starting iron and steel production in the interior of India, persevering through several false starts. Assisted by his son Dorabji, cousin R.D., and nephew Shapurji Saklatvala in Bombay, and by numerous experts in metallurgy from the United States, Britain, and Germany, Jamsetji searched for an ideal location offering access to the right combination of natural

[2] Blair Kling, "Paternalism in Indian Labor," *International Labor and Working-Class History* No. 53 (Spring 1998): 69. In 2009, Jamshedpur won the UN Global Compact City Award, "a remarkable success story in the face of the decline of company towns elsewhere in the world." Amita Sinha and Jatinder Singh, "Jamshedpur: Planning an Ideal Steel City in India," *Journal of Planning History* Vol. 10, No. 4 (2011): 263.

resources and labor. This process involved delicate negotiations with the colonial government at several levels, from Viceroys and Secretaries of State to lowly District Commissioners, and with rulers of princely states in central and eastern India. The final site of Jamshedpur, decided upon after Jamsetji's death, could only be secured at a price. The difficult task of land acquisition required an unprecedented appeal to colonial legislation, most importantly the Land Acquisition Act (1894), which had previously been used in a limited fashion mainly by state-owned enterprises such as railways. Officials had to be convinced that the new company indeed fulfilled a "public purpose" in order to merit a concession. The provincial Chotanagpur Tenancy Act (1908), prohibiting the transfer of land to non-tribals, posed another intractable legal challenge. From 1909 to 1919, the Tatas cemented their control over the space that became Jamshedpur in stages. Some villages were initially left undisturbed, only to be acquired later. Others were immediately displaced, and lawsuits were brought against recalcitrant landowners. The Tata steel company became a quasi-sovereign power in the region, simultaneously acting as employer, landlord, and municipal government. By the time colonial officials became aware of this anomalous arrangement, the company was impossible to dislodge.

Once the boundaries of the city had taken shape, the problems of urban planning, housing, and welfare provision for workers urgently demanded attention. Unlike in many other company towns, the haphazard pattern of acquisition led to residential areas extending outward from the steel plant at the core. Foreign 'covenanted' employees (British and German skilled workers and American managers) lived in leafy bungalows adjacent to the plant. Skilled Indian employees, including Punjabi foremen and Bengali clerks, occupied permanent quarters nearby. But no one quite knew what to do with the largest number of workers, local *adivasis*, who were thought to be inherently mobile and unsuited to settled urban life. Tata managers consistently

employed experts from outside to guide them, including former colonial bureaucrats like F.C. Temple, author of the first urban plan for Jamshedpur, and a team of social scientists from the London School of Economics (LSE) led by Sidney and Beatrice Webb. But no coherent strategy for dealing with *adivasi* labor emerged. On the one hand, schemes such as the 'coolie town' at Sonari, on the outskirts of Jamshedpur, were designed to reproduce the traditional village from which the workers had been uprooted. On the other hand, many in the upper echelons of the company insisted, against the experts' advice, that *adivasis* could never be permanently settled. The same ambiguity characterized the company's attitude toward the regulation of working hours, improvements in labor efficiency, and other welfare measures. While Tata managers prided themselves on introducing the eight-hour shift in India, the altered rhythms of steel production in a tropical climate, they believed, called for a flexible approach that did not simply follow established practice in the Western industrial world. In particular, Tata resisted the imposition of Taylorist scientific management until the late 1920s, when recurring strikes led to the implementation of a more consistent labor policy.

The many problems and contradictions posed by the development of Jamshedpur captured the attention of Indian intellectuals in the early decades of the twentieth century. What did the Tatas' bold experiment with industrialization in a 'backward' region mean? Was the company at the threshold of modernity, pointing the way for India's economic future by training unskilled workers to operate sophisticated machinery, and by creating a model urban space for them to live in? Or did it reproduce the worst features of world capitalism – intensified exploitation, social segregation, and the concentration of production in the hands of a few at the expense of India's poor masses? These questions were posed in an age of global comparison. Contemporary observers of Jamshedpur found much to admire in what Bengali sociologist

Benoy Kumar Sarkar called "Tataism" – a powerful force for unleashing India's potential for growth and reshaping social relations in a largely agrarian country, roughly analogous to Fordism in the United States. Nonetheless, they concluded, Tata management had largely failed to avoid the pitfalls of modern industry, by embracing rationalization of machines and men without offering a strong social bargain in return.

AN OUTPOST OF MODERNITY

With little precedent in the urban forms in colonial India, from the cantonment to the hill station, the company town was "a new kind of settlement" laying "claim to ushering in modernity whose source lay in the West but was shaped by indigenous entrepreneurship, capital and labor."[3] As in the United States, company towns in India served as "outposts introducing industrial capitalism into previously unexploited territory," *tabulae rasae* where the relations between employers and workers could be fashioned from the ground up (often under the assumption that paternalist control forestalled unrest).[4] Arguably more than any other Indian city, Jamshedpur embodied the condition of modernity, as a break in space (a factory and planned township out of the jungle) and time (industrial production as a developmental advance in a largely agrarian society).[5] By contrast with the later Nehruvian aim of absorbing local

[3] Sinha and Singh, "Planning an Ideal Steel City in India," 264.

[4] Margaret Crawford, *Building the Workingman's Paradise: The Design of American Company Towns* (London: Verso, 1995), 6-7.

[5] Narratives of Jamshedpur's growth often recapitulated the interlinked teleological myths of urbanization and modernization. As James Ferguson has pointed out in his study of the Zambian Copperbelt, urbanization implied "a movement toward an end point that would be nothing less than a Western-style modernity." Steel and mining offered the spectacle of metal, soot, and smoke vividly recalling Britain's Industrial Revolution. Within the "dualist paradigm" in midcentury social science that envisioned spaces like the Copperbelt as marked by a confrontation between the "tribal" and the "urban way of life," migrant workers were transformed into an urban proletariat – and were thus made modern. James Ferguson, *Expectations of Modernity: Myths and Meanings of Urban Life on the Zambian Copperbelt* (Berkeley: University of California Press, 1999), 4-6, 13-14.

communities into the new state-run steel towns of Bhilai and Rourkela, Jamshedpur was "conceived as an entirely original space that should exclude them." It functioned as a "heterogenetic city," in which "Tata urbanization supposed that industrial modernity would wholly supplant the indigenous culture in the areas in which it emerged," replacing "subsistence-farming and hunter-gathering with a diverse migrant population."[6]

The Tatas' entry into heavy industry, resource extraction, and land-intensive activities heralded a new stage in the history of capitalism in India. Jamshedpur's deliberate self-containment encapsulated the emergent "cartel philosophy" among Indian industrialists attempting to secure outposts in the Indian interior.[7] Until the early twentieth century, the Indian big business class had remained "relatively divorced from land," but could establish all-India connections more easily than the landed elites.[8] The Tatas' interior expansion generated two seemingly contradictory but mutually constitutive trends: the legal designation of private capital as capable of fulfilling a "public purpose," and the increasingly direct involvement of the state in resource capture and management for the purpose of industrial development. Jamshedpur at once expressed an individual capitalist's vision and offered a precedent for the state to follow.

Taking a longer view, Jamshedpur's closest antecedents were the original company towns in the subcontinent, the East India Company's outposts at Calcutta, Bombay and Madras. As Philip J. Stern has argued, the Company was not a "mere merchant" that accidentally became sovereign, but exercised a wide array of sovereign powers from the very beginning, including collecting revenue, administering justice, and constructing public works. As an "autonomous

---

[6] Andrew Sanchez and Christian Strümpell, "Sons of Soil, Sons of Steel: Autochtony, Descent and the Class Concept in Industrial India," *Modern Asian Studies,* Vol. 48, No. 5 (2014): 1279, 1295-96.

[7] Gordon, *Businessmen and Politics,* 111-12.

[8] Markovits, *Indian Business and Nationalist Politics,* 3.

political system," the Company "was dependent on multiple political relationships and thus subject entirely to none." This"structural autonomy" was made possible by a characteristically early modern "form of hybrid and composite sovereignty."[9]

At the height of the Raj, when the Tatas took on a similar role at Jamshedpur, the "territorialization of colonial state power after 1857" had ostensibly rendered the older hybrid model of corporate sovereignty obsolete. As Manu Goswami has shown, the expansion of railways and other large public works re-oriented and superseded earlier networks of inland trade, producing a "new uneven economic geography."[10] However, the spatial scales of the local, sub-regional and regional were not annihilated by the colonial state's territorializing project linked to imperial markets, but were rather rearranged "into a dynamic hierarchy."[11] Economic unevenness was accompanied by the proliferation of legal anomalies, including quasi-autonomous princely states and directly administered tribal areas, as sovereignty came to be envisioned as "divisible" by colonial jurists from Henry Maine onward.[12] Advocates of centralized economic planning after independence would bemoan "the confusion created by the myriads of political units…perhaps without any parallel in the world," particularly the interspersion of princely states and British territory.[13] The Tatas' fortune was made in the welter of this 'confusion' of sovereignty.

---

[9] Stern, *The Company-State,* 6-14, 208-13; Lauren Benton, *A Search for Sovereignty: Law and Geography in European Empires, 1400-1900* (Cambridge: Cambridge University Press, 2010), 2-7, 31.

[10] Goswami, *Producing India,* 32, 59.

[11] Ravi Ahuja, *Pathways of Empire: Circulation, Public Works and Social Space in Colonial Orissa, c. 1780-1914* (New Delhi: Orient Blackswan, 2009), 36-37, 56-59.

[12] Benton, *A Search for Sovereignty,* 240-45; Sudipta Sen, "Unfinished Conquest: Residual Sovereignty and the Legal Foundations of the British Empire in India," *Law, Culture and the Humanities* Vol. 9, No. 2 (June 2013): 227–242.

[13] Tulsi Ram Sharma, *The Location of Industries in India* (Bombay: Hind Kitabs Limited, 1946), 3-4.

The transformation of the fragmented social, political, and ecological landscapes of eastern India into an industrial corridor rested, first and foremost, on the workings of the law. In the late nineteenth century, land acquisition for railway and port development companies relied on the "guarantee system," which included the reliance on legal mechanisms of compulsory dispossession, culminating in the far-reaching Land Acquisition Act (1894). The Act allowed for the transfer of land to private companies provided they fulfilled a "public purpose," which usually meant infrastructural improvements. The distinction between public and private was thus murky and ill defined. The railways themselves, as the quintessential state-led infrastructure project, were born out of a "speculative frenzy" in the 1840s. Only one certainty prevailed: the nexus between state power and private capital depended on the assertion of the state as "supreme landlord" and on the exercise of its unfettered sovereign power.[14] If the Tatas began to function as a kind of surrogate state by acquiring vast tracts of land under the "public purpose" clause, this state-capital nexus could be severely undermined. Colonial officials realized only too late that Indian companies had secured key mineral resources and effective control over land at little cost by exploiting ambiguities in the law and the competition between multiple nodes of sovereign power.

THE SEARCH FOR A SITE

The process of acquiring prospecting licenses for iron ore, coal, copper and manganese for the iron and steel plant required the Tatas to negotiate with numerous princely rulers in central and eastern India. Around the year 1900, Jamsetji Tata sent his son Dorabji and his nephew Shapurji Saklatvala as far afield as Hyderabad to pursue all possible leads on raw

[14] Goswami, *Producing India,* 52-55. For a summary account of the development of land acquisition law, see Eesvan Krishnan, "Private Speculations and the Public Interest: N. C. Kelkar's Land Acquisition Bill," *Socio-Legal Review*, Vol. 8, No. 2 (2012): 87-90.

materials. They reported that "everybody is mad with some mining project or another." But despite the friendly overtures of the Acting Financial Secretary to the Nizam of Hyderabad, who was "most favourably inclined towards us," the Tatas lost the race for a prospecting license in the state to a British concern, Parry & Co.[15] With early investigations yielding little result, especially with regard to coal of sufficient coking quality, a fortuitous series of discoveries were made of suitable iron ore deposits at Dhalli-Rajhara near Raipur, and coal beds at Jharia in Bengal. Saklatvala observed in 1904 that this would mark a significant eastward shift in location from the original proposed site, closer to the Empress Mills at Nagpur.[16]

At this juncture, the most important intervention came from the princely state of Mayurbhanj, the largest and highest ranked of the Orissa Tributary States, whose ruler had developed a reputation as "the epitome of the 'improving' raja" due to his commitment to increasing revenue, starting public works, and implementing administrative reforms. The princes of Orissa had eagerly seized upon the commercialization of the dormant natural resources of their kingdoms, encouraged by the colonial government, as "a new chance for self-assertion and self-aggrandisement in a period when older sources of power were drying up." In so doing, they opened up a "new 'layer' of social space" with which the Tatas had to engage.[17] The geologist P.N. Bose, then in the employ of the Maharaja, brought the extraordinarily rich iron ore deposits in the Gurumahisani District to the attention of the Tatas. The idea of starting the steel works at Calcutta, in order to "dominate the whole market now served by the Calcutta imports," was

[15] TCA, FP-36, D.J. Tata to J.N. Tata, 25 September 1902; Shapurji Saklatvala to J.N. Tata, 6 October 1902; "Report of Mr. Shapurji's second visit to Hyderabad," 10 October 1902.

[16] TCA, FP-41A, Shapurji Saklatvala to Messrs. Tata & Sons, Mining Department, Bombay, 22 August 1904.
[17] Ahuja, *Pathways of Empire,* 273-83.

subsequently abandoned, and a new site was chosen at Sini junction, 170 miles inland on the Bengal-Nagpur Railway in the Seraikela state.[18]

Saklatvala embraced the move away from Calcutta, believing that gaining an advantage in the internal market for iron is "a very strong point in our favour and over foreign goods."[19] Nonetheless, given the undeveloped state of the market and the need to rely on exports in the early years of the enterprise, the Tatas still sought the "point of minimum transportation costs" for the primary raw materials (iron and coal). This meant that proximity to the port of Calcutta remained a key factor.[20] Company histories often narrate this series of decisions as stages in a teleological process of finding at the 'right' location, driven by courageous and brilliant risk-taking. Even the most critical accounts of the steel company's origin begrudgingly praise Jamsetji Tata and his sons for their "entrepreneurial ability in Schumpeterian terms" in selecting a site.[21] In fact, these choices were shaped by actors from multiple state spaces (princely and British), and under the constraints of particular resource geographies.

Colonial officials quickly grew concerned that the new company would evade their control at Sini, and the potential benefits it could reap from the industry would be reduced. The Deputy Commissioner of Singhbhum tried to persuade the Tatas to build exclusively in British territory: "If the Sini site is adhered to and the Borgaon Tank constructed for its water supply, both the site and the tank will be in Native States, out of the direct control of British officers." The Tatas' response was to play one power against the other:

---

[18] TCA, FP-41A, B.J. Padshah to D.J. Tata, 11 November 1904; B.J. Padshah to R.D. Tata, 17 February 1905.

[19] TSA, Box 46, File No. 46(ii). Shapurji Saklatvala to C.M. Weld, 18 November 1904.

[20] Sharma, *The Location of Industries in India,* 87-89, 97, 102.

[21] Satya Brata Datta, *Capital Accumulation and Workers' Struggle in Indian Industrialisation: The Case of the Tata Iron and Steel Company, 1910-1970* (Stockholm: Almqvist & Wiksell International, 1986), 6, 21. Cf. Lala, *The Romance of Tata Steel*, and Mukherjee, *A Century of Trust.*

> There are two alternatives open to us:- (1) To shift the site as they advise, or (2) to obtain an option from the Raja of Seraikela fixing definite price for the land to be occupied by the Works...it should be put before him that in case he wouldn't give us reasonable terms and a period of option, we would not establish the Works in his Territory but go over to British land.[22]

This was a dangerous strategy, because if the company bound itself to building in the Raja's domain, it would be giving up the possibility of using the Land Acquisition Act: "We might be thus placing ourselves at his mercy. The British Government could not help us much; there will be no land Acquisition Act to put into force; and the Raja may insist on his own price being paid."[23] The primary aim of the Tatas' acquisition policy was to obtain security of tenure at the lowest possible rates, whatever the method. But it was not clear whether striking a deal with the Raja offset the advantages provided by the weight of colonial law and bureaucracy.

In 1909, the final site of the future Jamshedpur, lying well within British territory, was chosen not only due to more a favorable resource distribution and lower transport costs (as is often assumed), but also to avoid potential resistance from the *adivasi* inhabitants. At Sini, the Deputy Commissioner proved "inflexible in the matter of the rights of the Kols, and is averse to dispossessing 700 families whose rights over the lands he considers to be of a peculiar nature."[24] Colonial officials, driven partly by the fear of *adivasi* uprisings and with Birsa Munda's rebellion of 1899 fresh in their minds, had cast themselves as protectors of customary rights.[25]

---

[22] TCA, FP, B.J. Padshah Correspondence, Padshah to R.D. Tata, 22-23 December 1905.

[23] TCA, FP-220, Tata Sons to R.D. Tata, 21 December 1905.

[24] TSA, Land Acquisition File No. 2 (1907). Tata Sons, Agents, to H.J. McIntosh, Commissioner of Chota Nagpur, 23 December 1907. Cf. Y.B. Vishwakarma, *Industrialization and Tribal Ecology: Jamshedpur and its Environs* (Jaipur: Rawat Publications, 1991), 37-38.

[25] On the emergence of "humanitarian sentiments" towards *adivasis* in Chota Nagpur among colonial officials, see Vinita Damodaran, "Indigenous Agency: Customary Rights and Tribal Protection in Eastern India, 1830-1930," *History Workshop Journal* No. 76 (August 2013): 85-110.

The company's decision to acquire land at Sakchi had substantial legal implications due to the passage of a landmark piece of legislation, the Chota Nagpur Tenancy Act (1908). The Permanent Settlement of Bengal had been extended to the Chota Nagpur plateau, which meant that Hinduized petty rajas became *zamindars* (landlords) and proprietors of the soil. Alarmed at the proliferation of rent cases and the degradation of customary joint-ownership tenures through land sales to moneylenders, the colonial state introduced a series of piecemeal legislative measures for the benefit of tenants throughout the late nineteenth century. The C.N.T. Act "consolidated and suspended all previous agrarian legislation for the province," with the status of village headman now coming under the protection of the law for the first time.[26]

The Act was a novel compromise combining "three distinct strands of legislative precedent, the specific legislation for tribal tenures, the Central Provinces precedent" based on "executive discretion," and "the Bengal precedent" based on the use of civil courts. Contradictions were "avoided by entrusting the revenue authorities with the task of specific protection," with the cumulative effect of increasing the power of the colonial revenue officer.[27] This was more than a localized display of administrative exigency. As Faisal Chaudhry has argued, the proliferation of tenancy and occupancy rights in the wake of the Bengal Rent Act of 1859 "expanded the compass of what could be recognized as a legal entitlement well beyond property in the land's rent alone."[28] Prohibiting land transfers among certain classes or groups, as

[26] Detlef Schwerin, "The Control of Land and Labour in Chota Nagpur, 1858-1908," in *Zamindars, Mines and Peasants,* ed. Dietmar Rothermund and D.C. Wadhwa (Delhi: Manohar, 1978), 38, 61-64.

[27] Dietmar Rothermund, "Tenancy Legislation for Chota Nagpur: The Emphasis on Executive Protection," in *Zamindars, Mines and Peasants,* ed. Rothermund and Wadhwa, 78-80.

[28] Faisal Chaudhry, "A Rule of Proprietary Right for British India: From revenue settlement to tenant right in the age of classical legal thought," *Modern Asian Studies* Vol. 50, No. 1 (2016): 21-22.

in the case of the Chotanagpur *adivasis*, was part of a distinct strand of colonial legal thought in tension with the ever-broader exercise of eminent domain powers.

Since the C.N.T. Act expressly prohibited the transfer of tribal lands, there is a widespread belief in Jharkhand today that the Tatas somehow managed to delay its implementation in order to successfully carry out the acquisitions at Sakchi.[29] Existing archival sources do not provide any clear evidence of such an arrangement, although the discussions, if they indeed happened, would likely have been informal and not expected to leave a paper trail. There is one letter from the Resident Engineer, W.O. Renkin, in which he warns the Board "that the new Chota Nagpur Tenancy Act will make considerable trouble unless land acquired is declared as being exempt from it; this is purely my opinion and is offered as a suggestion only." At the top of the first page we find a barely legible scribble in pencil calling for "quick action" on the matter, and requesting details of the requirements of the C.N.T. Act.[30] The mere existence of the law cast a long shadow on the acquisition process, which relied on appealing to the state for the use of the Land Acquisition Act in certain areas and assuming the role of *zamindar* where this was not possible. The Tatas inserted themselves into the complex and rapidly changing agrarian structure in Chota Nagpur as a powerful intermediary, thus resolving the dilemma of how to negotiate between multiple sovereign powers that had plagued them at Sini. The solution was for the company itself to assume a diffuse, layered, and territorial sovereignty.

To understand how this solution worked in practice, and why it became possible, the wider mining landscape in the region must be considered. Concessions for key mineral resources

[29] This view was expressed to me in a series of interviews conducted with social activists in Jamshedpur and Ranchi, April 2014.

[30] TSA, Land Acquisition File No. 4 (1908, Part II), W.O. Renkin to The Tata Iron & Steel Co., Bombay, 7 September 1908.

to private companies were exceedingly generous. In the prospecting license for iron ore drawn up in 1905, Mayurbhanj had charged the Tatas a surface rent of Rs. 100/- per annum and a royalty rate of 1 anna per ton. The neighboring state of Keonjhar, meanwhile, levied a rent of only Rs. 5/- per annum and a royalty of ½ anna per ton. Though colonial officials found this to be "unduly low," they "did not consider it advisable to insist on a strict adherence to the Mining Rules prescribed for British India." Since "Keonjhur is more inaccessible than Moharbhanj and much less developed," it was "a great consideration that any respectable firm should be induced to prospect the state at all."[31] This type of flexible agreement allowed the colonial state to imagine the development by proxy of remote areas, particularly in terms of communications. Rulers envisioned a *quid pro quo* between their states and the company, offering prospecting licenses in exchange for the promise of extending railway connections. As the *diwan* (minister) of Kawardha State in the C.P. explained, "I live in the remote corner of India which is out of the way place and it is not possible for me to put the Ore into the market." Furthermore, the Tatas' help in linking up the Bengal-Nagpur Railway with his state would "conduce to the well being of the aborigines and poor people…quite regardless of the personal gains."[32]

In certain cases, princely rulers and their political agents were willing to devolve administrative power almost completely to mining companies. The Tatas' representative at Balaghat in the Central Provinces informed Padshah in January 1910 that "the C.P. Govt. has

[31] NAI, Foreign Department, Internal Branch, B Proceedings, No. 298 (September 1908), F.W. Duke, Chief Secretary to the Government of Bengal, to S.H. Butler, Secretary to the Government of India, Foreign Department, 7 September 1908.

[32] TSA, File No. 602(i), Pandit Bhaiya Lal Pyasi, Diwan, Kawardha State, C.P., to The General Manager, The Tata Iron & Steel Co., 1 February 1917. In practice, the new commercial opportunities increased the social and economic stratification between "affluent landed elements" and *adivasi* subjects, all the while legitimizing the power of the ruling dynasty. See Biswamoy Pati, "The order of legitimacy: Princely Orissa, 1850-1947," in *India's Princely States: People, princes and colonialism,* ed. Waltraud Ernst and Biswamoy Pati (Abingdon, Oxon: Routledge, 2007), 89.

given mine managers certain magisterial powers in cases where the situation of the mine has been away from any civilizing centre or among aboriginal races." This gave "the mining man a status among such people which has been the means of helping him with his work." He suggested that Padshah approach the Political Agent of the Orissa Feudatory States with a view to pursuing a similar arrangement at the Tatas' iron mines in Mayurbhanj.[33] Once companies had gained this kind of foothold, they were nearly impossible to dislodge. By 1912, the Tatas had still not worked their iron ore concession at Dalli-Rajhara in the Central Provinces, nor had they given it up. An exasperated District Engineer surveying the area could only exclaim, "Will the Government of India allow her mineral resources to be treated thus?"[34] Colonial officials began to recognize that they were negotiating from a position of weakness.

At Sakchi, the Tata Iron and Steel Company acquired 3,564 acres under section 41 of the Land Acquisition Act, at a rate of Rs. 13 per acre with a total compensation amount of Rs. 12,000/- paid to the expropriated *raiyats* (tenants). The area appeared to officials "prima facie excessive," so they insisted on "a conditional and not an absolute transfer." According to the original terms, the land would be put up for re-sale in case the company failed to construct or maintain the specified works in time.[35] The company's response to these legally "unprecedented" restrictions was to emphasize the "public purpose" of the steel works. According to Tata lawyers, colonial officials felt "oppressed by the consideration that this case is an exceptional one as it deals with a large tract of country and it is sure to be quoted as a precedent hereafter so they wish to provide for possible rights which after all may not really

[33] TSA, File No. 93(ii), H.C. McNeill to B.J. Padshah, 17 January 1910.

[34] TCA, T53-DES-T34-MINUTES-1-082-83, H.P. Lemesuner [*sic*], District Engineer, to Mr. Darlington, Bengal-Nagpur Railway, 2 February 1912.

[35] TSA, Land Acquisition File No. 3 (1908, Pt. I), F.H. Eggar, Solicitor to Govt., to the Commissioner of Chota Nagpur, 21 April 1908.

exist."[36] The colonial state itself had an incomplete grasp of the complex system of land tenure in Chota Nagpur, and could not envision all the possible complications that would arise. The company did informally agree to provide alternative land for the displaced, but no explicit provisions were inserted into the agreement. There were several protests and complaints to the District Commissioner, which resulted in a few crop compensation payments. However, resistance was minimized by deliberately avoiding the acquisition of the more populated villages, instead mainly taking up "jungles, waste lands and a few patches of cultivated fields."[37]

Beyond the boundaries of the acquired land, the Tatas held 21 villages on lease from the Midnapore Zamindari Company, which temporarily controlled the Dhalbhum estate due to a succession dispute then pending in the courts. This lent an exceptional degree of flexibility to the acquisition process and laid the groundwork for future expansion: "although we are not getting these lands in the actual acquired land yet they will be within the leased lands and can be later acquired through Government much easier than now."[38] The company was, however, reminded by the Deputy Commissioner that it did not have "any authority over the *Ghatwals* who are public servants under my control."[39] Together with the protections afforded to the *pradhans*

[36] TSA, Land Acquisition File No. 5 (1908, Pt. II), Morgan & Co. to Messrs. Tata Sons & Co., 14 July 1908.

[37] TSA, Land Acquisition File No. 5 (1908, Pt. III), Tata Iron and Steel Co. to the Government of Bengal, Revenue Department, 3 January 1908; Land Acquisition File No. 4 (1908, Pt. II), W.O. Renkin to Tata Iron & Steel Co., 30 October 1908; Maya Dutta, *Jamshedpur*: *The Growth of the City and its Regions* (Calcutta: The Asiatic Society, 1977), 6-7.

[38] TSA, Land Acquisition File No. 4 (1908, Pt. II), W.O. Renkin to Tata Iron & Steel Co., 27 October 1908. On the workings of the Chota Nagpur Encumbered Estates Act, which allowed for the temporary seizure and control of insolvent *zamindars*' property, see D.C. Wadhwa, "Zamindars in Debt," in *Zamindars, Mines and Peasants,* ed. Rothermund and Wadhwa, 132-33.

[39] TSA, Land Acquisition File No. 3 (1908, Pt. I), H. Carey to Messrs. Tata Sons, Bombay, 7 August 1908. On *ghatwals* (guardians of hill-passes) as *zamindari* police and key British allies in the conquest of Chota Nagpur, see K. Sivaramakrishnan, *Modern Forests: Statemaking and Environmental Change in Colonial Eastern India* (Stanford: Stanford University Press, 1999), 63-64.

(village headmen) by the C.N.T. Act, this suggests intermediaries had the power to obstruct or challenge the company's control over the land.

The *pradhans* occupying 'waste' or common lands in the villages of Sakchi and Beldih proved to be the single most intractable obstacle for TISCO in its early years. The drastic change in approach towards their claims signals a wider shift in the company's exercise of its powers as *zamindar.* At first, there was a clear recognition of the legal limitations imposed by the original agreement: "The Company cannot eject or oust the Prodhans so long as they pay the stipulated rents and carry out the terms of the Pottah [lease]." There did not appear to be any difficulty in inducing the *pradhans* to co-operate, if they were "treated with kindness and firmness as it is to their interest to be on friendly terms with the Company."[40] As the steel plant came up and the European population of the town grew, the company began to take a harder line. TISCO brought a lawsuit against the *pradhan* of Beldih, on the grounds that he had "unlawfully and without our consent" sub-leased wastelands and erected buildings. The resulting settlement was "a menace to the sanitation of Sakchi and further occupies the only suitable ground upon which the northern town [where European staff lived] may be extended."[41] The *pradhan* of Sakchi, also facing a lawsuit, argued that the company was not legally entitled to "get khas possession without paying a proper compensation," since he had been "all along in undisturbed possession and enjoyment of the said land and by exercising his permanent right thereon."[42] The company's legal argument used certain provisions of the C.N.T. Act against the *pradhans*. All unauthorized sales and transfers of land were prohibited under section 46, while "subletting for building purposes" was

[40] TSA, Land Acquisition File No. 7 (1911), Morgan & Co. to Messrs. Tata Sons & Co., 21 March 1911.

[41] TSA, Land Acquisition File No. 8 (1912), Tata Iron & Steel Co. to The Deputy Commissioner of Singhbhum, 16 September 1912.

[42] TSA, Land Acquisition File No. 11 (1917), *Tata Iron & Steel Co. Ltd. vs. Sital Prosad,* Title Suit No. 431 of 1917, in the Court of the Musnif at Chaibassa, District Singhbhum, Written statement on behalf of the defendant.

illegal under section 21 of the Act.[43] Not for the first time, the C.N.T. Act proved to be a double-edged sword that could strike the company as well as its enemies. Without a doubt, it was the company that wielded it with greater skill.

Contractors who settled land independently and constructed unauthorized buildings offered another visible reminder of the patchwork of multiple sovereignties at Jamshedpur. One contractor in particular, Babu Ramdas, was a thorn in the company's side for many years. In addition to a permanent lease of 50 *bighas* (approximately 25 acres) held directly from the Deputy Commissioner, he secured another 50 *bighas* on temporary lease for a brickfield. At first, the General Manager was confident that "we can always put pressure on the employees living in Ramdas's quarters to vacate them if necessary," but the Agents' patience ran out.[44] R.D. Tata replied from Bombay with a sweeping change in policy: "As a general rule, we would prefer that all the areas included in our lease from the Dhalbhum Syndicate, without exception, should be acquired under the Land Acquisition Act," in order to "ensure the perfect safety to our Company for the future." Even when the entire existing leasehold was brought under control, "we should again hold under lease a belt of land surrounding our whole acquired area."[45] The company's appetite for land was increasing, due partly to the wartime boom in profits and the need for the expansion and modernization of the steel plant, but most importantly due to the ongoing conflicts closer to the ground. The pending ejectment suits against the *pradhans* could be safely dropped, "as the compensation we might have to pay according to the Land Acquisition Officer's estimate

[43] TSA, Land Acquisition File No. 11 (1917). Opinion of K. Chowdry, Legal Adviser.

[44] TSA, Land Acquisition File No. 11 (1917), T.W. Tutwiler to Tata Iron & Steel Co., Bombay, 28 June 1917.

[45] TSA, Land Acquisition File No. 11 (1917), R.D. Tata to The General Manager, Sakchi, 5/6 July 1917.

will be considerably less than the cost of further litigation." Ramdas's land would be acquired and leased back to him, making his tenants wholly dependent on the company.[46]

The resolution of the conflict between TISCO and the numerous intermediaries standing in its way did not only turn on the internal contradictions of the law. The company's ultimate legal right to eject undesirable occupants of the land was rarely in question. Rather, as Matthew Hull has noted in the case of another planned city (Islamabad) where orderly expropriation encountered resistance and subversion, the "clarity and simplicity of the law" was turned into "a site of material struggle" over compensation.[47] A fully bounded sovereign enclave could only come into being once these everyday struggles came to an end. During the second round of negotiations after the First World War, however, colonial officials appeared to have learned from their mistakes and were determined not to surrender the state's sovereign right over land and mineral resources whose value was only now becoming apparent.

A SOVEREIGN SPACE

TISCO applied for a further 12,000 acres in 1917 for extensions of the plant, employee housing and leases to subsidiary companies. The price of land had already risen from Rs. 13/- per acre to Rs. 133/- per acre and was projected to increase.[48] In response to the company's application, the Deputy Commissioner of Singhbhum, A. Garrett, wrote a long memorandum to the Commissioner of Chota Nagpur. Going beyond the narrow discussions of boundaries, prices, and terms, he urged the "reconsideration of the whole question of the land acquisition…at Sakchi

[46] TSA, Land Acquisition File No. 12 (1918, Pt. I), General Manager to Tata Iron & Steel Co., Bombay, 28 February 1918.

[47] Matthew Hull, *Government of Paper: The Materiality of Bureaucracy in Urban Pakistan* (Berkeley: University of California Press, 2012), 173-74.

[48] TSA, Land Acquisition File No. 13 (1918, Pt. II), Note on Land Acquisition application, 12 March 1918. Cf. Dutta, *Jamshedpur,* 15-16; Vishwakarma, *Industrialization and Tribal Ecology,* 120.

as part and parcel of the whole mining field," which had not been addressed so far because the lands and minerals in this area were "not the property of the State." Garrett's main concern was with the costs this imposed on the state, both in terms of lost revenue and the problems of law and order posed by the mining population. He summarized the *status quo* as follows:

> …even at Sakchi the situation is a mass of anomalies with a mixture of rural, regular Government, and private police and choukidars in a Municipality that is no Municipality. Everywhere we have given away that real command and control which should be the price of every concession, statutory or otherwise.

The "mass of anomalies" Garrett observed was a consequence of industrial and mining capital's embeddedness in the 'layered' and contested social space of the region, where resources could be brought in tax-free across borders (as was the case with the iron ore shipped from Gurumahisani to Jamshedpur), companies could establish private governments, and the reach of the law was fragmented, incomplete, and twisted by corruption and self-interest. His solution was for the state to "acquire the properties on its own behalf, and give them out on lease to the Companies concerned," which would be "infinitely nearer approximation to the real intention of the legislature and the plain meaning of the [Land Acquisition] Act than the present system."[49]

Garrett's memorandum demonstrates the profound contradictions raised by the uneven application of the Land Acquisition Act to private capital, which undermined the very concept of unitary sovereignty that underpinned the law. Anxieties about whether existing land legislation was fit for purpose found echo at both the provincial and national levels. The Maude Committee, appointed by the Government of Bihar and Orissa in 1919 to investigate the expansion of Jamshedpur, stated in its report that further acquisitions by the company would be made difficult by the rising price of land and insecurity of tenure in the remaining villages. Colonial officials

[49] TSA, Land Acquisition File No. 13 (1918, Pt. II), A. Garrett, Deputy Commissioner of Singhbhum, to the Commissioner of the Chota Nagpur Division, Ranchi, 22 August 1918.

seriously doubted that the Land Acquisition Act could be used to "clear up problems of doubtful ownership."[50] The Committee argued that "the application of the Act has been unduly extended to cover cases in which land is required for private industrial concerns such as the Tata Iron and Steel Company," whose business was now deemed "only indirectly useful to the public." Therefore, unless the Act was amended, the Committee's recommendation was the formation of a statutory Board of Works, a local government authority that would be far better equipped than the company to acquire land and assist the dispossessed tenants.[51]

The Maude Committee's report was the clearest challenge yet to the company's *de facto* sovereignty over an expanding area in and around Jamshedpur, and it was prompted mainly by the legal question of land acquisition. Ironically, the company itself had precipitated this impasse, by claiming that "we constitute a large Municipality, and as such we are a public body and entitled to the operation of the Land Acquisition Act."[52] In response to the report, TISCO agreed that a Board of Works should be constituted to perform "administrative functions," but without the power to alienate property.[53] In 1924, when Jamshedpur was declared a municipality under section 388 of the Bihar and Orissa Municipal Act of 1922, the Board of Works was converted into a Notified Area Committee. The company refused to recognize this body as an independent municipal authority, which meant that no public property technically existed in Jamshedpur.

---

[50] NAI, Commerce & Industries (Industries Branch), A Proceedings, Nos. 1-9 (March 1919), Note by A.E. Gilliat in the Revenue & Agriculture Department, 19 September 1918.

[51] IOR, Mss Eur E251/22, Papers of Sir Maurice Hallett, Report of the Jamshedpur Committee, 22.

[52] TSA, Land Acquisition File No. 12 (1918, Pt. I), Memorandum, 11 June 1918.

[53] TCA, T53-DES-T34-MINUTES-3-020-21, TISCO Board Meeting held on 4 November 1919.

Concerns over infrastructure soon exposed the limitations of this compromise. Chief Town Engineer F.C. Temple, formerly the Sanitary Engineer for the Government of Bihar and Orissa, authored the first comprehensive plan for Jamshedpur in 1919. The plan laid out an integrated road system based on the old village cart tracks in a system of "loops" and "ring roads."[54] The company had initially refused to assume the responsibility to "maintain any roads much less make them, because there are no such things as roads in the place but only cart or jungle tracks." Whatever roads they did build were kept open at the company's discretion, and villagers' claims to rights-of-way were summarily dismissed.[55] Temple urged the Directors to reconsider their stance for reasons of self-interest. "Assuming that Govt. declares the roads public, & that is almost a certainty if we do not," he explained, "& assuming that Govt. resumes comparatively large areas of land for residential purposes…we should run the very serious risk that the next NAC would no longer have a Steel Co. majority."[56] The Directors were inclined to agree with Temple, recognizing that the situation was untenable: "The public cannot obtain admission to the Courts at Jamshedpur or the Government Hospital or the Police Stations or even the Jail without using roads we have expressly declared to be private roads and which we close once a year."[57]

---

[54] Sinha and Singh, "Planning an Ideal Steel City in India," 268-70. Temple's plan is retrospectively judged by the authors to be an "innovative…exercise in ecological urbanism and sensitive to the lie of the land and the culture of indigenous communities."

[55] TSA, Land Acquisition File No. 4 (1908, Pt. II). G.B. McNair to B.J. Padshah, 4 September 1908; Land Acquisition File No. 5 (1908, Pt. III), W.O. Renkin to The Tata Iron & Steel Co., 31 August 1908. The lack of adequate transportation infrastructure had been raised by Padshah in 1916. His suggestion that "the roads must be improved and an omnibus service should be established" was voted down by the Board for reasons of cost. TCA, T53-DES-T34-MINUTES-2-015, TISCO Board Meeting held on 27 April 1916.

[56] IOR, Mss Eur D296/2. F.C. Temple to John Peterson, 19 October 1925.

[57] IOR, Mss Eur D296/2, Municipal Administration at Jamshedpur, Note by John Peterson, proposals sanctioned by Board of Directors, 24 November 1925.

If a slow devolution of municipal government to an elected body could be achieved, there would also be clear financial benefits to the company, which had requested government assistance for additional infrastructural investment for the town's upkeep.[58] Battered by financial crises and bankruptcies, as the postwar boom came to a crashing end, the Directors even briefly contemplated giving up the town, a position unthinkable only a few years earlier.[59] The seeds of compromise between the company and the state were sown by subordinating the principle of unitary sovereignty to the practical task of providing law and order. As J.R. Dain, the Deputy Commissioner of Singhbhum, put it in 1927:

> It is clearly undesirable that a private company, almost uncontrolled by Government, should be the one and only authority in a large modern town. It is particularly wrong that a company supplying essential public services, like water, power and light, should not be subject to the law which ordinarily controls such services, and be able to enforce their will and get rid of undesirable persons by refusing supplies. On the other hand a democratic form of Government would be dangerous in Jamshedpur, and the Company must always have a large voice in the administration of the town.[60]

Dain's position on the question of Jamshedpur's municipal status thus separated the two strands of his predecessor Garrett's argument, made a decade before. If the role of state as supreme landlord and rentier was derived from the exercise of police power, the realities of administering a company town made private governance an acceptable substitute.

The company secured its position as *zamindar* and municipal authority in response to a specific set of legal and financial constraints. From 1929 to 1939, the growth of Jamshedpur was limited to the area between the rivers Kharkhai and Subarnarekha. The need for further

---

[58] IOR, Mss Eur D296/2, Note by M.G. Hallett, Commissioner, 6 November 1927.

[59] TCA, T30/DES History Project 1, John Peterson to S. Sinha, Member, Executive Council, Govt. of Bihar & Orissa, 2 January 1924. Peterson's rather desperate proposal relied on the same logic employed by the Company's critics: "I have personally always been of the opinion that Government should take over the town. A private town of this size owned by a private corporation is a thing unknown in any other country in the world and we should be very glad indeed to be relieved of the responsibility of it."

[60] IOR, Mss Eur D296/2, Deputy Commissioner, Singhbhum, to F.C. Temple, 18 October 1927.

acquisitions continued to plague town administrators, as the Maude Committee had predicted. The second commissioned town planning report by P.G.W. Stokes in 1937 recommended acquiring a further belt of land within a 2-3 mile radius for worker housing and to "control speculation." There was no way, Stokes found, to "come up with an ideal scheme of housing wherein the lower class dwellings would be situated closest to the factory."[61] This was because the residential neighborhoods for skilled workers and middle management, known as the Northern Town, had been located next to the factory due to the exigencies of the land acquisition process (which involved skirting already populated villages). The emergence of overcrowded slums (*bastis*) within the acquired area and the "unsanitary" development of the village of Jugsalai just outside its boundaries, where an independent *pradhan* encouraged speculation amidst rising land values, exacerbated the problem.[62]

Jugsalai stood in stark contrast with the sedate suburban utopia of Jamshedpur's Northern Town only a few miles away. One Tata employee later recalled that Jugsalai was surrounded by jungle, and "people did not dare to walk alone…for fear of dacoits and ferocious animals even in day time."[63] The company had long considered "the possibility of doing something" about this situation, but made no progress since it would "cost a good deal of money."[64] When the Government proposed extending the Great Eastern Road from Chaibasa to Calcutta, which would have entailed constructing a bridge over the Subarnarekha and connecting the north bank

[61] Sinha and Singh, "Planning an Ideal Steel City in India," 270.

[62] Dutta, *Jamshedpur*, 32-36; Vishwakarma, *Industrialization and Tribal Ecology,* 131. Jugsalai remains a source of subversive and critical perspectives on Tata Steel's control of Jamshedpur, due to the presence of a free press. Interview with R.S. Agrawal, editor of *Uditvani* newspaper (based in Jugsalai), April 2014.

[63] TSA, Box 698, "What I Have Seen in Jamshedpur" by S. Modak (1969), p. 2.

[64] TSA, General Manager's Correspondence File No. 169 (135, Pt. I), Note on Road Bridge over the Subarnarekha, 9 January 1935.

with Jamshedpur, the Deputy Commissioner suggested "that we should consider the advisability of taking steps to prevent the growth on the north side of the proposed bridge of an area which might develop the unsatisfactory features of Jugsalai." The company called for the use of the Land Acquisition Act, accepting restrictions on the use of the land "for industrial development or as a substantial source of profit."[65] Jugsalai was Jamshedpur's antithesis, a shadow space produced by the very growth of model urbanism it now threatened through the mystifying (and seemingly uncontrollable) mechanism of land pricing.

Within the acquired area, by contrast, the newly constituted Town Department became "a great productive asset" to the company, implementing the first systematic survey of land valuation and calculating the income derived from rents. Since "it is obvious that we are getting no return from the land on which staff quarters and workmen's houses are situated," it was "impossible to increase these rents although we are trying to do so gradually."[66] When the TISCO Board of Directors examined the two principal components of the Town Revenue Budget, it found that municipal services were in constant deficit, but land and house rents showed a healthy profit.[67] To maintain this profitability, the Town Department began to sue for arrears of rent in its capacity as *zamindar* under section 234 of the C.N.T. Act.[68] The company's suits imposed a crushing burden on the tenants that soon found expression in organized political action. A speech delivered before the Singhbhum District Kisan Conference in 1939, recorded in peasant leader Swami Sahajanand's memoirs, described the "horrible sufferings (*bhayankar*

[65] TSA, General Manager's Correspondence File No. 169 (1935, Pt. I). J.R.D. Tata to General Manager, 10 January 1935.

[66] TSA, Land Acquisition File No. 22 (1929), Note placed before the Board of Directors on 7 August 1929.

[67] TCA, T53-DES-T34-MINUTES-09, TISCO Board Meeting held on 20 April 1934.

[68] TSA, Land Acquisition File No. 10 (1915), Note by K. Chowdry, Legal Adviser, 1 November 1915.

kashton)" of the villagers within the acquired area, including the increase of rent (up to four times higher than in surrounding districts). The villagers complained that "we enjoy no benefits of any kind from this municipality," whose services were intended exclusively for TISCO staff and its permanent workforce.[69]

The precise legal status of Jamshedpur's residents became a point of contention in 1937, when the Chota Nagpur Tenancy Act (Amendment) Bill sought to "amend clause 78 of the 1908 Act by affording protection to 'Raiyats' owning homesteads from ejectment on account of arrears of rent accruing on such homesteads only." This amendment would, the General Manager submitted to the Bihar Government, "vitally affect the administration of acquired areas in Jamshedpur" by interfering with the company's right to terminate leases. Although acknowledging, in passing, the continued existence of prior agricultural tenants whose rights were protected, the General Manager argued that "the greater portion of the agricultural lands in Jamshedpur are held by persons who are not raiyats in the popular interpretation of the word" but persons employed by the company who had been given small plots of land for vegetable gardens. Any land "held for residential or business purposes has to be subject to regulations and bylaws of a municipal nature," which might be undermined if these non-*raiyats* were to claim the status of agriculturists.[70] The C.N.T. Act continued to serve as a destabilizing force challenging the company's undisputed control over the land, which required the reinvention and redeployment of legal categories such as *raiyat* or urban resident. This was one of many strategies available to the company for working through and around the law.

---

[69] Walter Hauser, ed., *Swami Sahajanand and the Peasants of Jharkhand: A View from 1941* (Delhi: Manohar, 1995), 189-91.

[70] TSA, General Manager's Correspondence File No. 172 (1938, Pt. I), J.J. Ghandy, General Manager, to Sri Krishna Sinha, Prime Minister for Home Affairs, Patna, 15 February 1938.

ENCOUNTERING EXPERTISE

The expansion of Jamshedpur after the First World War also drew urgent attention to the problem of welfare provision for the town's growing industrial population. In their textile mills elsewhere in India, the Tatas had faced considerable difficulty in securing both skilled and unskilled labor. At the Empress Mills in Nagpur, for instance, managers perpetually complained about the effects of seasonal migration, which forced them to rely on Mahars (a much-maligned 'untouchable' caste) for their needs.[71] The ready availability of *adivasi* labor meant that TISCO did not face comparable shortages.

Where did the steel company draw its workers from? At the precise moment when Jamshedpur was being built, the rural economy of Chotanagpur was undergoing an extended crisis. As a result of a growing population and the rapid expansion of the arable frontier, the "low credit worthiness of the mass of peasantry" meant they could not "resist the increasing fluctuation of harvest."[72] Thousands of *adivasi* migrants moved to mines, tea plantations and the new steel works in search of employment. By 1920, there were 17,000 unskilled 'coolies' from Chotanagpur and Chattisgarh on the rolls at TISCO, out of a total of 28,000 workers. A wide range of skilled workers were recruited from all over India and assigned to their departments by caste and ethnicity: Bengali clerks, Punjabi foremen, Bihari blacksmiths, Rajputs, Kayasthas, and others. While their counterparts in the textile mills generally strengthened their ties with their

[71] Sharma, *The Location of Industries in India,* 179-80, 189. There is a longstanding debate on the extent to which the labor shortage in the cotton textile industry was a well-founded complaint about low skill levels or an artifact of managerial policy invested in keeping demand flexible. See Partha Sarathi Gupta, "Notes on the Origin and Structuring of the Industrial Labour Force in India, 1880-1900," in *Power, Politics and the People,* 329-32; Chandavarkar, *The Origins of Industrial Capitalism in India,* 81-82. On the caste-based exclusion of the Mahars from weaving sheds, see Chandavarkar, op. cit., 325-26.

[72] Prabhu Mohapatra, "Coolies and Colliers: A Study of the Agrarian Context of Labour Migration from Chotanagpur, 1880-1920," *Studies in History* Vol. 1, No. 2 (1985): 278-98. Mohapatra's meticulous study debunks the commonplace assumption that the net loss of control over land or a stagnating agrarian economy led to *adivasi* migration. Cf. Bahl, *Making of the Indian Working Class,* 94.

home villages after migrating, workers at Jamshedpur were more likely to become fully dependent on industry.[73] This put immense pressure on the fledgling company to first provide a bare minimum of services, and then to devise a workable welfare program in the long run.

Jamsetji Tata had left behind few concrete guidelines for the planning of his township. In a letter written from the United States in 1902, undoubtedly influenced by the prevailing ideal of the 'garden city,' he advised his son Dorabji:

> Be sure to lay wide streets planted with shady trees, every other of a quick-growing variety. Be sure that there is plenty of space for lawns and gardens. Reserve large areas for football, hockey and parks. Earmark areas for Hindu temples, Mohammedan mosques and Christian churches.[74]

This passage has been endlessly quoted in corporate biographies and other celebratory accounts of the Tatas as an example of Jamsetji's vision, but it offers scant evidence of the decision-making process regarding the design of Jamshedpur after his death. The town's population was implicitly assumed to be cosmopolitan, and facilities for recreation were given priority. Beyond those basic principles, it was left to Jamsetji's successors to work out the details.

During the first five years of the steel company's existence, the managing agents in Bombay were far too preoccupied with technical matters to give much thought to urban planning or worker welfare. The exception was the indefatigable B.J. Padshah, who, as we have seen in chapter 1, was the intellectual architect of the firm's expansion. Early on, Padshah set the new steel company on a course to becoming a conduit for transnational expertise in social science, recruiting the best and brightest minds from the West to aid the Tatas in becoming model employers. As early as 1914, Padshah had proposed setting aside 1½% of TISCO's net profits for "introducing among the working classes improved diet and better clothing within the limits of

---

[73] Bahl, *Making of the Indian Working Class,* 101-09; Gupta, "Origin and Structuring of the Industrial Labour Force," 337-38; Chandavarkar, *Origins of Industrial Capitalism*, 150.

[74] Quoted in Lala, *The Romance of Tata Steel,* 8.

caste, religion, custom and income."[75] Padshah was paying close attention to the young discipline of sociology in Britain, and to the investigations of Charles Booth, Seebohm Rowntree, and Patrick Geddes in particular.[76] He argued that the rapid development of industries in India required a thorough knowledge of the social sciences, which would help industrialists, statesmen, and reformers determine how "the social life of the people may be corrected." Studying the environment, birth and death rates, disease, family structure, caste, village conditions, and more had "a profound bearing on the value and efficiency of the individual as a social unit."[77]

To this end, one of the first major philanthropic donations by the Tata family was a grant of £1,400 per annum to the London School of Economics in 1912 for the purpose of "preventing and relieving poverty and destitution." The Department of Social Science and Administration at LSE, supported by the Ratan Tata Foundation, was home to the leading lights of Edwardian social and political thought, including the Webbs, E.J. Urwick, L.T. Hobhouse, and R.S. Tawney. The Department has been described as a "bizarre" and "wildly improbable union" between the individualist and voluntarist Charity Organisation Society (COS), the collectivist LSE, led by Sidney and Beatrice Webb, and the interests of the Tatas.[78] The Webbs' involvement must be seen in the broader context of the "cult of the business man" in Edwardian Britain, when even the hardline Fabians came to believe that capitalist fortunes could be tapped for the benefit

[75] TCA, T53-DES-T34-MINUTES-1-127, TISCO Board Meeting No. 164 held on 19 November 1914.

[76] Kim P. Sebaly, "The Tatas and university reform in India, 1898-1914," *History of Education: Journal of the History of Education Society* 14:2 (1985): 133.

[77] London School of Economics Archives (hereafter LSEA), Passfield Papers 10.2.1, B.J. Padshah to Director, Indian Institute of Science (19 May 1910); Unsigned proposal sent to Ratan Tata (28 May 1910).

[78] José Harris, "The Webbs, the Charity Organisation Society and the Ratan Tata Foundation: social policy from the perspective of 1912," in *The Goals of Social Policy*, ed. Martin Bulmer, Jane Lewis, and David Piachaud (London: Unwin Hyman, 1989), 28-29, 33-40; Ralf Dahrendorf, *LSE: A History of the London School of Economics and Political Science, 1895-1995* (Oxford: Oxford University Press, 1995), 124-26.

of "national reconstruction." As Beatrice Webb wrote, the strategy was to "detach the *great employer*, whose profits are too large to feel the immediate pressure of regulation and who stands to gain by the increased efficiency of the factors of production, from the ruck of small employers or stupid ones."[79] Ratan Tata's offer to endow a poverty research unit at LSE fit neatly into this strategy. But the mutual understanding between employer and expert over the importance of 'efficiency' would break down over the implementation of welfare at Jamshedpur.

During the First World War, the Tatas called upon LSE as a source of practical expertise, rather than of statistical knowledge or a coherent social philosophy for addressing poverty in the abstract. In 1917, Padshah wrote to Urwick urging "the appointment of a more or less prominent Committee in London to advise on the appointment to Social Welfare Work at the Steel Works."[80] The report of this committee, which included the Webbs, Hobhouse, and Urwick, on the whole "cast some doubt upon the Tatas' reputation as model paternalist employers."[81] The correspondence surrounding the report provides evidence of sharp disagreements between the company and its chosen experts.

The report began with a memo by Padshah, which offered a series of novel solutions to the problem of social organization in the new settlement, such as a decentralized "Mass Meeting (the Panchayat of Indian Village Communities)" working in tandem with the Welfare

---

[79] G.R. Searle, *The Quest for National Efficiency: A Study in British Politics and Political Thought, 1899-1914* (Berkeley: University of California Press, 1971), 90-92. On the Webbs' visit to India in 1912, their relationship with the reformist Servants of India Society, and their strategy of "permeation of the élite," see Nicholas Owen, "British Progressives and Civil Society in India," in *Civil Society in British History: Ideas, Identities, Institutions,* ed. José Harris (Oxford: Oxford University Press, 2003), 166-71.

[80] LSEA, Central Filing Registry 652A, B.J. Padshah to Urwick (7 December 1917).

[81] Harris, "The Webbs, the COS and the Ratan Tata Foundation," 46-47. Harris was unable to find any evidence "to suggest that the report was in any way resented by the Tata family." Cf. Kling, "Paternalism in Indian Labor," 79-80.

Department.[82] The aim of the company's policy at this stage was a revival of tradition rather than accelerating the advent of modern industrial life: "The old Indian village-life which was based on ideals of co-operation and self-sufficiency is to be re-vivified by us at Jamshedpur."[83] But this optimistic vision was soon restrained by growing anxieties over the influx of migrant labor.

Sidney Webb's contribution to the Committee's report, on the creation of a medical service, echoed Padshah's concerns about social and environmental influences at Jamshedpur in a noticeably sharper eugenic tone:

> The creation of a new town population, newly gathered from all parts, of mixed races, with diverse standards and customs of hygiene, morals and religion, without provision for the education of the young or the recreation of adults, presents one of the gravest of social problems. It is not merely a question of social improvement. It may easily prove to be one of preventing actual deterioration, physical and moral. […] With such a population the level of industrial efficiency would imperceptibly become lower year by year.[84]

To address the problem of efficiency, a supplemental "Memorandum on Fatigue" by Urwick and Hobhouse proposed a thorough investigation of the "effects of the length of shifts and of the total number of hours per day." Citing the work of Frederick Winslow Taylor and the studies carried out by the Ministry of Munitions on "muscular or nervous strain," they recommended a further reduction in working hours, as well as mandatory rest breaks.[85] A companion report by Dr. Harold H. Mann of the Poona Agricultural College on housing and working conditions at Jamshedpur went further in proposing a weekly day of rest. Mann reiterated that, "actual careful

---

[82] TSA, Box 752, Papers contributed by the members of the London Welfare Committee (1918), Memorandum by B.J. Padshah, 3.

[83] TSA, Industrial Relations File No. L-57, Pt. II, Welfare Work etc. (1917-1919), Note on Bhopal State, 3 May 1919.

[84] TSA, Box 752, "The Medical Service in the Welfare Work at Sakchi" by Sidney Webb, 1-2. On the relationship between eugenics and the Webbs' notion of "degeneracy," see Searle, *Quest for National Efficiency,* 61-63.

[85] TSA, Box 752, "Memorandum on Fatigue" by Edward J. Urwick & L.T. Hobhouse, 1-3; and "Fatigue: Positive Suggestions" by Edward J. Urwick, 1-5.

scientific inquiries might be made into the whole question of the best length of working hours for each shop or type of operation in a steel works *under Indian tropical conditions*."[86]

Sidney Webb praised the Mann report as "both comprehensive and conclusive" in making it evident that "the whole structure of welfare at Jamshedpur was not so far advanced as they had supposed."[87] Padshah reacted swiftly and defensively. He wrote to the Directors of the company in Bombay that Mann's report was "one-sided" and ignorant of local conditions. TISCO had already implemented eight-hour shifts. Could they be further reduced? Leverhulme's 33-hour week in the soap factory at Port Sunlight, for example, might be well suited to England "for men who work very strenuously," but "not for the more or less compulsorily leisurely work in a tropical climate." Padshah suggested breaking up the eight hours to take into account the heat of the midday sun, meals and "rest or stretching or drill." More generally, he argued, the nature of work in a steel plant complicated the relationship between efficiency and output. In a blast furnace, "output depends on the charge and on the period of reaction, which cannot be altered by the reduction of hours of labour." As to the role of welfare in the alleviation of worker discontent, this was "an illusion, particularly in a tropical country, where work, hours of work, heat, nervous tension, mosquitoes, dread of disease, want of accustomed social amenities, are greater sources of discontent than can ever be dispelled by measures of what is called welfare."[88]

Padshah's argument against following the British example was a climatic and racial one, an echo of a familiar colonial discourse emphasizing Indian difference. His response to Mann's

---

[86] TSA, Box 743, "Report on Investigations with regard to Social Welfare Work at Jamshedpur" by Dr. Harold H. Mann (1919), 92-93. Emphasis mine.

[87] TSA, Box 775, File C-4, Minutes of the 10th Meeting of the Permanent Welfare Committee (2 June 1919).

[88] TSA, Box 775, File C-4, B.J. Padshah to A.J. Billimoria (25 March 1919).

claim that insufficient housing had been provided for the *adivasi* labor force further reveals the complex interplay between climatic, racial and medical ideas in circulation at the time:

> I sent to Mr. Wells [the General Manager] a report of the Sociological Society of England in which one of the most capable scientists of the day had contended that modern model houses for coolies in the tropics had killed the dark population with the white plague. […] When you dissociate them from this open air life, when you put them in chawls and tenements, when you provide them with so much room at a high rent that they are tempted to sub-let, you produce, you create conditions for phthisis [tuberculosis] among men who have no congenital powers of resistance to it.[89]

Padshah's mode of reasoning may appear peculiar and self-interested, but it has much in common with the Webb Committee's reliance on sociological research and empirical investigation to determine the contours of welfare policy. It is equally important to note that Webb shared, to some extent, Padshah's belief in gradualism and faith in Indian solutions, such as the *panchayat*, to produce social order in the new township. Yet the recommendations of British experts, however modest, were resisted by Tata management as unworkable.

The twin problems of housing and working hours proved so intractable because they were assumed to exclusively concern the *adivasi* worker, rather than the steel company's diverse workforce as a whole. The spectacle of ostensibly primitive tribals employed in the most modern of industries exerted a profound fascination in the minds of Tata managers and visiting experts out of proportion to their actual numbers (a little more than half of the company's rolls in the early 1920s). The memoirs of rank-and-file TISCO employees were similarly rapturous about the *adivasi* body, often sexualized, at work. S. Modak, who served as a Time Keeper in the Brick Department during the early years of the steel plant, recalled:

> The men put on a small loin cloth and the women had small loin cloths like napkins of four cubits in length hung from their waists to the knees. Their upper bodies were completely bare. These labourers tied their attendance cards to their necks and the time keepers while punching these cards for attendance sometimes touched the bodies of the women without any objection from them. Their favourite songs were in Bengali, "I shall die and shall be

[89] TSA, Box 775, File C-4, B.J. Padshah to Messrs. The Tata Iron & Steel Co., Bombay (25 March 1919).

> reborn as the wife of a Time Keeper", "Ah, the Tata has much money and I shall not drive the bullock carts any more in Sakchi", "Ah, the Tata's electric lights are burning the whole night without oil.[90]

What had caught Modak's eye was the juxtaposition of the primitive and the modern – naïve bodies free of caste shame, and in awe of the technologies of the future brought by the Tatas. The *adivasis* simply could not be subjected to the regulation of clock time like their counterparts in the West. Accustomed to the open air and to their own life rhythms, it was likewise best not to force them into enclosed dwellings.

One of the few proposals to address the housing problem came from Town Engineer F.C. Temple, whose plan for Jamshedpur included a unique "experiment" to deal with the growth of *bastis*, or unauthorized slums where *adivasi* laborers squatted. Temple, like Padshah, admiringly described their traditional way of life: "Most of the tribes of these parts are a clean people, provided they have plenty of space and are not overcrowded. Their villages in the districts, built of brushwood and mud, are models of neatness and cleanliness." He suggested building a "coolie town" in Sonari, at the confluence of the Kharkai and Subarnarekha rivers, following the "well-known work by Herr Rudolf Muller of Vienna, who designed a system of hexagonal planning which gives great convenience for services, such as water supply and drainage." The hexagons had the added advantage of providing ample courtyard space including bathing tanks, latrines, and a plot where mud could be gathered for the construction of houses.[91] Temple's scheme, only partially realized, represents a remarkable confluence of transnational high modernism and

[90] TSA, Box 698, "What I Have Seen in Jamshedpur" by S. Modak (1969), 4.

[91] F.C. Temple, *Report on Town Planning,* Jamshedpur Social Welfare Series (Bombay: Commercial Press, 1919), 12-13. These "hexagonal clusters" still exist in Sonari, though are more clearly visible from the air. The plots have "been sub leased to individuals who have built single/double storied structures" quite unlike the mud huts described by Temple. See Sinha and Singh, "Planning an Ideal Steel City in India," 279.

localized primitivism.[92] It also points to the profound ambivalence of TISCO planners and management towards *adivasis*, who were imagined as naturally virile, pure races who could not easily become an industrial proletariat – yet who had, somehow, to be disciplined and settled.

THE ENDS OF WELFARE

Throughout the 1920s, welfare implementation at Jamshedpur proceeded on an *ad hoc* basis, constrained both by cost and by a set of ingrained beliefs about the uniqueness of Indian conditions. The company defended the lack of a proper employee record system by claiming that "the Cooly labour is at all times of a fleating [*sic*] nature and so, for that matter, is all Indian labour, but a cooly comes when he likes and goes when he likes."[93] Working hours continued to be the subject of intense internal debate. TISCO prided itself on the introduction of the eight-hour day in 1912, while the legal requirement in Britain continued to be twelve hours. However, as early as 1882, the report on the possibilities of iron and steel manufacture in India by German expert Ritter von Schwartz (which had originally inspired Jamsetji Tata) predicted that "the usual 12 hours of daily attendance ruling in Europe would have to be reduced to 8 hours" for climatic

[92] It is important to distinguish this positive approach, however flawed and self-serving, from the prevalent approach of mining companies under colonial conditions. On the Zambian Copperbelt, for example, only "cheap barracks and rude huts would suffice," which dovetailed with white settlers' and administrators' anxieties about settled populations. See Ferguson, *Expectations of Modernity,* 34. African 'tribal' workers, like their Indian counterparts, were thought to be constitutionally unfit for urban habitation. But certain strands of TISCO management valorized and sought to work with the 'tribal' lifestyle – believing it to be, in part, a source of their workers' health and physical strength.

[93] TSA, Box 775, File C-4, T.W. Tutwiler, General Manager, to A.C. Chatterjee, Department of Industries (1 June 1921). The absence of record-keeping has been a thorny problem for the historiography of Indian capitalism. Dipesh Chakrabarty, using the example of the jute mills in Calcutta, proposed that the forms of authority in the Indian factory were fundamentally different from the classical Marxist model of control through discipline (the keeping of time sheets and attendance rolls). Employers ruled through corruption, physical violence, and hierarchical deference because they, like their workers, were part of "a precapitalist, inegalitarian culture marked by strong primordial loyalties of community, language, religion, caste, and kinship." See Chakrabarty, *Rethinking Working-Class History,* 69-73, 85-88, 107-14. For a critique of this position, see Vivek Chibber, *Postcolonial Theory and the Specter of Capital* (London: Verso, 2013)*,* 103-119, 144-45. The considerable variation and change over time *within* the company in the span of a decade belies easy conclusions about the nature of labor control in India as a whole.

reasons.[94] No one was suggesting lengthening the working day beyond this limit. The main point of contention between different factions within TISCO management was the number of shifts.

Only a few years after rejecting the recommendations of the Mann report, Padshah found himself opposing his colleagues on the question of providing a weekly day of rest. The Government of India, then in the process of amending the Factory Act, requested opinions from industry on the resolutions of the first International Labor Conference in Washington. Representatives of leading Indian metallurgical concerns gathered at Jamshedpur in 1920 to state their categorical opposition to a six-day week and to the prohibition of employing women at night in the coal mines. It was true, the company argued, that textile mills had implemented a day of rest, but the nature of the steel industry "compels us to work on 365 days of the year and for 24 hours each day." In the ILO's attempt "to regularise condition of labour across the world," they said, account should be taken of "the peculiarities of Indian labour," especially of the "relations between Indian industrial labour and agriculture and of the frequency of religious festivals." Furthermore, the company's mines employed "aboriginals or women of the lower classes who are in less need of benevolent protections than women elsewhere."[95]

In a blistering attack on the company's official position, Padshah appealed to "the tradition of the Tata Iron & Steel Co. to take a broad and generous view of labour problems so as to be an example to others." Opposition to a day of rest, when it had been accepted by other industries in India and England and recommended at Geneva and Washington, "would stamp the Steel Company's attitude as reactionary." With regard to women working at night, "we have

---

[94] TSA, Box 546-50, Appendices (1902). Extract from Von Schwartz Report; Bahl, *Making of the Indian Working Class,* 117; Datta, *Capital Accumulation and Workers' Struggle,* 122-24. Albeit not by legislation, government-owned railway workshops had adopted the eight-hour day before TISCO.

[95] TSA, Industrial Relations File No. L-8, Legislation Regarding Labour (June 1920-February 1921), Tata Iron & Steel Co. to The Secretary, Board of Industries & Munitions, Simla, 30 November 1920.

been almost convicted of breach of law," which had already "produced a disagreeable impression."[96] For Padshah, "the Day of Rest is coming" and should be accepted as an inevitable cost of progress and the modernization and humanization of industry: "I ask you to save your souls by cordially welcoming what you cannot resist." He rested his case by offering what would, in time, become a Tata slogan: "One is in business for profits, but not for profits only."[97]

In response to Padshah, TISCO's Town Administrator S.K. Sawday referred to the "amplitude of leisure" enjoyed by workers on a varying eight-hour shift: "What the labourer wants is recreation, time to go to the bazaar and to see his friends." In the mines, "there is no semblance of compulsion. Women don't work unless they want to. If there was any sort of hardship they would stop."[98] The assumption that workers at Jamshedpur were fundamentally content with their lot reinforced the more compelling economic arguments against the day of rest and night shifts for women, fueled by anxieties about high costs and the need to compete in a global steel market then experiencing a sharp downturn.

The first major strike at TISCO in the spring of 1920 was violently suppressed, revealing a degree of discontent far beyond management's imagination.[99] Strike leaders put forward a detailed list of specific grievances, including the lack of a representative Town Council and Sawday's "arbitrary" rule over Jamshedpur. On March 15, Sawday lived up to his notoriety by personally ordering the police to fire on a crowd of strikers massing at the gates of the factory.

---

[96] TSA, Industrial Relations File No. L-9, Legislation Regarding Labour (June 1920-February 1921), Office note on the decision of the Metallurgical Conference at Jamshedpur against a weekly day of rest, Bombay, 30 November 1920; B.J. Padshah to S.K. Sawday, 10 December 1920; B.J. Padshah to S.M. Marshall, 2 December 1920.

[97] TSA, Industrial Relations File No. L-9, Legislation Regarding Labour (June 1920-February 1921), B.J. Padshah to A.W. Dods, 1 December 1920.

[98] TSA, Industrial Relations File No. L-9, Legislation Regarding Labour (June 1920-February 1921), S.K. Sawday to B.J. Padshah, 6 December 1920.

[99] For an in-depth account of the events of the strike, see Bahl, *The Making of the Indian Working Class,* 208-234.

Five workers died and 10 were seriously injured.[100] The company now found itself in a precarious position with regard to the control of labor. As discontent among workers simmered, management began to embrace expertise at last.

One of Padshah's more creative suggestions for the reconciliation between labor and capital in the wake of the 1920 strike was to invite Colonel Josiah Wedgwood, a British Labour MP, to address the workers alongside Indian nationalist leader Lala Lajpat Rai. Padshah hoped that Wedgwood "would be able to explain that the Company's policy of bringing out experts specially trained for it in Welfare and selected for it by a Committee of Experts, like Mr. and Mrs. Sidney Webb, Prof. Hobhouse and Prof. Urwick, is an indispensable policy if Welfare is not to be a sham." Wedgwood would thus alleviate workers' suspicion by presenting welfare work as a "scientific institution based on studies."[101] As it turned out, Wedgwood's presence in Jamshedpur had the opposite effect, reinforcing the union's position. The General Manager complained that Wedgwood "gave the people some good advice, but his whole cry was for organized labor."[102] It was no small irony that Padshah wished to use the experts' reports, which he had once contested or dismissed, as evidence of the company's good faith. He had come to see himself, rather grandiosely, as "an interpreter of Labour to Capital and Management who is quite willing to learn and understand new points of view."[103]

---

[100] TCA, T53-DES-T34-MINUTES-03, Letter dated 1st March 1920, from Mr. S.N.Haldar and Mr. N.C. Chatterjee to Mr. T.W.Tutwiler, TISCO, Jamshedpur. On the firing, see Bahl, op. cit., 229.

[101] TSA, Industrial Relations File No. L-16, Labour Association at Jamshedpur (1920-24). B.J. Padshah to T.W. Tutwiler, 17 December 1920.

[102] TSA, Industrial Relations File No. L-16, Labour Association at Jamshedpur (1920-24). T.W. Tutwiler to Tata Iron & Steel Co., Bombay, 23 December 1920. By contrast, Lajpat Rai declared himself impressed with the conditions of labor at Jamshedpur. TCA, T53-DES-T34-MINUTES-03, 98-99. Tutwiler to TISCO, Bombay, 22 December 1920.

[103] TCA, T53-DES-T34-MINUTES-03, Padshah to Tutwiler, 18 December 1920.

In 1927, S.K. Sawday attended the Third International Committee of Scientific Organisation of Labour in Rome as a representative of TISCO, and reported the widespread adoption in the West of Taylorism and other methods of "scientific management." He concluded that "a good many of them are applicable to us," even the principle of incentivizing workers through higher wages. In so doing, he reversed his earlier stance on the implications of the idle habits of *adivasi* laborers:

> At the present day, I think it can be argued that the coolie labour or at any rate the aboriginal coolie has no desire to improve his standard of living and if he earns more money, merely works less, and takes more leave for going home. Even then, we must remember that only certain parts of the world believe in work for the pleasure of working, and if the aboriginal spends more time in his own village after getting more money, that is his idea of raising the standard of living, and if he care to spend his money on leisure rather than food or clothes, it is none of our business.[104]

Sawday's proposal of an "efficiency enhancing system," which introduced a standardized wage structure and "payment by results," was part of a wider set of measures designed to address workers' opposition to reductions and increasing workload, which culminated in the largest strike in the history of the company one year later.[105] In the aftermath of the 1928 strike, TISCO briefly experimented with a departmental shop committee including workers appointed by both management and the union. A comprehensive rationalization scheme was drawn up for the first time. TISCO made greater strides in this regard than the Bombay millowners, who resisted the imposition of uniform standards of wages and grades well into the 1930s.[106] Crude assertions of

---

[104] TSA, Box 82, Report by Mr. S.K. Sawday (5 September 1927), 9-11. On the growing acceptance of scientific management and a modified Taylorism in interwar Europe, see Anson Rabinbach, *The Human Motor: Energy, Fatigue, and the Origins of Modernity* (Berkeley: University of California Press, 1992), 276-77; Charles S. Maier, "Society as factory," in *In Search of Stability: Explorations in Historical Political Economy* (Cambridge: Cambridge University Press, 1987), 23-38, 47.

[105] Chikayoshi Nomura, "TISCO's Strikes in 1927-29: An Initial Step Towards a Shopfloor Democracy," NIHU Program Contemporary India Area Studies (INDAS) Working Paper No. 11 (March 2013), 71. On the 1928 strike, see Dilip Simeon, *The Politics of Labour under Late Colonialism: Workers, Unions and the State in Chota Nagpur, 1928-1939* (New Delhi: Manohar, 1995), 36-81; Bahl, *Making of the Indian Working Class,* 283-320.

[106] Chandavarkar, *Origins of Industrial Capitalism,* 335-38, 395-96.

cultural difference gave way to a more complex interplay of transnational expert knowledge and localized paternalism.

THE MEANING OF JAMSHEDPUR

To Indian intellectuals in the interwar period, observing Jamshedpur from the outside, the steel city was a microcosm of Indian society, a bottomless reservoir of social problems, and the frontier of industrial modernity in a 'backward' region. Jamshedpur's relative proximity to Calcutta made it easy for (mainly Bengali) economists and sociologists writing in the aftermath of the *swadeshi* movement, notably Benoy Kumar Sarkar and Radhakamal Mukerjee, to study firsthand the progress of a pioneering industry.[107] Despite key differences between them, both Mukerjee and Sarkar were keenly interested in the worlds made by Tata, particularly the steel plant at Jamshedpur, as embodying a new spirit of "rationalization" and "Americanism" in Indian economic life. Both were deeply engaged in a wider interwar project of discovering a vernacular the new "life-worlds" that were coming into being in India.[108] The factory – even more than the paradigmatic village or bazaar – was one such 'life-world' that urgently needed to be understood. Yet for Sarkar and Mukerjee the meaning of capitalist expansion in the Indian hinterland remained opaque, laden with both promise and peril.

Benoy Sarkar's vision of India's future rejected cultural nationalism and spoke a "modernist language" attuned to the "growing 'coincidences in social life' made possible by the

---

[107] Kris Manjapra, *Age of Entanglement: German and Indian Intellectuals across Empire* (Cambridge, MA: Harvard University Press, 2014), 150-52.

[108] C.A. Bayly, *Recovering Liberties: Indian Thought in the Age of Liberalism and Empire* (Cambridge: Cambridge University Press, 2011), 23-24, 277.

expansion of capitalism."[109] The remaking of India's "industrial geography" through the rise of iron and steel production in Bihar and Western Bengal captured his imagination. From a small and insignificant village, Jamshedpur became the "world's most famous city of iron and steel with a population of 80,000 inhabitants" in just ten years. It was a dramatic change that could "be properly envisaged only by those who have the imaginative memory to understand the beginnings of modern Lancashire, Belgium, or Rhineland." Sarkar visualized the spread of ancillary manufacturing industries around the Tata plant after the war using a biological metaphor, as "complex ganglia of life and culture."[110] Jamshedpur was a vital nerve center of the new Indian economy, where the concentration of capital, labor, and infrastructure heralded an industrial revolution comparable to that of Europe.

Throughout his writings, Sarkar singled out Tata as a bearer of what he called *visva-shakti*, or "world-forces." This concept referred to "the objective configuration of political and economic relations on a world-wide scale at a specific historical moment." It extended Rabindranath Tagore's concept of *atma-shakti* (power of/over the self), developed during the *swadeshi* movement to link self-realization with nationalist aspirations, on a global scale. It also spoke to a wider tendency by Indian interwar thinkers to view the world economy as an "energy field that could be tapped by different national groups."[111] *Visva-shakti* was not merely descriptive or analytical, but signaled endless possibility and agency. Corporations like Tata captured flows of vital energy, offering a new way of being in the world for Indians. Sarkar

---

[109] Manu Goswami, "Imaginary Futures and Colonial Internationalisms," *American Historical Review* Vol. 117, No. 5 (2012): 1467-68, 1473.

[110] Benoy Kumar Sarkar, *Economic Development: Snapshots of World-Movements in Commerce, Economic Legislation, Industrialism and Technical Education* (Madras: B.G. Paul & Co., 1926), 329.

[111] Goswami, "Imaginary Futures and Colonial Internationalisms," 1468-70; Manjapra, *Age of Entanglement,* 143-49.

confidently declared: "The spirit of Tata is abroad and Tataism has come to stay. The tonic of machinery has commenced functioning in no unmistakable manner."[112] In Tata, India could boast "at least one" firm that "would stand the highest world-test."[113]

Sarkar consistently avoided valorizing locality, indigeneity, and difference in his attempt to understand the Indian manifestation of global capitalism. But he sounded a note of caution about TISCO's embrace of "Americanism in business organization." He warned that, "with retrenchment and unemployment in one hand and higher wages and efficiency in the other," the steel company's management was "consciously educating the people of all ranks to the double-edged sword of rationalization."[114] While he admired TISCO's achievements in vertical integration, particularly the company's hold on captive coal mines, Sarkar was under no illusions about their ultimate effects: "Trustification is nothing but contemporary imperialism embodied in the economic sphere."[115]

Radhakamal Mukerjee diverged from his friend and colleague Sarkar by forcefully advocating economic development guided by distinctly Indian ethics, and saw the tide of world-forces advancing in an altogether different direction. Mukerjee believed that global political economy was moving from rapid convergence and homogenization back to the local and the vernacular. He wanted to ensure that India would be part of this process, and not destined to repeat the stages of industrialization that were already being discredited in the West. Big industry brought with it, he argued, "certain social ideals that are not acceptable to the people" of India,

---

[112] Benoy Kumar Sarkar, *Creative India: From Mohenjo-Daro to the Age of Rāmakṛṣṇa-Vivekānanda* (Lahore: Motilal Banarsi Dass, 1937), 430.

[113] Sarkar, *Creative India,* 337.

[114] Benoy Kumar Sarkar, "Rationalization in Indian Cotton Mills, Railways, Steel Industry & other Enterprises," Economic Brochures for Young India (Calcutta: Oriental Press, 1930), 129-30.

[115] Sarkar, *Economic Development*, 63.

who would never let go of caste and the joint family.[116] Mukerjee called for the development of cottage industries and small workshops alongside large industries, and for a more equitable distribution of capital and technical knowledge to India's ailing villages. The Tata steel works did mark "an epoch-making advance in mining and metallurgy, and are fraught with immense possibilities for the future" that might enable India to become "the workshop of the East."[117] But they were to be, at best, a tolerated exception.

Like Sarkar, however, Mukerjee experienced firsthand the allure of industrial modernity at Jamshedpur. After conducting a series of investigations into the lives of workers in plantations, mines, and factories as a member of the Bihar Labour Enquiry Committee in the late 1930s, he concluded that, "rationalization alone holds the key to the successful utilization of machines by men." If given the opportunity, "the Indian industrial worker who is often treated by the employer as a part-time agriculturist can rise to his full stature as a machine-tender, comparable in his efficiency to his compeer in the industrial countries in the West."[118] The need to cultivate a "machine-sense" among "country-bred workers" was a particular obsession of social scientists in the interwar period, beginning with the report of the Royal Commission on Labour in 1931. Improvements in training and the organization of the work process at TISCO promised to produce nothing less than a new kind of laboring subject, whose deep-seated aspirations for a better life would be fulfilled.[119] Mukerjee was "astonished during his visit to the Tata works to see a woman control driver at a crane in charge of her skilled and responsible task." At the Golmuri workshops near Jamshedpur, he noted the presence of "aboriginal women

---

[116] Radhakamal Mukerjee, *The Foundations of Indian Economics* (London: Longmans, Green & Co., 1916), 323-27.

[117] Mukerjee, *Foundations*, 347, 369, 405, 452-54.

[118] Radhakamal Mukerjee, *The Indian Working Class*, third edition (Bombay: Hind Kitabs, 1951), ix-x, 239-40.

[119] Margaret Read, *The Indian Peasant Uprooted: A Study of the Human Machine* (London: Longmans, Green & Co., 1931), 26-27, 50-51.

as armature winders who have acquired a degree of technical skill that extorts admiration."[120] Here was an inversion of Sidney Webb's earlier eugenic fears about Jamshedpur.

But the absence of standardized occupational designations before the Second World War meant that experienced and capable Indian workers were deemed only "semi-skilled" in the company hierarchy, which prevented them from obtaining higher wages and taking on greater responsibility within the plant.[121] Despite the admirable results achieved in technical training up to the 1930s, Radhakamal Mukerjee and his followers believed the wider social purpose of rationalization could only be realized through its effects on wages and standards of living. In this respect, Tata managers were found wanting in their pursuit of intensification of labor without a corresponding rise in wages.[122] Mukerjee called for ethical renewal across all social spaces molded by different forms of capital, from the village to the factory. At Jamshedpur, this had not yet taken place.

"Tataism," Benoy Sarkar's preferred shorthand for describing the spirit of the Tatas' rationalizing drive, consciously evokes a more famous relation, Fordism. In the *Prison Notebooks,* Antonio Gramsci evinced a similar ambivalence about its effects. Pondering whether Fordism was a "rational" and generalizable trend, or a "malignant phenomenon which must be fought against," Gramsci concluded that "a long process is needed" to make the Fordist economy based on skilled labor and high wages a reality, "during which a change must take place in social conditions and in the way of life and the habits of individuals." In countries such as Italy, which still had the remnants of feudalism and the nineteenth-century bourgeois order to contend with,

---

[120] Mukerjee, *Indian Working Class*, 241-42.

[121] Datta, *Capital Accumulation and Workers' Struggle,* 25-27; Bahl, *Making of the Indian Working Class,* 106. Datta sees this as an outcome of the deliberate "de-skilling" of Indian workers by management for the purpose of control, following Harry Braverman's "degradation of work" thesis.

[122] Mukerjee, *Indian Working Class*, 255.

this was a far-off outcome in the 1920s and 30s. But Americanism nonetheless entered into Italy from abroad, causing sudden crises and moments of reckoning.[123] Similarly, Tataism in India was both a *swadeshi* equivalent to Fordism or Americanism *and* the local instantiation of a global phenomenon – a paradox Indian intellectuals found themselves unable to resolve.

As the Tata steel company entered its third decade, the boundaries of Jamshedpur had been settled, strikes had been suppressed, and production expanded. The city remained under the exclusive control of the company, which would not relinquish its hold despite its occasional reluctance to simultaneously act as employer, landlord, and government. Indeed, it had begun to intensively extract rents in order to cover the soaring costs of municipal services, and it had successfully fought off tenants' legal challenges. Urban planners were trying once again to resolve the pressing housing problem. Within the factory, workers' opposition to rationalization slowed down after the end of the great strike of 1928. Managers were growing more confident by the day that they could implement ever more sophisticated efficiency measures, and were more willing to listen to experts' advice. But the future of Jamshedpur as an experiment in reshaping India through modern industry remained in doubt. Above all, the failure to put forth a coherent vision for governing land and labor weighed on the minds of managers and outside observers alike. The legal question of town administration could arise again at any moment, while Jamshedpur still lacked a uniform urban design or long-term plan for growth. For workers, the quiet interlude of the 1930s was no lasting industrial peace. More struggles lay ahead, with new flows of social scientific ideas and management techniques to follow in their wake.

[123] Antonio Gramsci, "Americanism and Fordism," in *Selections from the Prison Notebooks*, ed. Quintin Hoare and Geoffrey Nowell Smith (New York: International Publishers Co., 1971), 292, 312-13. Industrialist Gianni Agnelli's struggle to appropriate the demands for greater "rationalization" made by the Communist Ordine Nuovo workers' councils in his Fiat factory was one such moment.

Chapter 3. Worlds of Philanthropy

When Jamsetji Nusserwanji Tata died in a German sanatorium in May 1904, the newspaper *Hindi Punch* ran a revealing cartoon alongside his obituary. Seated with hands clasped together in reverent prayer, Tata's words flow upwards from his mouth, as in a plume of smoke: "Great Hormuzd! [n.b. Ahura Mazda, the high deity of the Zoroastrian faith] Giver of Light! For Thy Glory! In Thy Service! In Thy Keeping!" He is flanked by three stately female figures, one of them recognizably dressed in Parsi style, another evidently Hindu (her trident evoking the goddess Durga). The third figure, supporting Tata's head, resembles an ancient Greek goddess and wears a sash reading, "Charity." At Tata's feet are strewn a number of objects, including a horn of plenty marked "Mr. Tata's Benefactions," a compass, a set of laboratory flasks, and a microscope enveloped by the words, "Scientific Research Institute."[1]

The iconography refers to Tata's most important philanthropic legacy, the Indian Institute of Science, India's first higher education institute focused on science and technology. As the *Hindi Punch* obituary pointed out, Tata's bequest marked a step-change in the scale and nature of Indian philanthropy: "The day he announced his princely gift of thirty lakhs for a Research Institute will, forever, remain memorable in the annals of private munificence and enterprise in India." By juxtaposing religion and tradition with the cutting edge of modern science in the iconography of the cartoon, the obituary sought to bridge the divide between earlier mercantile forms of charity in India, which were largely community-based, and the cosmopolitan spirit of an emergent public sphere: "His was not the charity that the average Parsi affects, but it was charity all the same, the truest kind – charity that helps to create not destroy, to regenerate not demoralise, and he dispensed it, regardless of caste, colour or creed, without ostentation, without

[1] TCA, FP-NO-029B-JNT-RDT-OBITUARY-PG-057.2, Excerpt from *Hindi Punch,* Bombay, 22 May 1904.

the accompaniment of trumpets and without the ulterior object of self-glorification and titled renown."[2] Here the writer sought to dispel the colonial government's suspicion that Tata, like several philanthropically minded Parsi magnates before him, had been using the endowment to obtain for himself a title of nobility.

Jamsetji Tata's two grandest projects, the Tata Iron and Steel Company and the Indian Institute of Science, were intimately connected. At the high noon of the Raj, just as anticolonial politics exploded in the *swadeshi* movement in Bengal, Tata's economic and philanthropic projects alike responded to the imagined developmental needs of the nation-state-in-waiting. Just as Tata laid out a path toward economic *swadeshi* led by private capital, which built the material infrastructure of the Indian economy (textile mills, steel plants, hydroelectric dams), he also offered an expansive vision of private philanthropy building a complementary infrastructure of knowledge production and exchange. The Indian Institute of Science was the first of several major research institutes endowed by the Tata family before 1947.

Tata philanthropy was exceptional and groundbreaking in three key ways. First, it took place at the end of a century of collaborative relationships between the British and Indian elites, and at the cusp of new conceptions of nationalism. Throughout the eighteenth and early nineteenth centuries, Parsi charity in Bombay "had developed into an important and complex system of support for community and identity," taking on a more expansive character to align with the colonial state's preference for "works of public utility."[3] As Preeti Chopra puts it, Parsis took the lead in the "joint enterprise" of making modern Bombay through "partnerships in which

[2] TCA, FP-NO-029B-JNT-RDT-OBITUARY-PG-049.2, Excerpt from *Hindi Punch,* Bombay, 22 May 1904.

[3] Jesse Palsetia, "Merchant Charity and Public Identity Formation in Colonial India: The Case of Jamsetjee Jeejeebhoy," *Journal of Asian and African Studies* Vol. 40, No. 3 (2005): 202-03; Carey A. Watt, "Philanthropy and Civilizing Missions in India c. 1820-1960," in *Civilizing Missions in Colonial and Postcolonial South Asia*, ed. Carey A. Watt and Michael Mann (London: Anthem Press, 2011), 273-76.

the philanthropist and colonial government shared costs and responsibilities in the making of a public realm in Bombay." To be sure, the Bombay government had ultimate control over the management of charitable donations for schools, colleges, and hospitals, and donors often struggled to impose their own conditions. These partnerships nonetheless bolstered the Parsi community's standing with the authorities, by contrast with "wasteful" and "superstitious" Hindu and Muslim charity. The ideal type of the collaborative relationship was the first Parsi baronet, Sir Jamsetjee Jeejeebhoy, who endowed a pioneering hospital in Bombay in 1845. This was a project conceived "in the best interests of humanity," bringing together the claims of utilitarianism and humanitarianism underpinning British rule in India. It also followed directly from Jeejeebhoy's experiences working alongside British merchants in the China opium trade, and was, at one level, defined by self-interest. He became the first Indian to be knighted in the wake of the hospital donation.[4]

Jamsetji Tata appeared to be a philanthropist of a different kind. The Institute of Science "exhibited a considerable independence of spirit and was not guided by the needs or dictates of the colonial regime."[5] In place of a partner and collaborator, the colonial government, then embarking on a mission to centralize administration and further industrial development through technical education, found in Tata an unexpected competitor.[6] The state had not yet grasped the appeal of *swadeshi* philanthropy, nor learned how to coopt it. Colonial law was designed to counter the perceived tendencies among wealthy Indians to merge giving and self-interest. The reproduction of capital had to be wrenched apart from the reproduction of families, as Ritu Birla

[4] Palsetia, "Merchant Charity and Public Identity Formation," 204-07; Preeti Chopra, *A Joint Enterprise: Indian Elites and the Making of British Bombay* (Minneapolis: University of Minnesota Press, 2011), 14-17.

[5] Chopra, *A Joint Enterprise,* xiv, 163-68, 176-86.

[6] Cf. Goswami, *Producing India*, 74-81.

has argued.[7] Yet it was also the very same colonial sovereignty, through the Charitable Endowments Act, that eventually made Tata's scheme possible. In time, the transfer of Tata philanthropic ventures to state control would mark the resolution of recurring tensions between public and private institution building.

Second, Tata philanthropy depended on far-reaching webs of expertise. It was cosmopolitan in the broadest sense, transcending the boundaries of community, nation, and empire – an "Indian incarnation of a global phenomenon," drawing from Britain or the United States through channels outside the imperial relationship and actively negotiating between global and the vernacular registers.[8] It drew upon the transnational movement of scientists and technocrats, many of whom came to be associated with the firm's industrial enterprises as well. The investments made by the Tata Trusts in applied social science, a remnant of the original, more holistic plan for the Institute, were always deeply connected with the Tata companies' need to manage diverse and restive workforces in Bombay and Jamshedpur. The Trusts also marked the single most significant shift in the administration of the Tata Sons, the managing agency controlling all the various Tata companies. The shares belonging to Jamsetji Tata's sons passed, upon their death, into the hands of the Trustees. By 1944, over 80% of the share capital of Tata Sons was owned by the Trusts.[9] But the pattern of Tata endowments, and the particular forms of infrastructure they built, cannot be directly mapped onto the firm's economic interests; nor did philanthropy mainly serve to bolster the family's social or community standing. Philanthropy

[7] Birla, *Stages of Capital,* 66-67.

[8] Prashant Kidambi, "From 'Social Reform' to 'Social Service': Indian Civic Activism and the Civilizing Mission in Colonial Bombay c. 1900-1920," in *Civilizing Missions in Colonial and Postcolonial South Asia*, ed. Carey A. Watt and Michael Mann (London: Anthem Press, 2011), 227.

[9] TCA, Box 195, DTT/PHIL/FP/6, DES report on the Tata Trusts, n.d.

and economy progressed along separate lines, which intersected at crucial moments revealing the gaps between them.

Finally, Tata philanthropy redefined the practical uses to which the freely given gift could be put in India. The fraught relationship between philanthropy as "symbolic capital" and strictly "economistic" explanations of giving has long been central to anthropological and sociological accounts of modern economic life. For Bourdieu, "economic and symbolic capital are so inextricably intertwined that the display of material and symbolic strength…is in itself likely to bring in material profits."[10] Bourdieu's concept of "symbolic capital" built on the earlier work of Marcel Mauss, whose study of the gift as a "total social fact" in "archaic" societies concluded with a brief analysis of early twentieth century market economies. To forge inclusive welfare states in which policies such as social insurance would avoid the "wounds" inflicted by unreciprocated charity, Mauss argued, "we can and must return to archaic society and elements within it."[11] In her introduction to *The Gift*, Mary Douglas critiqued Mauss's attempt to apply his observations to the modern world. Large-scale corporate philanthropy in particular would not necessarily perform the integrative functions Mauss anticipated. "Though giving is the basis of huge industries," Douglas wrote, "we cannot know whether it is the foundation of a circulating fund of stable esteem and trust, or of individualist competition."[12]

In the Indian context, Ritu Birla explains the separation of the gift from the market by tracing colonial law's recognition of "the indigenous mercantile ethos not as ethical practice but

---

[10] Pierre Bourdieu, "Symbolic capital," in *The Logic of Practice,* trans. Richard Nice (Stanford: Stanford University Press, 1990), 119-20.

[11] Marcel Mauss, *The Gift: The Form and Reason for Exchange in Archaic Societies*, trans. W.D. Hall (New York: W.W. Norton & Company, 2000)*,* 65-69.

[12] Mary Douglas, introduction to Mauss, *The Gift,* xv.

rather in its difference, as *ethnic,* that is, as the expression of a timeless culture."[13] Nonetheless, for Birla this separation is not a mere artifact. There *was* a fundamental difference between the complex gifting practices Indian merchants, particularly the Marwaris, and the limited imagination of the colonial legal apparatus. Tata philanthropy presents us with a different story. What would happen if the indigenous corporate ethos at work is not ethnic, but self-consciously cosmopolitan, modernist, and technocratic? The gift was socially re-embedded not only in the market through the ever-present connection between Tata philanthropy and industry, but in the nation through infrastructures of knowledge production: laboratories, museums, hospitals, universities, and scientific research centers.

A LANDED GENTLEMAN

Jamsetji Tata distinguished himself from his contemporaries, as the *Hindi Punch* cartoon implied, by a resolutely scientific disposition in business and life. From his very first industrial venture, the Empress Mills, Tata was keen to adopt technological innovations (notably the "ring spindle" frame then not widely in use even in Lancashire) and relied on the advice of experts from outside India. For over twenty years, Tata was in constant touch with metallurgists and chemists from Britain, the United States, and Germany as he sought to realize his vision of starting an integrated iron and steel plant. He was an avid experimenter and tinkerer, attempting to grow long staple Egyptian cotton on a farm in his hometown of Navsari and importing Japanese techniques of silk manufacture into India on a small scale.

Tata's agricultural experiments were closely related to his purchases of land in and around Bombay. The more idiosyncratic examples included turtle rearing, a failed poultry farm in Navsari, and the vast Mahim River Reclamation Scheme to move all cattle stables out of

[13] Birla, "Vernacular Capitalists and the Modern Subject in India," 98-99.

Bombay city and to establish "Buffalow, Cow and Sheep-breeding farms on an elaborate scale on scientific lines." For this scheme, Tata planned to acquire 2,800 acres of land in the north of Bombay island and plant "special salt bushes to serve as fodder for buffaloes," which he thought would improve the quality of the animals' milk. He even purchased the entire village of Anik outside Bombay to act as a laboratory for salt bush cultivation.[14] Most significantly, Tata repeatedly experimented with growing long-staple Egyptian cotton, publishing an influential memorandum on the subject in 1893. This variety of cotton was superior to short-staple Indian cotton, but grew only under drier climatic conditions in Egypt.[15] Tata's memorandum sought to gather expert advice and to inspire both landowners and peasants ("our poor and starving submerged class") to carry out their own trials, which could become "a source of great amusement as a rational pastime." [16] Bombay millowners, as the first chapter has shown, faced increasing competition from Japanese exports and the closure of the China market in the 1890s. Tata's appeal was concerned with the future of the industry in which he had made his fortunes.

For as long as Tata Sons in Bombay retained a close connection with Tata & Co., the trading branch in the Far East, Jamsetji Tata's agricultural initiatives also relied on the circulation of knowledge between India and Japan. As his first biographer, the nationalist leader D.E. Wacha, recalled: "on his return from a visit to Japan, Mr. Tata was inculcating among his numerous mercantile friends the extreme importance of following some of the most successful methods of cultivation pursued by the Japanese."[17] To this end, Tata established a silk farm near

---

[14] TCA, FP30, "Some Side-Lights and Reminiscences of Late Mr. J.N. Tata (1899 to 1904)" by Jamshedji Saklatvala, 5-6, 9, 14.

[15] Beckert, *Empire of Cotton,* 168-69, 421.

[16] TCA, FP41, "Memo. Respecting the Growth of Egyptian Cotton in India" by J.N. Tata, 1-9.

[17] Wacha, *Life and Life Work of J.N. Tata,* 102.

Bangalore, in the princely state of Mysore, staffed by a Japanese expert, Mr. Ozu. The colonial Department of Agriculture judged that the Tata Experimental Farm produced "some of the best silk in India," and attempted to emulate Tata's success through their own silk growing project in Baluchistan.[18] However, after the transfer of the Tata Farm to the Salvation Army in 1910, officials refused to assist an overtly "proselytising" organization, a decision made easier by the location of the Farm in a princely state and "therefore to some extent 'out of view.'"[19] The fate of the Tata Farm prefigured the jurisdictional conflicts over the administration of the Institute of Science, which was also to be located in Bangalore.

Due in part to the apathy of the colonial state, and to the scale of his commitments elsewhere, Tata's contribution to the modernization of Indian agriculture remained marginal. In this respect, Wacha lamented a lost opportunity: "On the whole his views on irrigation and agriculture were of a sound and practical character, and it is a pity that Mr. Tata did not expound them for the benefit of the country in his own exhaustive way as he had done in reference to matters industrial."[20] As an improving landlord, Jamsetji Tata left behind no lasting legacy comparable to his textile mills, hydroelectric dams, or iron and steel plant.

The lasting consequence of Tata's agricultural experiments for his future philanthropic endeavors was rather the value of the land itself. Like many other Parsi merchants redirecting their profits to new sectors after the decline of the China opium and cotton trades, Tata invested

[18] TCA, FP30, "Side-Lights and Reminiscences," 15; NAI, Foreign (Frontier), Nos. 79-85, Pt. A (August 1905), Major H.L. Showers, Political Agent, Kalat, to Government of India, Foreign Department, 3 February 1905.

[19] NAI, Revenue and Agriculture (Agriculture), Nos. 13-14, Pt. A (June 1910), Commissioner F. Booth-Tucker to Government of India, 9 March 1910; Note by H.G. Stokes, Home Department, 20 April 1910.

[20] Wacha, *Life and Life Work of J.N. Tata,* 103.

heavily in real estate.[21] His strategy was to buy up as much "vacant land" as possible throughout the islands of Bombay and Salsette, at low prices ranging from 3-12 annas to Rs. 1/- per square yard, then sell it back to the government at inflated prices. Tata was convinced that "lands within the Island of Bombay would one day be worth 1000 or 2000 fold its [*sic*] original price," and he resolved to never sell unless compelled by the Land Acquisition Act: "I…will never submit to a private sale howsoever profitable it may be."[22] His doggedness bore immense fruit when he was ready to endow his great benefaction, the Indian Institute of Science, which was to be financed entirely through the sale of lands in his family's possession.

A DREAM DEFERRED

The inspiration for Jamsetji Tata's Institute of Science project was at once national, imperial, and global. Listening to Governor Lord Reay's 1889 convocation address at the University of Bombay, bemoaning the deficiencies of Indian universities, Tata reasoned philanthropists could play a role in supporting higher education in India. Following his extensive travels in connection with the iron and steel scheme, which took him to the United States, Tata modeled his proposal on Johns Hopkins – then a pioneering example of a research university.[23] His resolution was strengthened by a chance encounter, on a steamship from Japan to Chicago in 1893, with the Bengali monk Swami Vivekananda, a key figure in the *swadeshi* movement. Vivekananda reportedly inquired why Tata's trading firms imported matches from Japan, and urged him to set up factories in India and "prevent the national wealth from going out of the

[21] Siddiqi, "The Business World of Jamsetjee Jeejeebhoy," 301-02; Dobbin, *Urban Leadership in Western India,*12-13; Chandavarkar, *Origins of Industrial Capitalism*, 62-63.

[22] TCA, FP30, "Some Side-Lights and Reminiscences of Late Mr. J.N. Tata (1899 to 1904)" by Jamshedji Saklatvala," 8.

[23] Sebaly, "The Tatas and university reform in India," 118-19.

country." Their conversation turned to the proposed Institute, which mirrored Vivekananda's own ambitious plans for spreading technical education through a nascent service organization, the Ramakrishna Mission.

Years later, Tata wrote to Vivekananda about the affinities between the Institute of Science and the work of the Mission: "It seems to me that no better use can be made of the ascetic spirit than the establishment of monasteries or residential halls for men dominated by this spirit, where they should live with ordinary decency, and devote their lives to the cultivation of sciences – natural and humanistic." Vivekananda returned the favor, writing in the pages of his periodical *Prabuddha Bharata*: "Mr. Tata's scheme paves the path of placing into the hands of Indians this knowledge of Nature…that by having the knowledge, they might have power over her and be successful in the struggle for existence."[24] Here was a departure from the prevailing dynamic of Parsi philanthropy in Bombay. What began as a response to a government appeal for local elites to improve education was mediated through intellectual and institutional networks beyond the imperial collaborative relationship.

Yet in order to realize his ambitious scheme, Jamsetji Tata's had to negotiate with the Viceroy, Lord Curzon, and Secretary of State for India, Lord George Hamilton, over the location and financing of the Institute. Their hostile response speaks to the colonial state's inability to grasp the changing contours of private philanthropy in the age of *swadeshi*. Tata's first proposal, drawn up in 1899 by his faithful lieutenant B.J. Padshah, envisioned joining together the settlement of his own estate for the benefit of his descendants with the grant for the Institute. Tata agreed to donate Rs. 30 lakhs worth of his Bombay properties, yielding Rs. 1.25 lakhs per annum for the Institute, as part of the combined settlement. He justified the unusual structure for

[24] TCA, Box 450, Shankari Prasad Basu, "Vivekananda, Nivedita, and Tata's Research Scheme," *Prabuddha Bharata* (October 1978): 414-19, 455; B.V. Subbarayappa, *In Pursuit of Excellence: A History of the Indian Institute of Science* (New Delhi: Tata McGraw-Hill, 1992), 21.

the endowment, which would require special legislation, on strictly utilitarian grounds. Because "property Trusts are very difficult to manage and liable to abuse," Tata wrote, "my descendants will become a sort of hereditary managers with liabilities to the Governing Body" to ensure good governance of the new Institute.[25]

At the time, colonial law provided that "property cannot be settled either by a transaction *inter vivos*, or by will, on a person who is not in existence at the time of the transaction." Exceptions had been made in favor of two Parsi baronets (Jamsetjee Jeejeebhoy and Dinshaw Petit) over the preceding decades, but for political reasons it was decided to avoid any further special legislation of the sort.[26] Curzon first wrote to Hamilton in complete opposition of Tata's plan: "it would be a most mistaken thing to enable wealthy Natives to evade the existing law."[27] Padshah pointed out in a memorandum that the law did provide for this type of trust, as unusual as it may have seemed:

> The proposal to create the Joint Trust is on the lines of the Mahomedan system of Wakf, recognised by British Indian Law as valid for one-third of her Majesty's subjects in India. In case of non-Mahomedans, the law acquiesces in the creation of Trusts exclusively for the benefit of public charities; and would not presumably object if designated persons were made hereditary stewards on a remuneration specified in the Trust Deed.[28]

Ritu Birla has recently reconstructed the complex genealogy of the law of trusts in British India, mainly focusing on the dangers perceived by the state of "unproductive accumulation" in Hindu Undivided Families (HUF). The *Tagore v. Tagore* case (1872) and the Transfer of Property Act (1882) expressly prohibited the vesting of property in the future for "non-existents." The

---

[25] Sebaly, "The Tatas and university reform in India," 120-21; Subbarayappa, *In Pursuit of Excellence*, 22-24.

[26] IOR, L/PJ/6/554, Legislative No. 8, Henry H. Fowler to the Governor General of India in Council, India Office, London, 26 April 1894.

[27] IOR, L/PJ/6/554, Extract from Private Letter from Lord Curzon of Kendleston, 10 May 1899.

[28] IOR, L/PJ/6/554, Note of conference with Mr. Tata, 30 October 1900.

argument was based on a tendentious but well-established reading of Hindu law in colonial jurisprudence. *Waqfs* were indeed an exception, nominally permitted under Muslim law.[29]

Opinion within the government and the India Office on the matter was divided. On the one hand, "the public interests involved, the enterprise and enlightenment of the family for which provision is to be made, and the exceptional display of a wise public spirit, render this a special case."[30] Others saw in the proposal a dangerous precedent that should not be encouraged: "Mr. Tata has committed a blunder very similar to that committed by the Jubbulpoor millionaire Gokul Dass when I was in the Central Provinces & the Dufferin fund was being [raised?]… he has started by coupling together what he is ready to give & what he wants to get in such a way that no amount of ingenuity can ever separate them." The cryptic reference to the Marwari merchant and landowner Raja Gokuldas, who had styled himself a prince and sought legitimacy through philanthropic largesse, signals the unease with which officials regarded the pretensions of wealthy Indians to higher status.[31] Gokuldas had been intimately involved in negotiations with colonial officials over the question of how to settle property in the HUF. When his opinion was solicited by the Central Provinces government, Gokuldas affirmed his respect for the principles of contract but sought legal protections for joint family heirs. These exchanges laid the foundation for the introduction of the Charitable Endowments Act in 1890, which decreed that trusts formed for "charitable purposes" were meant for "an abstract public of beneficiaries," and

---

[29] Birla, *Stages of Capital,* 93-95, 137.

[30] IOR, L/PJ/6/554, "The Tata scheme for a Research Institute in India," Minute by A.H.L. Fraser, 3 June 1899.

[31] IOR, L/PJ/6/554, Note in J. & P. Committee, 30 June 1899. It is not clear what mistake Raja Gokuldas had committed regarding the Dufferin Fund, established in 1885 for the improvement of women's health. Local officials in the Central Provinces publicly praised Gokuldas as the "life-councellor of the Dufferin Fund" for his patronage of the first women's hospital in Jabalpur. See his biography, Jīvancandra Mukarjī, *Rājā Gokuladāsajī kā jīvana-carita* (Bombay, 1929), 82-83. The conflicts between Gokuldas and the British authorities, who resented his ascension from money-lending to the status of a commercial landowner, are described in Philip McEldowney, "Colonial Administration and Social Developments in Middle India, The Central Provinces, 1861-1921" (PhD diss., University of Virginia, 1980), chapter VIII.

would be managed by the colonial state itself. The Government of India thus "assumed trusteeship for its public of subjects," while at the same time respecting the precedent of "nonintervention in indigenous gifting practices."[32]

The conflict between Tata and the state exemplifies the larger tension between colonial sovereignty and the indigenous charitable gift. A joint settlement of Tata's property was unacceptable because it violated newly instituted boundaries between public and private. Curzon openly voiced his suspicion that Tata was angling for the privileges of nobility, like the Parsi baronets before him: "Old Tata was even more interested in his family endowment settlement than in his Research Scheme."[33] Nationalist public opinion, meanwhile, was squarely on Tata's side. Sister Nivedita, Vivekananda's disciple, responded in the Calcutta newspaper *The Statesman* to the accusations against Tata: "So far from Mr. Tata's trying to involve the Government of India in a scheme for the benefit for his own children, he is willing to risk starvation for his children in order to secure the benefit to the Nation which he desires to confer upon it."[34] But the political context and particular nature of Tata's offer do not exactly conform to Birla's argument. The prohibition on the free transfer of property in perpetuity in this case was *not* due to anxieties about 'vernacular' gifting practices incommensurable with British law. It was indeed the very transparency, legibility, and utilitarian logic of Tata's bequest that made it potentially subversive to a colonial state reasserting its sovereign authority.

American philanthropists' contemporary encounter with the law of charity helps clarify what was distinctive about India and the conflict between Tata and the British colonial state.

---

[32] Birla, *Stages of Capital,* 101, 113-14.

[33] Subbarayappa, *In Pursuit of Excellence,* 53-54. One Parsi baronet in Bombay privately tried to convince Tata to accept a title as a condition of passing the special legislation, but he steadfastly refused to even consider it. TCA, T30/DES History Project 1, Letter from D.J. Tata (Bombay, 30 October 1905).

[34] TCA, Box 450, Basu, "Vivekananda, Nivedita, and Tata's Research Scheme," 451.

When Andrew Carnegie, John D. Rockefeller, and other wealthy benefactors attempted to establish "general-purpose foundations" with a wide mandate to promote scientific research and education, they ran up against centuries of legal precedent narrowing the possible scope of their endowments. The so-called "dead hand" of the donor, enshrined in Anglo-American law since the 1601 Statute of Charitable Uses, protected the rights of heirs to family fortunes by requiring specific causes to be listed. Trustees subsequently had no ability to modify the terms of the original endowment. The test case for the dead hand provision was Samuel Tilden's gift of the New York Public Library in his 1884 will, which was challenged by his impoverished heirs. The Tilden Act, passed by New York State in 1893, "restored the charitable trust as a legal instrument of philanthropy" and "made it possible to leave a bequest undefined and to put the trustees in charge of redefining the goals for each generation."[35]

The Tilden Act performed much the same function in the United States as the Charitable Endowments Act did in India, systematizing earlier forms of charity and paving the way for the emergence of the modern multi-purpose foundation bankrolled by major capitalists. Both laws did so by severing public and private, and restricting the influence of family members on trusts. However, the anxieties the Tilden Act was meant to address, namely that family involvement *narrowed* the scope of philanthropy, were precisely the opposite of colonial officials' fears. The Charitable Endowments Act expelled the family from the trust in order to impose new and stringent restrictions on the uses to which charitable funds could be put. Tata's gift became a test case because it fulfilled *a priori* the narrowest definition of 'public' philanthropy the state could devise. With no credible evidence that the scheme was meant to personally enrich the family, secure Jamsetji Tata a baronetcy, or help his firm's economic interests, colonial officials were faced with a truly unprecedented scenario.

[35] Olivier Zunz, *Philanthropy in America: A History* (Princeton: Princeton University Press, 2011), 11-16.

The negotiations finally came to a close soon after Tata's death, with the demand for passing special legislation dropped and the grant registered under the terms of the Charitable Endowments Act. In a final ironic defeat for Curzon, the use of the Act, alongside the designation of an "Institute" rather than a "University" (as Tata had originally wished) and its eventual location in a princely state, freed the new institution from Curzon's attempts to centralize government control over higher education through the Indian Universities Act of 1904.[36] Colonial officials had feared the political consequences of a project with potentially nationalist overtones, warning that it "may degenerate into a sort of alms-house for the maintenance of Brahmin & Mahratta agitators, and that therefore a supreme control by Government ought to be insisted upon as a sine qua non."[37] The location of the Institute therefore proved crucial. In his original proposal, Tata oscillated between a generous offer from Mysore of a site near Bangalore, "to be incorporated in British territory," and Bombay. Due to "the opposition of the Parsi members [of the Municipal Corporation] who wished that their own community would exclusively benefit by his liberality," he was forced to abandon Bombay.[38] As the negotiations dragged on after Tata's death, his son Dorabji began to entertain other possibilities. Mysore remained the first and the best choice.[39]

To facilitate the application of the Charitable Endowments Act to the Bangalore site, two conditions were imposed: first, "the site of the Institute should be so dealt with by the Mysore

---

[36] Subbarayappa, *In Pursuit of Excellence,* 76-77; Suresh Chandra Ghosh, "The Genesis of Curzon's University Reforms, 1899-1905," in *New Perspectives in the History of Indian Education,* ed. Parimala Rao (New Delhi: Orient Blackswan, 2014), 263-64.

[37] IOR, L/PJ/6/554, Note, 6 November 1900.

[38] IOR, L/PJ/6/554, Note of conference with Mr. Tata, 30 October 1900.

[39] One "strategy for princely resistance to colonialism" in Mysore was precisely "the discursive deployment…of 'the university' as both modern and non-colonial." Manu Bhagavan, *Sovereign Spheres: Princes, Education and Empire in Colonial India* (New Delhi: Oxford University Press, 2003), 23, 69, 75.

Government *as, if possible, to make it part of British India.*" But there was considerable confusion as to whether Mysore had provided merely "for the cession of jurisdiction, and not of sovereignty."[40] This distinction was important insofar as it determined which laws would apply within the boundaries of the Institute: Mysore's, or those of the British Civil and Military Station? Colonial officials feared that "this area, being exempt from the operation of all laws, would soon become an Alsatia." Ultimately, it was decided to simply issue a declaration that legislation then in force in the Civil and Military Station, as well as the jurisdiction of the courts, would be applied wholesale to the site.[41] The Institute had narrowly avoided becoming a privately governed zone of exception. The arguments used to prevent this outcome echoed the legal and political struggles over the Tatas' proprietary steel township at Jamshedpur described in the previous chapter. In both cases, private capital had carved for itself a semi-autonomous sphere of operation by taking advantage of porous jurisdictional boundaries.[42]

The second condition was a drastic reduction in the academic scope of the Institute. Padshah's 1899 proposal envisioned three branches: a Scientific and Technical Department, a Medical Department, and a Philosophical and Educational Department housing the study of history, statistics, philosophy, and other humanistic disciplines. A report on the scheme commissioned by the Government of India recommended the establishment of only three branches (Chemistry, Experimental Physics, and Biology), comprising only the first part of Padshah's plan, and only an indirect connection between the research to be carried out by the

[40] NAI, Foreign & Political Department, Internal Branch, A Proceedings, Nos. 131-133 (April 1907), Note by J.M. Macpherson in the Legislative Department, 6 September 1906.

[41] NAI, Foreign Department, Internal Branch, A Proceedings, No. 1 (December 1907), Note by G. Fell in the Home Department, 27 July 1907; Note by T.W. Richardson in the Legislative Department, 7 October 1907.

[42] Of course, the Civil and Military Station was itself a zone of exception, an enclave directly administered by the Government of India. Conflicts over jurisdiction would continue until the end of the colonial period, as when nationalists active in the old city "escaped the long arm of the law" by seeking refuge in the Station. Janaki Nair, *The Promise of the Metropolis: Bangalore's Twentieth Century* (Delhi: Oxford University Press, 2005), 74.

Institute and India's industrial development. Padshah and the first Director, the chemist Morris W. Travers of University College, London, clashed repeatedly over the possibility of expanding the mandate of the fledgling Institute. Travers asked the colonial government to determine once and for all "whether the Tata Brothers were donors of the endowment or are handing over the properties and income in fulfillment of a trust" – a clear statement of the 'dead hand' problem. But the Law Department was not inclined to reopen the question of the founder's intent. The final straw was Dorabji Tata's insistence to include a School of Tropical Medicine, in accordance with his father's wishes. Travers resigned, blaming Padshah for his excessive meddling and lack of interest in science and technology.[43]

In short, no party to the founding of the Institute was left entirely satisfied. The Indian Industrial Commission, convened after the First World War, expressed the government's disappointment with the location and scope of the Institute: "its value to the industries of India is reduced by its distance from the places in which they are carried on."[44] Padshah, sensing an opportunity, pressed the Commission to establish an Imperial Technological Institute near Jamshedpur, emphasizing the practical benefits of scientific research in an active industrial setting. Budgetary constraints and the devolution of industry to a provincial subject resulted, yet again, in a stunted scheme to be run by the Government of Bihar & Orissa.[45] From the point of view of the Tata family, a change in strategy was needed, even perhaps a suspension of the impulse to collaborate with the government.

---

[43] Sebaly, "The Tatas and university reform in India," 120-26, 132-35.

[44] NAI, Commerce & Industry (Industries), Nos. 7-22, Pt. A (June 1919), C.A. Innes, Director of Industries, Madras, to Secretary to Government, Revenue (Special) Department, 20 January 1919.

[45] Kim P. Sebaly, "Tata Steel and higher technical education in India: The Padshah Plan, 1916–21," *History of Education: Journal of the History of Education Society* Vol. 17, No. 4 (1988): 315-19; NAI, Commerce & Industry (Industries), Nos. 1-3, Pt. B (May 1919), "Memorandum on an Imperial Research Institute and an Imperial Technological Institute at Jamshedpur" by B.J. Padshah, 22 March 1919.

Dorabji Tata chose to pursue the School of Tropical Medicine, the most recent casualty of the original plan, soon after the negotiations over the Institute of Science concluded. The School would have been attached to the Bombay Bacteriological Laboratory, with the Tata endowment funding two professorships in clinical medicine and protozoology, staffed by experts from Australia and the United States.[46] For over a decade, Dorabji Tata struggled to persuade officials to embrace a broad research mandate, including a new hospital attached to the School. He grew frustrated at the insistence of the Indian Medical Service that faculty divide their time between teaching duties and private consulting. The Government of Bombay finally agreed to most of Tata's demands, only to suddenly announce in the spring of 1922 that they would be unable to help finance the project. A bitter Dorabji withdrew his offer, linking the fate of the Institute of Science with the failure of the School in a sweeping indictment of colonial apathy:

> For over 20 years, in spite of protests from Indian Public men, my father and I sought the co-operation of Government in such matters. But I regret to have to say that in every instance we did not meet with the support we hoped for from Government. The Indian Institute of Science at Bangalore took years to establish, and is still not in a satisfactory condition…From all this I can only come to one conclusion, namely, that if Indians want higher education and scientific knowledge they must depend upon themselves.[47]

In this letter written in anger, Dorabji referenced the increasing suspicion with which many nationalists viewed the Tata family's readiness to cooperate with the colonial state. His embrace of *swadeshi* rhetoric signaled a change in tone. It was perhaps in failure and adversity, rather than success, that the claims of Tata philanthropy to nation building were most persuasive.

Indeed, nationalist leaders did not fail to note the limits imposed by the colonial state on Jamsetji Tata's ambitions. As the poet Rabindranath Tagore, a living embodiment of the *swadeshi* spirit, told a British newspaper while on a visit to Japan in 1916:

---

[46] TNA, FD 1/4197, "A Scheme for Establishing a Post-Graduate School of Research in Tropical Medicine and Hygiene."

[47] TNA, FD 1/4198, Dorabji Tata to Government of Bombay, 25 July 1922.

> But every Indian feels, and every candid student of India must admit, that you have conceived it to be your interest to keep us weak and have discouraged education. In the laboratories you dislike us to acquire science and to pursue research. The Tata Foundation is an illustration. Here at last, we thought, India's opportunity had come. But the Government has taken control of it and killed it, and that splendid gift is now barren and worthless.[48]

Tagore's verdict mirrored Dorabji's stark conclusion that Indians had no choice but to pursue science and technology by themselves.

Other spokesmen for *swadeshi* were more sanguine. Benoy Kumar Sarkar praised the Institute, comparing it with the work of both the Ramakrishna Mission and the contemporary big American foundations. Sarkar confidently declared that the "Carnegie spirit as embodied in educational and humanitarian benefactions may be virtually as old as Indian culture itself." Across its length and breadth, India had "her Carnegies, big, medium, and small." In this, as in many other matters, "the East is qualitatively, if not quantitatively, at one with the West."[49] The Kashmiri Urdu poet Kaifi similarly exhorted his fellow Indians: "Let every man be like a Carnegie, and every Indian be the image of a Tata."[50] The Tata Trusts, established in 1919 and 1932 by Jamsetji's sons, would fulfill widely held aspirations for a national infrastructure of knowledge production transcending both disciplinary and communitarian divides. Tata philanthropy was simultaneously imagined as vernacular, with roots stretching deep into India's past; as global, contributing to scientific progress in the West or serving the needs of diasporic Indians across the British Empire; and as laying the groundwork for the nation-state-in-waiting.

---

[48] IOR, L/PS/11/106, File 2499/16, "Japan and India: An Interview with Sir Rabindranath Tagore (From the *Manchester Guardian*)," *India*, 21 July 1916.

[49] Sarkar, *Creative India*, 540-44.

[50] Brij Mohan Dattatreya "Kaifi," "A Mirror for India," trans. Christopher Shackle, in *Nationalism in the Vernacular: Hindi, Urdu, and the Literature of Indian Freedom*, ed. Shobna Nijhawan (New Delhi: Permanent Black, 2010), 111.

PHILANTHROPY AND THE WORLD

As the Parsis became a settled urban population in Bombay during the eighteenth and nineteenth centuries, philanthropy had served primarily as a means of community support. Donations to fire temples, schools, *dharamshalas* (rest houses), and most importantly *baugs* (low-cost housing colonies), abounded.[51] Jamsetji Tata's notion of "constructive philanthropy" was self-consciously different. In an oft-repeated quote, he pronounced: "What advances a nation or community is not so much to prop up its weakest and the most helpless members, as to lift the best and most gifted so as to make them of the greatest service to the country."[52] The J.N. Tata Endowment for the Higher Education of Indians, a scholarship established in 1892 to give concrete expression to this philosophy, was initially open only to deserving Parsi students but only a few months later "extended so as to include [in] its operation any Natives of India besides Parsees including Native Christians having Indian domicile."[53] As we have seen, the location of the Indian Institute of Science was chosen without any regard to Parsi community leaders' preference for Bombay. The Tata Trusts endowed by Jamsetji's two sons would follow this path, becoming ever more capacious and cosmopolitan.

Jamsetji Tata's younger son Ratanji died in 1919, leaving no heirs. According to the terms of the will, his property (much of it consisting of assets in land from Jamsetji Tata's initial purchases) was to be disbursed "for the advancement of Education Learning and Industry in all its branches including education economy sanitary science and art for the relief of human

---

[51] Palsetia, *Parsis of India*, 46; John Hinnells, "The Flowering of Zoroastrian Benevolence: Parsi Charities in the 19th and 20th Centuries," in *Papers in Honour of Professor Mary Boyce*, ed. Harold Walter Bailey, Adrian David H. Bivar, Jacques Duchesne-Guillemin, and John R. Hinnells (Leiden: Brill, 1985), 263-70.

[52] Quoted in Subbarayappa, *In Pursuit of Excellence,* 19.

[53] TCA, Box 539, T53/PRD/Old Records of Various Companies/3, "Deed of Constitution," 10 October 1892, and Addendum, 28 January 1893; Wacha, *Life and Life Work of J.N. Tata,* 46.

suffering or for other works of public utility." The cosmopolitan character of the new Trust was made explicit: "The objects to be aided by the funds should be public and general in preference to sectional unless in the latter case they tend to contribute to the general well being and advancement of my own community [the Parsis]." During his lifetime, Ratanji was especially concerned with the systematization and professionalization of charity, an objective he partly fulfilled through his donation to the London School of Economics, discussed in the previous chapter. Accordingly, he listed as a main priority the question of "what ought to be the proper subjects of charity and how the benefits contemplated by particular charities might be realised to their fullest extent." Unlike his brother Dorabji, whose main interests lay in medical and scientific research, Ratanji was more inclined toward the humanities and the social sciences. The new Trust would, above all, be guided by the "fresh light that is thrown from day to day by the advance of science and philosophy on problems of human well-being."[54] Over the following two decades, the Sir Ratan Tata Trust would take the lead in addressing the Parsi urban poverty in Bombay, reframing the welfare of a particular community in India as part of a global problem.

Where did this cosmopolitan impulse originate? More than his father or his brother, Ratanji had donated to causes transcending both national and imperial borders. His most celebrated contribution was a political one: a gift of Rs. 25,000 to support Mohandas Gandhi's struggle for the rights of Indians in South Africa. Tata's help came at a critical moment when Gandhi's movement was "under severe strain" for want of funds, and many of his fellow leaders were tempted to compromise with the Transvaal government.[55] In his correspondence with

[54] TCA, Box 178, RJT/PERS/LEG/WILL/1, Copy of will of Sir Ratanji J. Tata, dated 20th March 1913.

[55] TCA, Box 212, RTT/PHIL/Mis/Clipp/Article/3, *Parsi Prakash* excerpt (1909) translated by Marzban J. Giara; Richard G. Fox, *Gandhian Utopia: Experiments with Culture* (Boston: Beacon Press, 1989), 140; Isabel Hofmeyr, *Gandhi's Printing Press: Experiments in Slow Reading* (Cambridge, MA: Harvard University Press, 2013), 28.

Gandhi, Ratanji stressed the global implications of the struggle. Failure, he wrote, "will be considered tantamount to an acknowledgement by us of our inferiority to the white races. What effect this would have in future in the treatment of our countrymen by the whites in various parts of the world, could easily be imagined."[56] In 1913, while serving as President of a Committee appointed to raise funds for Indians in South Africa, Ratanji made a donation of Rs. 1,000 for the families of those killed in the Balkan Wars. A few years earlier, he had also offered to assist "the poor Parsis of Iran" after attending a lecture at the Society of Arts in London.[57] His endowment of the Department of Social Science and Administration at LSE, while it came to be associated with the steel company's self-interest, may also be situated in the context of multiple anticolonial, pan-Islamist and pan-Zoroastrian imaginaries across the British Empire.[58]

These same networks were visible in the most outwardly esoteric of Ratanji's interests. In 1912, he agreed to finance the Archaeological Survey of India's excavations at Pataliputra in Bihar, with a view of making acquisitions for his art collection. The archaeologist in charge of the dig, the American D.B. Spooner, uncovered what he believed to be the Mauryan audience hall of the emperor Aśoka. Spooner's observation of the similarity between the pillars of this hall and the city of Persepolis in Iran led him to publish a theory of common origin between the Zoroastrians and the Mauryas – thus simultaneously globalizing the most ancient and glorious of Indian civilizations *and* indigenizing the Parsis. Ratanji tacitly encouraged Spooner's efforts,

---

[56] TCA, Box 212, RTT/COR/Mahatma Gandhi/1, R.J. Tata to M.K. Gandhi, 18 November 1910.

[57] TCA, Box 212, RTT/PHIL/Mis/Clipp/Article/3, *Parsi Prakash* excerpts (22 May 1906 and 11 September 1913), translated by Marzban J. Giara.

[58] Over half of Parsi overseas charitable acts were carried out in Britain by the early twentieth century, with Tata one of the most visible benefactors. Such donations declined during the interwar years as political tensions rose and Parsis feared for their safety during communal riots in Bombay. See Hinnells, "The Flowering of Zoroastrian Benevolence," 285-88. Notable material examples of this legacy include the Ready Money Drinking Fountain in Regents Park, endowed by Sir Cowasji Jehangir Readymoney as a symbol of the Parsis' loyalty in the wake of the Indian Rebellion of 1857. See Chopra, *A Joint Enterprise,* xi-xiv.

even as the theory was immediately discredited by scholars in both Britain and India. Rumors circulated that Spooner's findings were nothing more than a "*quid pro quo* to ascribe the glories of Chandragupta and his capital to the Parsis of old," in an obvious attempt to flatter his patron.[59] But Ratanji's attraction to Spooner's theory was not primarily due to narrow-minded communitarianism or indigenism. On the contrary, its historical and geographical destabilizing of what was Indian (and who was Parsi) in the world spoke to a deeper cosmopolitan impulse.

At first glance, Dorabji Tata appeared more inclined than his brother to police community boundaries. But he did so within the same framework of empire-wide race relations informing Ratanji's correspondence with Gandhi, rather than making an argument from orthodoxy. When his cousin R.D., head of the Tata & Co. trading firm, announced his intention to marry a French woman, Suzanne Brière (mother to the future Chairman J.R.D. Tata), Dorabji expressed his fervent opposition: "as the question of the young lady being of a different race goes very few of us would have any objection on religious or other similar grounds. The trouble is all racial & [...] in India such marriages are more than a mistake and absolutely criminal." For his part, Jamsetji was "quite at a loss to understand" his son's objections, and gave his blessings to the marriage.[60]

Both brothers included strongly worded language in their wills denouncing superstition and blind adherence to custom, as they understood it, in the Parsi community. Ratanji's wife Navajbai was to "move about and mix in society as she has been doing in my life time and dress and deck herself quite regardless of the custom to the contrary prevailing among the Parsis." Dorabji stipulated that his funeral expenses should not be "unnecessarily wasteful or made only

---

[59] Sraman Mukherjee, "New province, old capital: Making Patna Pataliputra," *Indian Economic and Social History Review* Vol. 46, No. 2 (2009): 261-76; Nayanjot Lahiri, *Finding Forgotten Cities: How the Indus Civilization Was Discovered* (New Delhi: Permanent Black, 2005)*,* 106-12.

[60] TCA, FP, D.J. Tata Correspondence, D.J. Tata to R.D. Tata, 15 July 1902; J.N. Tata to D.J. Tata, 18 July 1902.

for show or out of regard for such superstitious customs as have crept into our faith but which do not conform to the true tenets of our religion."[61] The brothers enthusiastically promoted female education, of Parsi women in particular.[62] Their objectives, by no means unique or uncommon to contemporary middle- and upper-class reformers, were to rationalize religious and gender norms to conform to the spirit of the new industrial age. They believed social problems could be addressed, above all, through rigorous investigation and systematic knowledge production.

Dorabji's trust provisions cast an even wider net than his brother's. The charities to be supported were "for the benefit of all communities" and "of a general character…[they] shall not consist of gifts or donations to relieve individual distress."[63] The activities of the Dorabji Tata Trust, established in 1933, were to be confined to India "for the first few years," but only because "India as a whole would appear to be less well provided with charitable funds than any other civilised countries." The term "Indian," it was duly noted, "should include Indian communities abroad whether in Kenya, America, South Africa or any other place." The Trustees decided to restrict the scope of the Trust "to one or two main directions," and settled on "the endowment of research or measures preventive of disease or suffering."[64] Dorabji had long been

---

[61] TCA, Box 178, RJT/PERS/LEG/WILL/1, Copy of will of Sir Ratanji J. Tata, dated 20th March 1913; DJT/PROP/WILL/2, Copy of Sir D.J. Tata's will of 12th March 1932.

[62] In 1908 Ratanji donated to the Zoroastrian Girls' School Association and to the Seva Sadan, a social work organization founded by Behramji Malabari, the famed Parsi reformer and campaigner against child marriage. He also left Rs. 15,000 in his will for the promotion of "hospitals, work-classes, industrial houses and institutions of a like character for females in any part or parts of British India." TCA, Box 212, RTT/PHIL/Mis/Clipp/Article/3, *Parsi Prakash* excerpts (3 May and 11 July 1908), translated by Marzban J. Giara. True to his more conservative and paternalistic demeanor, in 1913 Dorabji offered to finance a survey of female education in Bombay Presidency "to imbue girls with a sense of responsibility for duties which as wives, mothers and members of Society, they will have to perform." IOR, L/PJ/6/1224, File 768, Note by Judicial & Public Department, India Office, 5 February 1913.

[63] TCA, Box 178, DJT/PROP/WILL/2, Copy of Sir D.J. Tata's will of 12th March 1932.

[64] TCA, Box 178, DTT/Pers/Prop/Leg/Wills/BO/OPT/1/Trust Papers, S.F. Markham to Lady Ratan Tata, 12 July 1933; Note by N.M. Muzumdar on Markham's letter, 15 September 1933.

interested in medical research, from his futile efforts to set up the School of Tropical Medicine to his successful establishment of a fund for leukemia research in honor of his wife Meherbai, who had died of the disease. The Lady Tata Trust was the first philanthropic institution in the world to be exclusively devoted to the study of leukemia, drawing on the advice of experts from London, Paris, and Berlin, and earmarking scholarships for students by "zones" (two from England, and one each from Germany and France).[65] The Dorabji Tata Trustees aimed to bring the same level of transnational expertise and universal scientific aspirations to the problems India faced in medical research and treatment.

The cosmopolitan character of the Tata Trusts, lofty as it may have been in principle, nonetheless aroused controversy in the Parsi community. In the early 1930s, longstanding suspicions that the Tata family was not doing enough for their fellow Parsis came to a boiling point. In the midst of the Great Depression and a rise in unemployment among urban Parsis, the Dorabji Tata Trustees were urged to set aside Rs. 3 crores "for the exclusive use of the Parsis." The Trustees refused to do so, "in view of the fact that theirs was a cosmopolitan trust." Community leaders had grown alarmed at the perceived overreliance on the Bombay Parsi Panchayat for relief, which they feared risked creating a permanent 'beggar class.' It was, as one letter to the editor in the *Times of India* put it, an "unparalleled example of mass degeneration."[66] The ongoing efforts by the Wadia family to build low-cost housing, and of the Godrej and Tata firms to create employment for Parsis in agriculture and industry, respectively, were failing to solve the problem. Many wealthy Parsis drew sharp distinctions between the deserving and

[65] TNA, FD 1/3319, Report by R. Row, 14 September 1932.

[66] Jamshed Sorab Vatcha, "Charity Causing Degeneration Among Parsis?" *Times of India,* 14 May 1932; TCA, Box 178, DTT/Pers/Prop/Leg/Wills/BO/OPT/1/Trust Papers, Minutes of Dorabji Tata Trust Meeting, 20 September 1935.

undeserving poor, freely using the contemporary eugenic language of inefficiency and degeneration. Dorabji Tata's wife Meherbai, for example, complained to a friend about "the stupid attitude of poor Parsis, both men and women, of refusing to do manual work to earn an honest living." She compared "the wretched dole system" that contributed to the "steady deterioration of the working classes" in England with the "foolish and ridiculous" Parsi charities in Bombay. The welfare problem, according to Meherbai, could not be addressed by a piecemeal approach. The charities should instead be "co-ordinated and reorganised."[67] Rather than increasing their financial commitment to Parsis, the Tata Trusts took the lead in the social scientific study of charity organization in Bombay as a whole.

The Ratan Tata Trust, in accordance with its founder's wishes, had financed a Parsi Charity Organization Committee as early as 1919. The Bombay Parsi Panchayat (BPP), as the apex community body and the main source of charitable donations, began keeping a register of applicants in 1930. This move was opposed by many of the smaller trusts, fearful that a centralized administration would undermine their position. In 1935, the Ratan Tata Trust commissioned a study by Jal F. Bulsara, General Secretary of the BPP, to more thoroughly investigate the problem of urban poverty and issue additional recommendations.[68] Bulsara's study aimed to ensure that the Parsi community would "regain and retain a normal level of physical and intellectual efficiency," and that "inefficient, unhealthy, and unintelligent never-do-

[67] Letter from Meherbai Tata to Miss Serenbai Maneckjee Cursetjee, 3 March 1931, in *Lady Tata: A Book of Remembrance* (Bombay: Commercial Printing Press, 1932), 138-39. For a distant but related example of how corporate philanthropy in the early 1930s racialized poverty by disseminating anxieties about degeneration, focusing on the category of "poor whites" in South Africa, see Tiffany Willoughby-Herard, *Waste of a White Skin: The Carnegie Corporation and the Racial Logic of White Vulnerability* (Berkeley: University of California Press, 2015).

[68] Hinnells, "The Flowering of Zoroastrian Benevolence," 279-80. Bulsara also served as a member of the Management and Advisory Committee of the Godrej Farm, an agricultural colony established by industrialist Ardeshir Godrej at Nasik in Maharashtra to cure unemployed Parsis of the "parasitic life in Bombay." Godrej Archives, Mumbai, MS06-01-94-53, MS200800885.

wells are not to swarm the army of the unemployed."[69] His main recommendations were to start an Employment Bureau and an Industrial Institute supported by the Ratan Tata Trust in Bombay, where Parsi men and women "could receive wages not doles."[70] Ironically, the Trusts were now criticized for becoming too involved in internecine Parsi community matters. In response, they framed their intervention in universal terms, as no more than a philanthropist's self-evident humanitarian responsibility: "the Trustees have not frittered away money on causes just because they were communal, but because they were genuine matters of distress and required urgent relief which it was the duty of any Trust cosmopolitan or otherwise to help from a purely humanitarian point of view."[71]

THE USES OF KNOWLEDGE

The Tata Trusts' concerns with efficiency and degeneration soon extended beyond the scale of community and city. The Tata Institute of Social Sciences (TISS), founded in 1936 in Bombay as an all-India school of social work, revealed the underlying connections between philanthropy and industry. Both the LSE Department of Social Administration, discussed in the previous chapter, and TISS were "remnants" of Padshah's original proposal for the Indian Institute of Science.[72] TISS was to become a full-fledged research university after independence, in another example of the 'handover' strategy whereby a private initiative seamlessly passed under state control. TISS, along with two other major institutions established by the Trusts in the

[69] Jal F. Bulsara, *Parsi Charity Relief and Communal Amelioration* (Bombay: Sanj Vartaman Press, 1935), 4-5.

[70] Hinnells, "The Flowering of Zoroastrian Benevolence," 281.

[71] TCA, Box 212A, RTT/MIS/Clipp/Articles/York House/2, Talk by Mr. P.P. Mistri to Members of the Inter-departmental Conference (1945).

[72] Sebaly, "The Tatas and university reform in India," 135.

1930s and 1940s, the Tata Memorial Hospital and the Tata Institute of Fundamental Research, demonstrated how philanthropic seeds planted by private capital could grow into national assets.

The Dorabji Tata Trustees first commissioned an American missionary and social worker, Dr. Clifford Manshardt, to draw up a list of projects "of genuine importance to the national welfare."[73] Manshardt's career had begun among Eastern European immigrant workers in the South Chicago steel district, where he learned "the futility of attempting to do welfare work with men who were physically exhausted." Upon arrival in Bombay through the auspices of the American Marathi Mission, he directed a slum settlement called Nagpada Neighbourhood House.[74] As an object of philanthropy in Bombay, the "laboring class" had "inserted itself within the existing categories of race, religion, and community" during the turbulent 1920s, marked by strikes and the rising power of the Communists.[75] Manshardt's first proposal to the Trustees, bearing this context in mind, was a Bureau of Social and Industrial Research "for a continuous investigation of fundamental problems," including unemployment, the purchasing power of the Indian peasant, and waste and efficiency in industry.[76] The Trustees eventually decided to establish a Graduate School of Social Work on the premises of Manshardt's Nagpada House, which would include a research department, but with the primary aim of training welfare workers, labour officers, factory inspectors, and case workers, and thus putting "charity

[73] Clifford Manshardt, *Pioneering on Social Frontiers in India* (Bombay: Lalvani Publishing House, 1967), 79-81.

[74] Manshardt, *Pioneering on Social Frontiers,* 8-11.

[75] Chopra, *A Joint Enterprise,* 183-84.

[76] TCA, Box 198, DTT/PHIL/TISS/FP/4, Report by Clifford Manshardt for the establishment of TISS, 27-29. The Russell Sage Foundation, established in 1907, collaborated with the Charity Organization Society of New York to "fund programs of social work and by extension the study of social issues" – an early example of the convergent agendas of corporate philanthropy and Progressive reform movements. See Zunz, *Philanthropy in America*, 18-19.

organization on a scientific basis."[77] The scientific organization of charity through the promotion of social work was directly inspired by the settlement house movement in the United States and initiatives such as Toynbee Hall in the East End of London, the Indian iteration of "a new civic activism directed at the urban poor in many industrializing societies."[78]

In facilitating on-the-ground social work as well as abstract research, TISS perhaps most closely approximated Jamsetji Tata's educational vision as expressed in his correspondence with Swami Vivekananda. The language of asceticism and the emphasis on social efficiency over utilitarianism were the predominant characteristics of Indian philanthropy in this period. Private capital formed part of a wider philanthropic web encompassing the activities of the Ramakrishna Mission, the Social Service League, the Servants of India Society, and Gandhian constructive work.[79] Moreover, as Seth Koven has written of the settlement movement in East London, asceticism was a predominant ethos brought to bear on the problems of class conflict and the tensions between labor and capital throughout the industrial world. Emblematic "class-bridging projects in the slums" such as Toynbee Hall and Oxford Hall were "sites for testing out...innovative solutions to urban poverty."[80]

At TISS, the objective of improving efficiency was understood to apply exclusively to the realm of the social. The ethical and idealist strands of thought that had been so influential in the Tata-funded LSE Department of Social Administration's work in East London were absent. The

---

[77] TCA, Box 199, DTT/PHIL/TISS/Mis/1, Clifford Manshardt to the Trustees of the Sir Dorabji Tata Trust (15 May 1935). The focus on welfare work and industrial relations was, in part, an immediate necessity arising from the passage of the Bombay Trade Disputes Conciliation Act in 1934, which mandated the appointment of labor officers in factories.

[78] Kidambi, "From 'Social Reform' to 'Social Service,'" 227-31.

[79] Watt, "Philanthropy and Civilizing Missions," 282-91.

[80] Seth Koven, *Slumming: Sexual and Social Politics in Victorian London* (Princeton: Princeton University Press, 2006), 228-30.

concept of "social efficiency" does bear some similarities with earlier Fabian language, though it came to be used with reference to a particular sociological understanding of Indian modernity. As the Assistant Director of TISS, Dr. J.M. Kumarappa, explained: "The present day communal conflicts, confusion and social inefficiency arise to a large extent from the breaking up of the old Indian social institutions by the impact of Western Modernism."[81] In his convocation address before the first batch of graduates in 1938, prominent *swadeshi* sociologist Radhakamal Mukerjee elaborated: "Industrialisation is changing the whole pattern of relationships in the making of a living; but the caste and joint family relationships and attitudes are not in accord with the demands of Industrial living. Thus misfits, maladjustments and sufferings accompany anti-social attitudes and behavior."[82] In Bombay, the deteriorating condition of the urban poor and the success of the Communist Party among Bombay mill workers alerted social scientists to a fundamental break between modern industry and ancient values, and to the displacement of caste and kinship by class. This was also the anxiety informing the Tatas' encounter with a nascent urban industrial proletariat in Jamshedpur. But the widespread perception in the interwar years of impending decline and civilizational malaise, as evidenced by the near-universal appeal of eugenics and social psychology, was by no means unique to India.[83]

The intellectual agenda of improving social efficiency necessitated taking an implicitly political stance, masked by a technocratic veneer. Clifford Manshardt, defending the aims of social work against its critics, argued that the liberal educator's "concern for humanity is no less genuine than that of the Marxist," but he believes that "changing men and institutions is a long

[81] TCA, Box 201, DTT/PHIL/TISS/CLIP/1935-37, "Training for Social Efficiency: The School's New Role" by Dr. J.M. Kumarappa, *Times of India* (18 December 1936).

[82] TCA, Box 202, DTT/PHIL/TISS/CLIP/1937-40, "More Spent For God Than For Man: Appalling Tragedy of Social Disorganisation," *Bombay Sentinel* (17 March 1938).

[83] Cf. Richard Overy, *The Twilight Years: The Paradox of Britain Between the Wars* (New York: Penguin, 2009).

time process" and "regards class conflict as wasteful and futile." Manshardt urged his students "to be social servants in deed, but over and above this to be social engineers."[84] The leadership of TISS saw itself as promoting the fundamental reconstruction of Indian society, in part by mediating the now overt conflict between labor and capital. Other organizations in Bombay, such as the Social Service League, were working along similar lines. The common "rhetoric of 'service' was imbued with conservative impulses," and many activists "partook of the dominant elite discourse." Often with little appeal among workers, social service organizations seemed to exist largely for the purpose of bolstering the "moral capital" of middle-class elites; or, in the case of TISS, of industrialists as benevolent employers.[85]

As it reached institutional maturity, TISS experienced "recurring tensions between the academic and vocational aspects of its work," much like the LSE Department before it.[86] A Committee appointed by the Dorabji Tata Trust in 1952 detected a "conflict of aims which runs through the Institute's work," and urged TISS to choose whether it would identify as a school of social science and research or as a practical school of social work. The Committee temporarily favored the latter course.[87] The debate was settled a decade later, when TISS obtained the status of autonomous university. And yet, freed from the immediate pressures to respond to the conflict

---

[84] TCA, Box 203, DTT/PHIL/TISS/CLIP/1940-85, "Education and Social Change: Relationship Explained," *Evening News* (21 June 1940).

[85] Kidambi, "From 'Social Reform' to 'Social Service,'" 232-36. In this respect, TISS resembles the Escola Livre de Sociologia e Politica, established in 1933 by leading Brazilian industrialists who viewed scientific inquiry as "the appropriate means for resolving social conflicts as well as a way of removing such contested issues as wages, work conditions, and living standards from the arena of politics and class struggle." Much like TISS, the Escola Livre was initially staffed by North American social scientists, and students and faculty conducted empirical studies on health, housing, and living standards in urban settings. See Barbara Weinstein, *For Social Peace in Brazil: Industrialists and the Remaking of the Working Class in São Paulo, 1920-1964* (Chapel Hill: University of North Carolina Press, 1997), 73-74.

[86] Harris, "The Webbs, the COS and the Ratan Tata Foundation," 62, n. 70.

[87] TCA, Box 195, Report of the Reviewing Committee on The Tata Institute of Social Sciences (January 1953), 1, 4, 17.

between labor and capital in interwar Bombay or to serve as a source of useful knowledge for the Tata firm, TISS continued to work closely with other Tata-funded institutions. Networks of expertise and knowledge production would prove durable and self-sustaining beyond the immediate circumstances of their emergence.

FUNDAMENTAL RESEARCH AT LAST

Throughout the 1930s, the Dorabji Tata Trust's primary mission remained the advancement of medical and scientific research. In this realm, harnessing the power of the atom was *the* pioneering frontier. Following the successful launch of the Lady Tata Memorial Trust supporting research on leukemia, the Dorabji Tata Trustees turned their attention to the most promising therapy for the treatment of cancer at the time: radium. Drawing upon the "the advice and experience of eminent men of science and of institutions all over the world," including the Curie Research Institute in Paris, the Manchester Radium Institute, the Rockefeller Foundation, the Cancer Hospital in London, the Cleveland Clinic, and the Memorial Hospital in New York, the Trustees planned to build a full-service treatment hospital equipped with facilities for cutting-edge research.[88] At the beginning of the century, a "radium craze" had swept through physics and biology alike. This powerful and versatile element was thought to possess a vitalizing force, making it an ideal weapon against cancer. But by the early 1920s, as concerns about overexposure mounted amidst a series of much-publicized deaths, enthusiasm for radium dampened in the United States.[89] So the Trustees' first step was to ascertain whether radium was "actually proving itself to be as effective an agent against cancer as it was originally hoped." The

[88] TCA, Box 195, DTT/PHIL/FP/6, DES report on the Tata Memorial Hospital, n.d.

[89] Luis A. Campos, *Radium and the Secret of Life* (Chicago: University of Chicago Press, 2015), 49-52, 242-43; Siddhartha Mukherjee, *The Emperor of all Maladies: A Biography of Cancer* (New York: Scribner, 2010), 73-79.

expert they consulted, John W. Spies of the Peiping Medical College in China, asserted that radium was most effective "in cases of cancer of skin, mouth, lips and cheek," which happened to be the prevailing types in India.[90] As a *tabula rasa* for the study of cancer, India would be an ideal laboratory to test radium's efficacy on a grand scale, and perhaps to salvage its reputation.

Like other Tata-financed projects, the new hospital was meant to play a social role beyond palliative care. Spies, a bona fide evangelist for radium, assured the Trustees that the hospital's greatest contribution would be "its influence on the masses" and the development of a "'cancer-cure sense' among men and women of all walks of life." Indians had to become "radium-conscious" and approach the hospital without fear. From a scientific point of view, the Trustees hoped that the research carried out by the hospital would expose the prevalence of cancer among the Indian population and provide more precise statistics on hereditary types of the disease. After a brief trial period in which American surgeons would be involved with technical training, the staff would be wholly Indianized.[91] The Tata Memorial Hospital opened with much fanfare in 1941, the first institution of its kind in India.

The procurement and study of radium at TMH was part of a broader set of commitments by the Dorabji Tata Trust to atomic research across India. In 1940, the physicist Meghnad Saha of the Palit Laboratory at the University College of Science, Calcutta, approached the Trust to finance the construction of a cyclotron, a particle accelerator invented by Ernest O. Lawrence at the University of California, Berkeley. Ernest's brother John Lawrence, a medical researcher also at Berkeley, had made a breakthrough in the treatment of leukemia through the production

[90] TNA, FD 1/3521, N.M. Muzumdar and H.S. Patel to Dr. Paterson, Christie Hospital, Manchester, September 1933; TCA, Box 207, DTT/PHIL/TMH/FP/1A, Meeting of the Trustees of the Sir Dorabji Tata Trust, 23 August 1935.

[91] TCA, Box 207, DTT/PHIL/TMH/FP/1A, Meeting of the Trustees of the Sir Dorabji Tata Trust, 23 August 1935, Supplementary Minutes; Box 195, DTT/PHIL/FP/6, DES report on the Tata Memorial Hospital, n.d.

of phosphorus radioisotopes. Ernest Lawrence enthusiastically promoted the cyclotron's benefits for cancer research in order to secure funds from the Rockefeller Foundation, and had also recently taken on one of Saha's students. The Dorabji Tata Trust was swayed by Saha's request, placed through the Congress politician Jawaharlal Nehru, and agreed to donate Rs. 60,000 to his experiments in view of the close connection between cyclotrons, radium, and cancer treatment.[92] Meanwhile, the Trust committed an equal amount toward the establishment of a Cosmic Ray Unit at the Indian Institute of Science, led by the Parsi physicist Homi J. Bhabha, who was related to the Tata family by marriage.[93] On the eve of the Second World War, the Dorabji Tata Trust was the main source of support for atomic research in universities from Bangalore to Calcutta. Crucially, the Trust had not yet undertaken to build an institute of its own.

The turning point came in 1942, when Bhabha left Bangalore and returned to Bombay to be closer to his extended family. At the time, the Institute of Science was in disarray as a result of political tensions between foreign émigré scientists and the Bengali-dominated Governing Council. The war catalyzed the growth of state-sponsored research infrastructure, as seen in the establishment of the Council for Scientific and Industrial Research (CSIR) headed by chemist S.S. Bhatnagar.[94] But financial support from the colonial government remained limited. An influential report by A.V. Hill of the Royal Society on *Scientific Research in India*, published in

[92] Jahnavi Phalkey, *Atomic State: Big Science in Twentieth-Century India* (New Delhi: Permanent Black, 2013), 173-74. Recurring tensions between the brothers, however, suggest that atomic and medical research were not always perfectly complementary. John's demand for isotopes placed a significant burden on the laboratory's capabilities, even as Ernest's interest in experimental treatments only grew. See Michael Hiltzik, *Big Science: Ernest Lawrence and the Invention That Launched the Military-Industrial Complex* (New York: Simon & Schuster, 2015), 161-64.

[93] Phalkey, *Atomic State,* 153 (n. 37-38).

[94] Ibid., 65, 111-14.

1944, noted that this state of affairs left "a great opportunity for the Indian benefactor," meaning private philanthropists, to enter into partnerships with the state.[95]

In this context, Bhabha opened a line of communication with Chairman J.R.D. Tata about the possibility of the Trusts sponsoring "pure" research, citing the lack of scientific manpower in India and the examples of the rapid progress made by the United States and the Soviet Union. Tata "whole-heartedly" supported the scheme, assuring Bhabha that "the advancement of science is one of the fundamental objects with which most of the Tata Trusts were founded."[96] Bhabha's proposal to the Dorabji Tata Trustees, submitted in March 1944, recommended a joint venture while stressing that "financial support from Government need not, however, entail Government control."[97] The bitter experiences of the Indian Institute of Science, the School of Tropical Medicine, and other strained collaborations with the colonial state were on the Trustees' minds. However, they were now presented with an opportunity to absolve the Tata family in the eyes of the Parsi community and the citizens of Bombay for the decision to locate the Indian Institute of Science in Bangalore years before.

In response to Bhabha's proposal, the Trustees observed that "the large project, carefully designed and executed," was essential to maintaining the "'pioneering' character" of the Trusts. It was impossible "to keep on initiating and maintaining new projects unless the maintenance of its earlier projects is passed on to the state or responsible bodies," a clear summation of the

---

[95] Indira Chowdhury, "Fundamental Research, Self-Reliance, and Internationalism: The Evolution of the Tata Institute of Fundamental Research, 1945-47," in *Science and Modern India: An Institutional History, c. 1784-1947*, ed. Uma Das Gupta, History of Science, Philosophy and Culture in Indian Civilization, Vol. XV, Part 4 (Delhi: Pearson Longman, 2011), 1103-04.

[96] TCA, Box 195, DTT/PHIL/TIFR/FP/7, Historical note on TIFR prepared by Homi J. Bhabha for the Prime Minister, 1 January 1954; Tata Institute of Fundamental Research Archives, Mumbai (hereafter TIFR), Transcript of letter from J.J. Bhabha to H.J. Bhabha, 26 February 1944.

[97] TCA, Box 194, DTT/PHIL/TIFR/FP/1, H.J. Bhabha to Sorab Saklatvala, 12 March 1944.

'handover' strategy. However, there were doubts about the advisability of supporting what "may be called at this stage a one-man affair." TISS provided "a fairly close parallel" in that it was, at first, "built round one individual – Dr. Manshardt," and subsequently attained a "recognised place for itself" independent of the circumstances of its foundation. The Trust was reluctant to abandon its other commitments to scientific research in Bangalore and Calcutta.[98] Nor was the Trust meant to be the sole source of finance. J.R.D. Tata wrote in secret to his fellow Parsi industrialist, Ness Wadia, requesting a grant for the endowment of a Chair in Astrophysics. Wadia's reply, that his own family trust had "no authority to use the funds except for housing for poor Parsees," reveals how unusual the Tata Trusts' cosmopolitanism really was in Bombay.[99] Many of the Trustees' early considerations – of maintaining their commitments elsewhere and associating other philanthropists with the new institution – fell away within a few years.

The Tata Institute of Fundamental Research opened in 1945, funded through a "tripartite agreement" between the Dorabji Tata Trust, the Government of Bombay, and the Government of India. The Institute was first housed in temporary quarters and then moved to a beautiful promontory in Colaba overlooking the Arabian Sea. This extremely valuable piece of land had been reluctantly surrendered by the Ministry of Defense following Prime Minister Jawaharlal Nehru's personal intervention. Upon the installation of a Congress government in 1947, Bhabha took on the official role of Chairman of the Atomic Energy Commission of India (AECI). Bhabha worked closely with S.S. Bhatnagar to "jealously guard state funding to establish the priority of the TIFR laboratory as the national laboratory for nuclear research." As Jahnavi

[98] TCA, Box 194, DTT/PHIL/TIFR/FP/1, "A Note on Trust Policy" by R. Choksi, 10 April 1944; To the Trustees for their consideration at the meeting on 14 April 1944 in connection with Dr. H.J. Bhabha's Scheme.

[99] TCA, Box 195, DTT/PHIL/TIFR/Mis/2, J.R.D. Tata to Ness Wadia, 22 June 1945; Wadia to J.R.D. Tata, 28 July 1946.

Phalkey has shown, the Institute of Science in Bangalore and Saha's laboratory in Calcutta found themselves marginalized as a result. Bhabha's unique position as state administrator and leader of a private research institution resulted in the decline of TIFR's research mandate in nuclear physics and its eventual subordination to the AECI.[100]

Phalkey's important intervention has illuminated a previously overlooked aspect of the 'handover' strategy, namely how the concentration of power in Bhabha's hands shaped the course of scientific development in postcolonial India. She rightly questions the notion of a smooth transition, emphasizing discontinuity and contingency in the TIFR's history. Private patronage and Bhabha's close familial and financial relations with the Tatas explain how the foreclosure of an alternative path (decentralized nuclear research conducted in universities) came about. Yet the Tatas' continued involvement in the workings of the TIFR well into the 1960s, as well as the strengthened connections between TIFR and other Tata philanthropic institutions such as TISS and TMH, are less well known. The fact that TIFR was an offspring of private capital, later adopted by the nation-state, continued to matter in subtle and unpredictable ways.

A number of key tensions surfaced in the otherwise close relationship between Bhabha, the Tata Trusts, and the Government of India in the early years of the TIFR. The first, and most urgent, concerned the name of the Institute, which Bhabha fought to keep. By the mid-1950s, the School of Mathematics, a branch of the Institute without any direct connection to the atomic program, had acquired an "international reputation" by sponsoring a prestigious monograph series. It was, as Bhabha put it, on track to become the "Princeton of India." Any change in the name would dilute TIFR's hard-earned credibility in the international scientific community. The Institute had taken on a life of its own independent of its origins in act of corporate philanthropy,

[100] Phalkey, *Atomic State,* 131-38, 231-33, 272-74.

as with TISS and TMH before it. "The name of the laboratory acquires a significance of its own independent of any association with the name of the founder," Bhabha wrote to Nehru.[101]

Retaining the name was by no means a foregone conclusion. The TIFR depended on the Tata firm, particularly its New York branch, to make purchases of sensitive laboratory equipment from American manufacturers.[102] Cold War politics and the economic interests of the firm alike threatened the autonomy of the Institute, testing Bhabha's aspirational "internationalism" and commitment to scientific collaboration across borders.[103] For example, J.R.D. Tata and the Trustees wrote to Bhabha in 1951, alarmed at TIFR mathematician D.D. Kosambi's participation in the Soviet-backed World Peace Council and Bhabha's own plans to visit the USSR. If TIFR's name and scientific reputation ever came into conflict, both Bhabha and J.R.D. Tata were prepared to sacrifice the name:

> As a high level academic institution there must be as much intellectual freedom in the Tata Institute of Fundamental Research as there is in any British University and unless this freedom is assured you will not get men of the caliber that there should be in the Institute. I quite sympathise with the feeling that from a commercial or business point of view the association of members of the staff with things like the Peace Movement or delegations to Moscow may be embarrassing for their American connections, but in this case there seems to me to be no alternative but to change the name of the Institute, a point we have often discussed and which Jeh [J.R.D.] strongly favours.[104]

Kosambi's outspoken Marxism and public condemnation of atomic energy caused endless friction with Bhabha, culminating in his dismissal in 1962. Kosambi was under no illusions as to the power behind the throne at the TIFR. As early as 1950, he wrote to an American friend:

---

[101] TCA, Box 195, DTT/PHIL/TIFR/FP/7, Historical note on TIFR prepared by Homi J. Bhabha for Prime Minister, 1 January 1954.

[102] TIFR, D-2004-00467-TIFR-ARCH-DIR-PER-NAOROJI-KAD, H.J. Bhabha to K.A.D. Naoroji, 16 March 1949.

[103] Chowdhury, "Fundamental Research, Self-Reliance, and Internationalism," 1095-96.

[104] TIFR, D-2004-00241-TIFR-ARCH-DIR-PER-CHOKSI-RD, H.J. Bhabha to R.D. Choksi, 10 May 1951.

> In this country, a considerable portion of the business community is all for war, though they pay faint lip service to peace. I have decided to take prominent part in the peace movement…As one result, I face dismissal – not immediately, I believe, but eventually. The warning has been given not only by the director of my Institute (a rank opportunist) but by the real power behind him, one of India's biggest leaders of industry and finance![105]

In the end, the name of the Institute remained unchanged, and, with Kosambi gone, conflicts that occasionally arose between the Institute, the Trusts, and the government were resolved behind closed doors. Bhabha's hardheaded pragmatism was as important to TIFR's success as his internationalist idealism.

Less contentious, but no less significant, were the TIFR's connections with other institutions bearing the Tata name. In 1948, the Atomic Energy Commission established a Cell Biology Unit in the laboratories of the Tata Memorial Hospital to study the "biological effects of radiation." The Hospital also cooperated with TIFR on worker safety in the Radium Department.[106] In return, the TIFR continually assisted the Physics Department at TMH. Bhabha's personal appeal to Irène Joliot-Curie secured the services of a young French physicist trained in the calibration of radium and X-rays for the Hospital.[107] When the administration of the Hospital was fully transferred to the Government of India, it was under the aegis of Bhabha's

---

[105] Houghton Library, Harvard University, bMS Eng 1176 (36-39), Letter from D.D. Kosambi to Agnes Conklin, 20 December 1950. Cf. Meera Kosambi, introduction to *Unsettling the Past: Unknown Aspects and Scholarly Assessments of D.D. Kosambi*, ed. Meera Kosambi (New Delhi: Permanent Black, 2012), 20-21. While Kosambi was prescient enough to anticipate the hostility he would face as a result of his political activities, his ultimate dismissal had as much to do with upholding the intellectual reputation of the TIFR. Kosambi claimed to have proven the Riemann hypothesis, one of the most difficult unsolved problems in mathematics, in the obscure *Journal of the Indian Society of Agricultural Statistics*. Leading international mathematicians dismissed Kosambi's proof outright; this was the final straw for Bhabha. See also Ramakrishna Ramaswamy, "Integrating Mathematics and History: The Scholarship of D.D. Kosambi," in *Unsettling the Past*, ed. Kosambi.

[106] TCA, Box 195, DTT/PHIL/FP/6, DES note on TIFR, n.d.; TIFR, D-2004-00660-TIFR-ARCH-DIR-PER-VESUGAR, P.J. Vesugar to P.D. Bharucha, TMH Superintendent, 25 April 1951; Bharucha to Vesugar, 8 May 1951.

[107] TCA, Box 195, DTT/PHIL/FP/6, DES note on TIFR, n.d.; TIFR, D-2004-00001-TIFR-ARCH-DIR-HJB-CORRESP-GEN-3, H.J. Bhabha to Irène Joliot-Curie, 28 April 1947; H.J. Bhabha to Frederick James, 20 November 1947.

Department of Atomic Energy.[108] The mere fact that the Trustees handed over the Hospital to the state did not determine its ultimate institutional home; the everyday scientific connections forged with the TIFR did.

With government support, the Tata Memorial Hospital greatly expanded its research activities. Investigations of human blood groups began at TMH in 1944, since the "social custom of endogamy in India has created experimental groups ideally suited for work on the problems of human heredity." These studies led to the establishment of a Human Variation Unit at the Indian Cancer Research Centre, with financial support from the Rockefeller Foundation and the Dorabji Tata Trust. A series of "genetical and anthropological surveys" of tribal populations in Western India to determine the incidence of hereditary diseases such as thalassemia and sickle-cell anemia were undertaken in collaboration with the International Institute for Population Sciences, a joint venture between TISS and the United Nations Bureau of Social Affairs. This Institute was additionally tasked with promoting "the development of India's national family planning movement on a sound and scientific basis" through studies of local and oral contraceptives.[109] It was no coincidence that family planning was J.R.D. Tata's enduring personal cause, as well as a near-obsession for the postcolonial Indian state, spurred on by the Ford and Rockefeller Foundations.[110]

The stagist narrative promoted by the Tata Trusts – private money provides the initial seed for the state to cultivate – allowed the Trusts to make persuasive claims to nation-building while emphasizing the uniquely "pioneering" aspect of their work. But this narrative obscures

[108] TCA, Box 207, DTT/PHIL/TMH/FP/3, H.J. Bhabha to R. Choksi, 16 December 1961.

[109] TCA, Box 187, DTT/PHIL/IIPS/Mis/1, DES note on Indian Institute of Population Studies, n.d.; TCA, Box 187, DTT/PHIL/IIPS/Mis/1, K.C.K.E. Raja to John Matthai, 14 February 1955.

[110] Matthew Connelly, *Fatal Misconception: The Struggle to Control World Population* (Cambridge, MA: The Belknap Press of Harvard University Press, 2008), 168-74.

the partial autonomy of networks of knowledge production and professional norms of scientific exchange, which played an equally important role in determining the evolution of specific institutions – even landing, for a time, one of India's most outspoken radical intellectuals, D.D. Kosambi, on the payroll of the nation's leading capitalists. In the long run, the prestige of the Indian Institute of Science, TMH, TISS and TIFR owed far more to their academic reputations than to the guarantee of the Tata name. Conversely, their current location within the state has meant that their origins as private benefactions are acknowledged but rarely critically explored.

PHILANTHROPY AND THE NATION

Before 1947, Tata philanthropy assiduously cultivated intellectual and institutional networks beyond community, nation, or empire. With most grand projects on a sure footing, the Tata Trustees turned their attention to the role philanthropy would play in a changed political landscape, wherein the state transformed itself from reluctant patron under colonialism to enthusiastic sponsor of development in the early years of independent India. The two areas requiring urgent attention were the extent to which the Trusts should publicize their good works to bolster the social legitimacy of the Tata firm, and the new pioneering directions in which Tata philanthropy could move after the emergence of a welfare state.

The question of publicity deeply divided the Trustees. Chairman J.R.D. Tata forcefully argued that in a climate of increasing hostility toward private enterprise, philanthropy and economy should be inseparable: "The Firm which produces the bulk of the Trusts income directly and indirectly, will now more than ever be affected by its prestige with the public and with the political parties of the country and by the goodwill it is able to generate." Another Trustee, R. Choksi, countered by asserting an essential distinction between the two: "The

primary object of the Trust is charity, not the creation of goodwill…Granted that the Firms need to keep themselves constantly before the public by judicious publicity, it does not follow that the Trust does…" He was also "not convinced that discreet publicity is really discreet."[111] Any good deeds henceforth performed by the Trusts would be judged compromised in the court of public opinion if they appeared to favor the self-interested political and economic objectives of the firm. This exchange, which tilted in favor of the Chairman's view, indicates both an internal awareness of the distinction between philanthropy and economy, as well as an admission that the contours of the relationship between the two had not yet been determined. Institutions founded and supported by the Tata Trusts had taken on a life of their own, while the Trusts themselves performed a nation-building role that did not quite overlap with that of the Tata firm.

Independence did, however, bring a notable change in resource allocation from scientific research to rural development and direct service provision. The very decision to hand over the Tata Memorial Hospital in 1951 was taken in order to free up funds for "a scheme [for] a model group of villages."[112] Existing institutions and companies were brought into this scheme. John Matthai, Chairman of the Dorabji Tata Trust, announced that TISS would take up rural reconstruction through a "multi-purpose scheme" near Bombay, in cooperation with the Institute of Politics and Economics in Poona. The Dorabji Tata Trust created a Rural Welfare Board to sponsor cooperatives and model villages near the Tata Chemicals plant at Mithapur, and land reclamation projects in the Mulshi Valley close to the Tata Power Company dam. The Board offered "an example of a private agency supplementing the work of the Government,"

[111] TCA, Box 179, DTT/PHIL/DON/3, Note by J.R.D. Tata, 27 June 1946; Note by R. Choksi, 4 July 1946.

[112] TCA, Box 207, DTT/PHIL/TMH/FP/2, R. Choksi to K.C.K.E. Raja, 25 September 1951.

particularly the Gandhian-inspired Community Development program.[113] This kind of philanthropy, taking into account the needs of Tata companies to extend their legitimacy as landlords and employers in rural areas, would soon be expressed in the new conceptual and political language of corporate social responsibility, as the final chapter will show.

The Tata Trusts prided themselves on their contributions to "national regeneration during a period when the State in India paid little heed to nation-building activities."[114] During the colonial period, these contributions took the form of a visible and durable infrastructure of knowledge production, financed by Indians and bearing an Indian name. It did not matter that expertise was often sourced from the West, or that community boundaries were freely trespassed. Tata philanthropy was at once vernacular and global, national and cosmopolitan. The specter of a full-fledged welfare state in independent India posed a new, and altogether more difficult, problem. Corporate philanthropy would continue to play a "pioneering," risk-taking entrepreneurial role in areas the state could or would not yet reach. But it would also shadow the state and forcefully juxtapose the donor's personal touch with the bureaucrat's heavy hand.

[113] TCA, Box 195, DTT/PHIL/FP/6, DES notes on Rural Welfare Board, 1953; Box 180, DTT/PHIL/Fin/1/Trust Report for the years 1959-1961, The Sir Dorabji Tata Trust: Report for the year ended the 31st December 1959, Appendix A.

[114] TCA, Box 195, DTT/PHIL/FP/6, DES note on Tata Trusts, n.d.

Chapter 4. National Capitalists, Global Wars

In March 1944, Messrs. Wadia Gandhy & Co., the Tatas' Bombay solicitors, sent a strongly worded letter to the politician M.N. Roy. In a pamphlet entitled *Indian Labour and Post War Reconstruction*, published two years before in the midst of the Second World War, Roy had made the following charge: "The few cases of serious interference with production were engineered by the industrialists themselves including the Tata Iron & Steel Co. Ltd. Even in those cases, the workers did not fall in line willingly. Mills and plants were closed down, and all sorts of devices adopted in order to keep the workers away." The oblique yet unmistakable reference was to an event in August 1942, when TISCO experienced a brief strike in sympathy with Gandhi's Quit India movement launched in response to the arrest of Indian National Congress leaders. Roy strongly believed that Tata management, from the highest levels in Bombay to the middle ranks on the shop floor in Jamshedpur, had deliberately caused the strike in order to subvert the war effort at the bidding of Congress politicians. The solicitors issued a stern warning to Roy that, if he did not immediately offer an apology and withdraw the pamphlet from circulation, the Tatas would sue for libel.[1]

In many ways, the case was a curious one. M.N. Roy – *swadeshi* radical, ex-member of the Comintern, and fiercely original thinker – was a peripatetic figure then on the fringes of Indian politics. Roy's uncompromising support for the war was consistent with his global vision of Indian nationalism. As Kris Manjapra has argued, for Roy "the freedom of the deterritorial body of India could only be achieved in solidarity with a global struggle against fascism." To this end, Roy established the Radical Democratic Party (RDP) and the associated Indian

[1] TSA, File No. L-145, Pt. I., Wadia Gandhy & Co. to M.N. Roy, 24 March 1944.

Federation of Labor (IFL) at the beginning of the war.[2] The IFL was active in Jamshedpur under the leadership of Maneck Homi, the scourge of Tata management during the previous wave of strikes in the late 1920s. Homi and his men served as the key conduit of information persuading Roy to see the company's hand behind the events of the 1942 strike. The Tatas, whose flagship plant churned out steel vital to the defense of the British Empire, suddenly found themselves on the defensive regarding their commitment to the war effort.

At first, there appeared to be little substance to the case. Roy had included an erratum in his pamphlet specifically deleting the offending clause ("including the Tata Iron & Steel Co. Ltd."), which might have diminished the libel claim. The reason given for the deletion was that "the attitude of some other industrialists, particularly some of the Ahmedabad Millowners, was responsible for a more prolonged interference with production."[3] The Tatas refused to budge. B.R. Ambedkar, serving as Member for Labour in the Government of India, offered to mediate while passions were still running high. Ambedkar informed Roy that the "Tatas are very likely to rush to court," but Roy steadfastly refused to apologize.[4] He perceived the stakes of the case to be greater than the adjudication of the statement made in the pamphlet: "We have plenty of evidence to support the opinion expressed in the book. But our defence will be political."[5] The Tata-Roy case was more than a dispute over what really happened in Jamshedpur in August

---

[2] Kris Manjapra, *M.N. Roy: Marxism and Colonial Cosmopolitanism* (New Delhi: Routledge, 2010), 125-29.

[3] Nehru Memorial Museum and Library, New Delhi (hereafter NMML), M.N. Roy Papers, Subject File No. 4, V.M. Tarkunde to M.N. Roy, 29 July 1944. Unlike TISCO, the Ahmedabad millowners were openly allied with Gandhi and the Congress. Suspicion clouded all businessmen with nationalist sympathies during the Quit India movement. To take one of many examples, Lala Shri Ram complained that "it is freely rumoured that Seth Ghansam Das [Birla] and I are responsible for strikes in our Mills in Delhi…There is such strong feeling amongst workers that the like of it I have never seen before. They are even losing the great regard that they had for my person." NMML, Purshottamdas Thakurdas Papers, File No. 239 (Part 4), Shri Ram to Thakurdas, 24 August 1942.

[4] TSA, File No. L-145, Pt. I, Ardeshir Dalal to B.R. Ambedkar, 15/16 May 1944; NMML, M.N. Roy Papers, Subject File No. 3, V.M. Tarkunde to M.N. Roy, 21 April 1944.

[5] NMML, M.N. Roy Papers, Subject File No. 4, Roy to Muthiah Mudaliar, 13 July 1944; Tarkunde to Roy, 20 July 1944.

1942, or even about the company's public image. It was a flashpoint in the long, drawn-out process of Indian big business adapting to the advent of independence.

With the end of the war in Asia and the acceleration of negotiations over the transfer of power, the Tata-Roy case lost its immediate relevance and subversive potential. In December 1946, the Tatas made the first conciliatory move, offering to "forego the expression of regret if the defendants would admit that their statement was incorrect," given "the time that has elapsed and the completely altered political situation today." Nearly one year later, in September 1947, the matter was finally laid to rest. Roy issued a statement of regret, if not quite an apology: "I have been assured by you that the Company did not engineer the strike referred to in the said passage, and I accept the assurance."[6] The postcolonial forgetting of the Tata-Roy case and the conflicts it exposed (in this case, over big business 'hedging its bets') parallels the fading from memory of the Second World War in India, subsumed in the master narrative of the coming of independence.[7]

The relationship between big business and the Quit India movement has become a focal point of the ongoing historiographical debate on the role of Indian capitalism in the period of decolonization and the emergence of the developmental nation-state. Was the Indian big business class guided primarily by anti-colonialism, and did their economic interests genuinely converge with those of the Nehruvian state by 1947? Or is the 'national bourgeoisie' a mythical construct that masks capitalists' obstruction of state-led planning and demands for a protected domestic

[6] TSA, File No. L-145, Pt. II, J.D. Choksi to S. Khambatta, Wadia Gandhy & Co., 27 December 1946; File No. L-145, Pt. I, M.N. Roy to Plaintiffs in the High Court of Judicature at Bombay, Suit No. 574 of 1944, 1 September 1947.

[7] This historiographical lacuna has been recently addressed by two richly detailed studies of the Second World War in India, Yasmin Khan, *The Raj at War: A People's History of India's Second World War* (London: The Bodley Head, 2015), and Srinath Raghavan, *India's War: World War II and the Making of Modern South Asia* (New York: Basic Books, 2016). Khan's book focuses mainly on social history, while Raghavan's also integrates high politics and military strategy.

market? Both approaches invoke the pressures of worker and peasant movements from below, the flight of British capital, and the uncertainty around foreign investment as key variables, yet do not examine in detail how specific groups responded to them over time.

Writing against purely interest-based explanations, Aditya Mukherjee claims that Indian businessmen were driven primarily by "the desire to *free the economy from foreign domination*," which animated their call for a strong state to regulate foreign capital in independent India.[8] Indian capitalists' broad acceptance of state planning and democratic institutions, according to Mukherjee, can be explained by the fact that they shared with the Nehruvian state the same objectives of anti-colonialism, "modernization" and "rapid industrialization," even though the state itself did not represent their class position.[9] Vivek Chibber, by contrast, emphatically rejects the notion of any "genuine desire on the part of Indian business to launch a developmental state," seeing the Bombay Plan as a "maneuver by the more canny members of the business class" to maintain legitimacy in the face of popular mobilization during the Quit India movement and the ascendancy of the Congress Left. As soon as this threat subsided and organized labor was effectively "demobilized," businessmen fought tooth-and-nail against state control, whether it was the colonial government's Statement of Industrial Policy (1945) or the Indian state's first Industrial Policy Statement (1948).[10] The debate thus extends to the sources of conflict between

---

[8] Aditya Mukherjee, *Imperialism, Nationalism and the Making of the Indian Capitalist Class, 1920-1947* (Delhi: Sage Publications, 2002), 14, 397, 404. Mukherjee's argument belongs to a long tradition of scholarship analyzing the actions of Indian big business in relation to nationalist sentiment and the "Swadeshi spirit" of economic self-determination. Cf. Rajat Kanta Ray, *Industrialization in India: Growth and Conflict in the Private Corporate Sector, 1914-47* (Delhi: Oxford University Press, 1979); Manali Chakrabarti, "Why Did Indian Big Business Pursue a Policy of Economic Nationalism in the Interwar Years? A New Window to an Old Debate," *Modern Asian Studies* Vol. 43, No. 4 (July 2009): 984-88.

[9] Mukherjee, *Making of the Indian Capitalist Class,* 389-90, 428-35.

[10] Vivek Chibber, *Locked in Place: State-Building and Late Industrialization in India* (Princeton: Princeton University Press, 2003), 87-91, 109, 134-39, 147. David Lockwood offers a pointed critique of Chibber on this point, dismissing the importance of the Quit India movement. According to Lockwood, while "the relationship of the bourgeoisie to the new state would evolve slowly" after independence, "it did not snap smoothly into a 'state

capitalists and the Indian state over the long term: what was the extent of the accommodation reached between the state's objective of promoting self-reliance through heavy industry and the agenda of domestic capital to ward off foreign competition? When, how, and why did big business oppose the Nehruvian state? These questions are embedded in a set of teleological assumptions about the fate of national developmentalism in the postcolonial world, not just in South Asia but across Latin America, the Middle East, and Africa.[11]

The position of the Tatas as historical actors in this debate remains problematic. Both Mukherjee and Chibber work with an aggregate construct of the "national bourgeoisie," giving pride of place to G.D. Birla as its main spokesman and the Federation of Indian Chambers of Commerce and Industry (FICCI) as its institutional expression. The Tatas are seen as a relative political outlier, but they ultimately obey the logic of class interests.[12] But due to their continued reliance on foreign technical expertise and machinery for the Jamshedpur steel plant, the shifting trajectory of the Tatas' position on state control, protection, and foreign capital cannot be neatly mapped onto the interests of the capitalist class as a whole.

The fissures between the Tatas and the more solidly pro-Congress elements of Indian big business transcend the 1947 divide. What did change after independence is the meaning of the divide, which could no longer be mapped along colonial/nationalist political lines, and instead became about the scramble for proximity and access to the state bureaucracy. Pushing the spatial

---

versus capital' confrontation in 1947." David Lockwood, *The Indian Bourgeoisie: A Political History of the Indian Capitalist Class in the Early Twentieth Century* (London: I.B. Tauris, 2012), 94-95, 183-87.

[11] Vivek Chibber, "Reviving the Developmental State? The Myth of the 'National Bourgeoisie,'" *Socialist Register* Vol. 41 (2005): 227-29; D. Parthasarathy, "Planning and the Fate of Democracy: State, Capital, and Governance in Post-independence India," in *State Capitalism, Contentious Politics and Large-Scale Social Change,* ed. Vincent Kelly Pollard (Leiden: Brill, 2011), 83-87.

[12] For example, to proponents of the Mukherjee view, TISCO's frustrated demands for the continuation of protective tariffs in the 1930s illustrate how even a firm "not especially inclined towards industrial activism and still less towards nationalist politics" was drawn to the Congress. Lockwood, *The Indian Bourgeoisie,* 106-11.

and temporal boundaries of inquiry about state-capital relations in India firmly past 1947 reveals how attitudes to foreign capital were conditioned by political developments arising from global decolonization and Cold War competition, and by the Indian state's growing problem of foreign exchange. Alternately feared and desired, foreign capital points to an 'extra-territorial' dimension hitherto conspicuously absent in studies of state-capital relations, which examine the balance of power between the colonial state, Indian big business, organized labor, and the nationalist movement within the settled borders of the Indian nation-state. As India passed from British colony to playing field of superpower conflict (first Anglo-American, then Soviet-American), Tata leveraged its remaining global linkages to the financial and political centers of London, New York, and Washington, D.C., in order to carve out a space of maneuver independent of the corridors of bureaucratic power in New Delhi.

EMPIRE'S ARSENAL

On the eve of the Second World War, Tata and other established business houses found themselves in a tenuous position, hemmed in by the recalcitrance of the colonial state's economic policy on the one hand, and a restive nationalist movement on the other. The grant of a protective tariff on steel was offset by the tendency to favor British expatriate firms and concern with "financial orthodoxy." Above all, the Government of India was intent on preserving the "home charges" that paid for the maintenance of the imperial connection. James Grigg, a fierce anti-Keynesian who replaced the more sympathetic George Schuster as Finance Minister in 1934, viewed the Congress right wing and businessmen like G.D. Birla as the real threat to British rule, not the "millions of peasants whose grievances are entirely economic."[13]

[13] Gupta, "State and Business in India in the Age of Discriminatory Protection," 150-51; Markovits, *Indian Business and Nationalist Politics*, 48; Benjamin Zachariah, *Developing India: An Intellectual and Social History* (Delhi:

An alliance between Indian big business and the Congress Party, assiduously cultivated by Birla, would have been a natural outcome of this antagonistic climate. However, Jawaharlal Nehru's speech to the Lucknow Congress in March 1936, openly advocating socialism, caused a noisy rift. Led by the Tatas and their allies, including a young banker named A.D. Shroff, twenty-one Bombay businessmen signed a manifesto condemning the leftward drift of the Congress. This was an attempt to broaden the appeal of anti-socialist politics across the propertied classes, from urban middle classes to the middle peasantry. Birla severely criticized the rashness of his colleagues, arguing for disciplining the Left with the help of Congress moderates rather than for direct opposition. His would prove the more prudent view, as government policy pushed all factions of Indian business closer to the Congress. In 1939, an Indo-British Trade Pact imposing a duty on raw cotton was defeated in the legislature after a rare show of unity among Indian businessmen. The entry of multinationals such as Dunlop and Imperial Chemical Industries (ICI) into India caused further resentment, limiting avenues for expansion and diversification.[14]

Throughout the previous decade, German, Japanese, and American firms had secured ever greater shares of Indian markets at the expense of British managing agency houses, which found themselves "side-stepped by design at their most vital point – the link between India and the world economy," just as the balance of trade shifted to the import side. The war promised "new incentives to Indo-British collaboration," as "the two business communities had to deal with the state as purchaser, regulator, or patron on a vast scale."[15] The majority of Indian

---

Oxford University Press, 2005), 96. This line of criticism, directly pitting agriculture against industry, would recur in the government's response to the Bombay Plan a decade later.

[14] Markovits, *Indian Business and Nationalist Politics,* 109-12, 135-39.

[15] Michael Kidron, *Foreign Investments in India* (London: Oxford University Press, 1965), 36, 58.

businessmen saw it otherwise. Recalling the stimulus of the First World War, they hoped to expand into new areas such as automobiles, aircraft, shipbuilding, and armaments, while insisting on majority control. Existing British interests, along with further American entry into India, were to be steadfastly opposed at every turn.[16]

The experience of Tata Chemicals, as one of the few major new ventures successfully initiated at the beginning of the war, illustrated the delicate balance of risks and opportunities. In early 1937, the Dewan (minister) of the princely state of Baroda in western India suggested the Tatas promote a chemical factory near the port of Okha, acquiring an existing salt works and initiating the production of soda ash and caustic soda. This was a logical step given the Tatas' record of pioneering key industries: "It is claimed for Soda Ash as for Sulphuric Acid and Steel, that the utilisation of this product is a test of the material progress of a country."[17] However, the powerful multinational ICI (Imperial Chemical Industries) was already active in India, and the Tatas would be "putting into the preserves of one of the greatest vested interests in existence." Tata Chemicals simply did not have the resources to compete, and was forced to come to an early arrangement with its rival over markets and prices.[18] Supply of technical equipment was another serious problem, as had been the case with TISCO and Tata Hydro during the First World War. Kapilram Vakil, the chemist in charge of the new works, informed J.R.D. Tata in April 1939 that he had "no option" but to buy specialized components only manufactured in Germany. Having given "most anxious and careful consideration to the political situation," Kapilram concluded that the German government would accept the Tatas' proposed safeguards,

---

[16] Mukherjee, *Imperialism, Nationalism and the Indian Capitalist Class,* 298-99, 354-55.

[17] TCA, T53-DES-T14-MINUTE-1, Notes on the Chemical Scheme, January to July 1937; J.A.D. Naoroji to Chairman, 20 November 1937.

[18] TCA, T53-DES-T14-MINUTE-1, Notes on the Chemical Scheme, January to July 1937; Notes by J.A.D. Naoroji, 27 July 1932; Note by A.R. Dalal, 8 September 1938.

such as accepting payment through a London bank.[19] The Chairman's preference had been to go through an American firm, but the complex nature of the chemicals plant made it impossible.

Entry into this new field raised ethical questions about production in times of war. As soon as Tata Chemicals was formed, Jal Naoroji, the company's representative in London, wrote to Bombay on the subject of "the ethics of the poison gas trade." He was firmly of the opinion that "it shouldn't be done," and that "we should not send out the raw material in such a form that anyone else can do it." But Naoroji continued: "I admit that this position is merely theoretical, because the same might well apply to steel or glycerine, which we send out without any qualms of conscience."[20] During the 1942 strike TISCO management would be confronted with the politics of conscience, as the rebellious foremen told the General Manager that "they had no intention of manufacturing steel which would be turned into bullets and then used against their countrymen."[21] In this and many other ways, the Tatas' wartime activities intensified old conflicts, from the fraught relationship with the Government of India at the highest level to daily life 'on the ground' in Jamshedpur.

These many conflicts came to a head in August 1942. It is difficult to determine exactly what happened based on the extant archival evidence, most of it compiled in advance of M.N. Roy's trial-that-never-was. A report authored by IFL member Sheo Pujan Singh, used by Roy to accuse the Tatas of supporting the strike, recounted the public meeting held by the Congress-affiliated Tata Workers' Union (TWU) on 9 August, when news of the arrest of the Congress leaders arrived. Only about 10% of the workers joined in the subsequent *hartal* (stoppage),

[19] TCA, T53-DES-T14-MINUTE-1, Kapilram Vakil to J.R.D. Tata, 1 and 13 April 1939.

[20] TCA, T53-DES-T14-MINUTE-1, Jal Naoroji to N.B. Saklatvala, 11 September 1937.

[21] TSA, File No. L-145, Pt. I, The Steel Company and Messrs. Tata Sons, Ltd. vs. M.N. Roy and another, Notes on the allegations contained in Appendix (1) of the Written Statement, 20 November 1944, p. 5.

staying away from work while "Congress-minded foremen" provided excuses for them. Faced with an apparent lack of enthusiasm, the TWU then planned to call a strike after the distribution of the annual Profit-Sharing Bonus at the end of the month. Singh argued that most workers, especially Muslims and *adivasis*, "do not know what is the strike for and what the grievances against the Company are." Significantly, "women were threatened that if they go within the works they would be harassed and insulted by the military soldiers within the Works."[22] The presence of troops in Jamshedpur was a lightning rod of conflict with residents and workers. A petition from May 1942 describes how ten soldiers entered an employee's house while he was away on duty at the collieries and "began to molest the women." Mentioning other similar cases of soldiers "outraging the modesty of women in Jamshedpur" and noting "that many workers of this place are getting scared and panicky," the petitioners demanded immediate action against further misconduct.[23] The pervasive fear of soldiers' assaults on women was allegedly used to mobilize worker participation in the Quit India strike.

What evidence did Singh and Homi provide for management's collusion? They charged that H. Kutar, General Superintendent of TISCO, "called the 'C' class apprentices some 5 or 6 days before the strike and asked them to keep aloof," promising that no disciplinary action would be taken; that "workers were called in the houses of their Foremen and supervisors" to be persuaded to strike; that on August 20 "small notices were typed by the typists of the Company with the typewriters openly in the General Office"; and that the first meeting to organize the strike "was held in the bungalow of Mr. [M.D.] Madan," the Assistant Superintendent of the

[22] NMML, M.N. Roy Papers, Subject File No. 3, Sheo Pujan Singh to M.N. Roy, 14 and 22 August 1942.

[23] TSA, File No. GM-178, Pt. II, C.K. Rao et. al. to General Manager, 9 May 1942. The class and caste nature of the petitioners is betrayed by their reference to "many other cases in which the soldiers molested some of the rejas [female coolies] of the Company," which were not reported "as sufficient proof was not available." On the prevalence of anxiety about the sexual threat posed by soldiers to respectable Indian womanhood, see Khan, *The Raj at War*, 149-51.

Steel Melting Shop. The General Manager reportedly refused to take action against the foremen and supervisors responsible for mobilizing the workers.[24]

The strike ended on September 3, after Ardeshir Dalal issued an appeal through the company's new radio relay system. He began by stating that "in any other circumstances a political strike would stand self-condemned and call for the strongest measures, but the present situation is altogether exceptional and I am prepared to make allowances for it." He promised to personally take up the cause of the imprisoned Congress leaders with the Viceroy in Delhi, along with Chairman J.R.D. Tata. Yet Dalal also stressed the importance of loyalty to both the country and the company, "because only by helping to win the war can India ensure and retain her independence." Behind the scenes, Dalal threatened to bring in relief labor from Calcutta to man key positions under the Essential Services Ordinance.[25] The combination of carrot and stick worked to defuse the situation without serious outbreaks of violence, and the plant soon returned to normal. For M.N. Roy, the quick success of Dalal's two-faced appeal was *prima facie* evidence that "the Company could have prevented the whole mischief" in the first place.[26] But Roy could produce no direct evidence of communication between the upper echelons of management and supervisory staff during the strike.

The company's defense rested on the surprising nature of the events, and the calculated forbearance of its response. The General Manager reported that the first indication of the strike

---

[24] NMML, M.N. Roy Papers, Subject File No. 3, "Statement on Tata's Strike," Indian Federation of Labour, 25 October 1942. Ross Bassett gives an account of the strike from the perspective of T.M. Shah, an MIT-trained electrical engineer and staunch Gandhian nationalist. Like many of the other rebellious TISCO supervisors during the strike, Shah saw no contradiction between his "technological vision" and political convictions. See Bassett, *Technological Indian*, 117-20, 153-62.

[25] TSA, File No. L-147, Pt. I, "Address to the Employees of the Tata Iron & Steel Company" by Sir Ardeshir Dalal, 28 August 1942; File No. L-145, Pt. I, The 1942 Strikes at Jamshedpur, Summarised from Mr. Mahanty's Confidential Reports, p. 7.

[26] NMML, Subject File No. 2, M.N. Roy to Reginald Maxwell, 10 September 1942.

was received "only 8 hours ahead of its actual occurrence," and that charge sheets were not issued "in order to avoid excitement and provocation."[27] TISCO had placed its entire output in the service of war production. Deliberately shutting down the steel plant would damage the furnaces and entail large financial losses; it was "not so simple as shutting down a Cotton Mill." Contrary to Roy's accusations that management was opposed to the application of a "scorched earth" policy, a secret plan had been drawn up to decommission the plant and transport equipment to Nagpur by a special train. The company did take great care to ensure workers remained at their posts after a "partial exodus" in late 1941 due to fears of a Japanese invasion, pursuing "a policy of sympathy and conciliation at every turn."[28] Recounting his involvement in the strike to his superiors, General Superintendent Kutar explained how this policy worked in practice. He was instructed by the General Manager to meet the troublesome 'C' class apprentices in his office and let them know "if they felt in their heart of hearts that they should observe a hartal to register their protest, they could do so for a day or two." Kutar then told the apprentices that they were different from the students in schools and colleges taking part in the Quit India agitations, since the company paid for their education and promised them jobs. But if they chose to stay away for reasons of conscience, "they should do so quietly." Elsewhere in Kutar's report, the propaganda activities conducted by supervisory staff were acknowledged. M.D. Madan "was stopped from visiting departments other than his own," but "whether he was

[27] TSA, File No. L-145, Pt. I, J.J. Ghandy to the Tata Iron & Steel Co., Bombay, 17 November 1944.

[28] TSA, File No. L-147, Pt. II, P.H. Kutar to A.A. Bryant, Works Manager, 24 April 1946; File No. L-145, Pt. I, The Steel Company and Messrs. Tata Sons, Ltd. vs. M.N. Roy and another, Notes on the allegations contained in Appendix (1) of the Written Statement, 20 November 1944, p. 1.

warned to stop strike propaganda is not stated." Apart from verbally dissuading the foremen not to go on strike, "the papers do not show what other measures were taken."[29]

It is easy to see how such non-committal action would give rise to rumors of conspiracy. Had this information come before the courts, Roy's case might have stood a chance. In her assessment of the 1942 strike, Vinay Bahl sees it as "the most noticeable example of the Tatas' opportunism." She definitively concludes that TISCO workers as a whole were "not politically conscious of their role in this strike," in order to argue for the limits of nationalist hegemony. Working-class unity based on economic grievances thus took precedence over political identities.[30] A glance at the mass of pamphlets in Hindi and Urdu circulating in and around Jamshedpur in 1942 complicates this account. Rumors served to mobilize workers to action, both in support of and in opposition to the Congress. One two-page leaflet entitled "Rivers of Blood Flowing Through Jamshedpur" vividly described the arrest of the foremen leading the strike through images of bodily suffering: "Red hot nails are being pierced into their mouths, nose, ears and bodies." A Hindi poster warned that the government "wants to blow up factories after putting labour inside." On the other hand, Muslim League and IFL literature condemned the Quit India movement as a profiteering attempt by "Marwari and Gujarati businessmen," while the Adivasi Mahasabha tried to persuade sweepers to return to work.[31] Ethnic, caste, and political

[29] TSA, File No. L-147, Pt. I, P.H. Kutar to General Manager, 24 August 1942; File No. L-145, Pt. I, The Steel Company and Messrs. Tata Sons, Ltd. vs. M.N. Roy and another, Notes on the allegations contained in Appendix (1) of the Written Statement, 20 November 1944, p. 4.

[30] Bahl, *Making of the Indian Working Class,* 359-67, 373-74. I have not been able to verify Bahl's assertion that Chairman J.R.D. Tata "always made it a point in his annual speeches" after the war to stress the Tatas' encouragement of the strike in order to burnish their nationalist credentials. In company literature, the episode is generally only referred to after 1947 as a *sui generis* "political strike" that did not succeed in disrupting the smooth progress of management-labor relations.

[31] TSA, File No. L-147, Pt. I, Translation of a two-page leaflet entitled "Bande Mataram," dated 31 August 1942; Translation of a Hindi printed leaflet signed Bharatiya Mazdoor Sangh (Indian Labour Federation), 14 October 1942; File No. L-145, Pt. I, The 1942 Strikes at Jamshedpur, Summarised from Mr. Mahanty's Confidential Reports, p. 6.

affiliations in Jamshedpur continued to be in flux during the war, if at a markedly higher pitch. Workers were not passively manipulated, as Roy would have believed. Conversely, the Tatas' handling of the strike was less a cynical ploy and more of a tactical response to a situation momentarily beyond their control.

THE AMERICANS ARE COMING!

In an internal memorandum for the Tata Sons Statistical Department in 1940, Homi Mody (who would go on to serve on the Viceroy's Executive Council) anticipated the war would bring increased profits and a drive towards self-sufficiency, but warned of the difficulty of obtaining machinery from Great Britain. The "only country which can fill up the gap in our import trade is U.S.A," Mody concluded.[32] The prospect of increasing American involvement in India divided the business community, with the Tatas distancing themselves from their pro-Congress counterparts. A.D. Shroff, Tatas' trusted financial adviser, castigated a speech by FICCI leader Purshotamdas Thakurdas in June 1940 as "a downright Congressman's utterance" and "a clumsy attempt at the usual double-dealing game at which he always plays."[33] Thakurdas was convinced that British and American capital could use the war as a pretext to further exclude Indians from their share of the spoils. Differences on this matter worked against a countervailing tendency towards greater unity and concerted political action among Indian businessmen.

The arrival of the American Technical Mission, headed by diplomat Henry F. Grady, sharpened these differences. The Mission was dispatched to India in the spring of 1942 to make ostensibly non-political expert recommendations on strengthening Indian industry for Allied war

---

[32] NMML, Homi Mody Papers, Speeches and Writings No. 309, "Business opportunities during the war."

[33] TCA, A.D. Shroff Papers, ICI/ADS/35, Shroff to Mody, 11 June 1940.

production and supply. President Roosevelt's representative Louis Johnson, whose sympathies with Indian nationalism were well known, gave his emphatic assurances that the Mission "is not here to introduce American capital. It is not here to build factories or to bring in American industrial operations. It is not concerned with the commercial and economic relationships that may exist between India and the United States." Nevertheless, FICCI issued an official communiqué warning "the Indian public and the commercial community to be vigilant." American help was welcome, but only in the form of essential plant and equipment under Indian control. Grady's statement in Bombay "that the whole idea of Lease-Lend was a form of credit or barter and that from India, they would require to be paid back in certain essential raw materials," was particularly alarming. India's position in the world economy as a source of raw materials would thus be preserved, as British imperial control seamlessly gave way to American economic influence. Thakurdas refused to meet with the Mission, but G.D. Birla tried to convince him that there was "a very important political value" in getting to know the Americans.[34] Johnson and Grady's protestations aside, the importance of the Mission lay first and foremost in the domain of politics. Behind the scenes, its main advocate in Washington, D.C., was India's agent general Girja Shankar Bajpai, whose aim was "increasingly to involve the United States in Indian affairs, where it would inevitably become concerned with politics."[35] Birla's instinct was to exploit this opening, even if he gained no obvious economic advantage from the Mission's work – unlike the Tatas, who remained conspicuously silent.

---

[34] NMML, Thakurdas Papers, File No. 281, Thakurdas to Birla, 18 April 1942; Birla to Thakurdas, 22 April 1942. Federation of Indian Chambers of Commerce and Industry Press Communiqué, 26 April 1942; FICCI to Government of India, Department of Commerce, 29 June 1942; Kenton J. Clymer, *Quest For Freedom: The United States and India's Independence* (New York: Columbia University Press, 1995), 58-59.

[35] Clymer, *Quest For Freedom*, 48-50. Bajpai was working at cross-purposes with his superiors in the Government of India, who were unaware of the extent of his plans to accelerate the process of a constitutional settlement.

The Grady Mission spent five weeks in India, and visited only three locations: Bombay, Calcutta, and Jamshedpur. Its main recommendations with regard to the steel industry were the expansion of TISCO plant capacity and the procurement of additional equipment and production engineers from the U.S., which was in keeping with past practice and the Tatas' own contribution to the war effort.[36] The Government of India agreed to a total expenditure of Rs. 143 lakhs on extensions to the Jamshedpur plant, absorbing 50% of the cost and arranging the import of machinery from the U.S. under Lend-Lease.[37] For this reason, Tata could not join their fellow businessmen's public condemnation of the Mission as a Trojan Horse for American imperialism, nor give the impression of supporting it too enthusiastically. One of M.N. Roy's charges in his case against the Tatas was that "Indian industrialists as a class" did not approve of the recommendations in the Grady Mission's report. The Tatas' response was uncharacteristically understated, simply noting that the Mission "had expressed themselves satisfied" with the steel company's participation in the war effort.[38] The assumption that Indian businessmen spoke out "as a class" against the Mission does not bear scrutiny.[39] The problem faced by Tata, Birla, Thakurdas, and the factions they represented was not the desirability of American involvement *per se*, which could be summarily rejected in public, but of where to position oneself so as to benefit from long-term geopolitical shifts.

The British government, for its part, expressed concern about the consequences of the Grady Mission: "Once a start has been made along this road there can be no turning back.

---

[36] TNA, BT 87/88, *Report of the American Technical Mission to India* (August 1942), 24-29.

[37] TCA, T53-DES-T34-MINUTES-12, TISCO Board Meeting held on 10 December 1942.

[38] TSA, File No. L-145, Pt. I, Appendix (1), sd. Rajaram Pandey, Constituted Attorney of Defendant No. 1, 8 November 1944; The Steel Company and Messrs. Tata Sons, Ltd. vs. M.N. Roy and another, Notes on the allegations contained in Appendix (1) of the Written Statement, 20 November 1944, p. 1.

[39] Cf. Lockwood, *The Indian Bourgeoise,* 154-55; Kidron, *Foreign Investments in India,* 65-66.

Industries equipped with American plant and organized by American technicians must in the future turn more and more to the United States for renewals, replacements and future developments." It was "difficult to be certain who is double-crossing whom," but a possible alliance between U.S. and Indian big business was to be avoided at all costs. British officials could take consolation in the fact that "the American team and the Indian personalities they met do not seem to have mixed very well." They noted with satisfaction that "Grady and Co. and Birla and Walchand and Co. take as low of a view of each other respectively as you and I take of both lots – which is saying something!"[40] The British not only disregarded the Mission's report, but appeared to suppress its findings about the underdeveloped state of Indian industries. In Washington, Bajpai bitterly complained that Indian industrialists were "reactionary and self-seeking and it was they who had spread the first rumours designed to discredit our technical mission before its arrival in India."[41] His plans to foster closer Indo-U.S. cooperation had temporarily stalled. The American military authorities, fearful of a Japanese invasion and wary of the political instability caused by the Quit India movement, refused the export of key equipment for the Tata steel plant, including a new blast furnace.[42] The Grady Mission did not fail in its stated objectives due to unified opposition from Indian business, but because its recommendations were in neither government's political interest at the time.

---

[40] TNA, WO 32/10269, D.C.I.G.S. Note, 16 September 1942; India Office to P.J. Grigg, Secretary of State for War, 28 September 1942. Viceroy Linlithgow's feared an "American conspiracy to dominate postwar world politically and especially economically," driven, he believed, by organizations such as the Bureau of Economic Warfare and the Lend-Lease agreements. Clymer, *Quest For Freedom,* 174-75.

[41] *Foreign Relations of the United States: Diplomatic Papers*, 1942, Vol. I, General; The British Commonwealth; The Far East, eds. G. Bernard Noble and E. R. Perkins (Washington: Government Printing Office, 1960), Document 539, "Memorandum of Conversation, by the Adviser on Political Relations (Murray)," 24 April 1942. < https://history.state.gov/historicaldocuments/frus1942v01/d539> (accessed 11 December 2016)

[42] TNA, WO 32/10269, H.M. Consul-General, New York, to Government of India, Supply Department, 26 September 1942; Clymer, *Quest For Freedom,* 77-81.

If there was a clear loser in the aftermath of the Grady Mission, it was the Tatas. The promised extension to the plant at Jamshedpur never materialized, as the Government of India declared it a "measure of problematical value to the war-effort and declined to accept the liability for any part of the cost."[43] During the course of the war, they had come to be associated more with the expansion of American interests than with anti-colonial nationalism. A German newspaper put it succinctly in 1944: "If the U.S.A. show such a lively interest in Tata, this is not solely due to the American capital invested there, but it is particular because of their hope that they can pit the political strength of India against England, with the help of Tata."[44] The article astutely situated this moment on the threshold of decolonization in a much longer history, recounted in chapter 1, of Tata using American connections to circumvent the restrictions of colonial state policy on strengthening their industrial base. It was, in part, with this history in mind that British officials and the Indian public reacted to the publication of the Bombay Plan that very same year.

EIGHT INDIANS

"Some time in 1943, eight Indians got together and started worrying about the state of affairs in India. They were all rather well-fed, well-to-do, well-educated and well-looked-after people. So one wonders why they should have bothered. Was it due to what is called a social conscience? Was it another method of swelling their profits?"[45] So opens an illustrated pamphlet by Minoo Masani, former Congress Socialist turned Tata publicist, which aimed to introduce the

[43] TCA, T53-DES-T34-MINUTES-12, TISCO Board Meeting held on 11 February 1943.

[44] TCA, Box 339-339A, JRDT/AVI/A2/CHMN/CLIPP/5, Translation of an article appearing in a German newspaper (*Nachtausgabe*, Berlin, ca. March 1944), titled "U.S.A. giving the glad eye to Tata. Lively interest in Indian heavy industry."

[45] M.R. Masani, *Picture of a Plan* (Bombay: Geoffrey Cumberledge, Oxford University Press, 1945), i.

Bombay Plan to a popular audience.[46] Published in 1944 and 1945 in two parts as *A Plan of Economic Development for India* under the joint authorship of eight leading industrialists – including J.R.D. Tata and three senior Tata executives (Ardeshir Dalal, A.D. Shroff, and John Matthai) – the Plan not only put forward a coherent vision for India's future economic growth, but also endorsed the principle of necessary state controls.[47] In taking on the burden of national development, the authors made an ethical appeal using the language of solemn patriotic duty. In J.R.D. Tata's words, "that there should be widespread poverty and misery in a country so lavishly endowed by Providence with man-power, talent and natural resources is an intolerable paradox and a disgrace which should fill us with shame and anger and a burning desire to wipe out this terrible wrong done to our people."[48]

The influence of the Bombay Plan on the Nehruvian model of industrialization is undeniable. The First Five-Year Plan drew on the related proposals of Indian elites and the colonial state around 1944-45 rather than on the pre-war National Planning Committee.[49] The Second Five-Year Plan likewise had much in common with the Bombay Plan's focus on rapid

---

[46] Masani, *Picture of a Plan*, 58-59.

[47] Purshottamdas Thakurdas et. al., *Memorandum Outlining A Plan of Economic Development for India* (Hammondsworth: Penguin, 1944). The other signatories were Thakurdas, G.D. Birla, Shri Ram, and Kasturbhai Lalbhai.

[48] Masani, *Picture of a Plan,* iii. Ritu Birla argues that Tata's appeal functioned in Foucauldian terms: "the bearers of Capital here ask for citizens to bear the nation, to endure…a biopolitical war against poverty." For Birla, the key to unraveling this attempt to make capital speak for the nation lies in a century-old history of colonial "market governance" (going back to Macaulay's *Minute on Education*). But this retrospective analytical move leaves the particular wartime context of the project's emergence unexplored, and its subsequent political legitimacy unquestioned. See Ritu Birla, "Capitalist Subjects in Transition," in *From the Colonial to the Postcolonial: India and Pakistan in Transition*, ed. Dipesh Chakrabarty, Rochona Majumdar and Andrew Sartori (Delhi: Oxford University Press, 2007), 244-45, 252-53.

[49] Sugata Bose, "Instruments and Idioms of Colonial and National Development: India's Historical Experience in Comparative Perspective," in *International Development and the Social Sciences*, ed. Frederick Cooper and Randall Packard (Berkeley: University of California Press, 1998), 53.

growth through heavy industry and a comparative neglect of agriculture and distribution issues.[50] However, the resort to a shared "normative language" of socialism and the insistence on a popular national government as a *sine qua non* were not exceptional features of the Bombay Plan. Businessmen "had to participate in the ethical and philosophical debates of the times," working through intellectuals but standing apart from them.

The connections forged by Tata played an outsized role in researching, financing, and publicizing the Plan. Its principal author, economist John Matthai, served as Director-in-Charge of Tata Chemicals, and the Tata Sons Statistical Department was responsible for the research work.[51] In London, Beram Saklatvala of Tata Limited proposed the formation of "an Indian Bureau for the spread of news about India among the British people," which would "secure wide publicity for the Bombay Plan." Saklatvala's office took the lead in countering the government's criticisms, filtered through the press.[52] The Plan's proposals were fiercely contested by all shades of Indian political opinion, and by the bureaucracy in New Delhi and London. Far from representing the final triumph of "bourgeois ideological hegemony,"[53] the Bombay Plan was rather a tentative first step by Indian businessmen towards playing a more explicitly political role. With the Congress Party in flux between Left and Right on the eve of independence, they staked their claims on technocratic and managerial expertise (an idiom in which the Tatas had been comfortable for decades).

---

[50] Parthasarathy, "Planning and the Fate of Democracy," 89-90.

[51] Zachariah, *Developing India*, 220-26, 255-57; Chibber, *Locked in Place,* 96-97. Matthai had been a student of Sidney Webb at LSE, where he wrote his doctoral thesis on village government in British India, around the same time as the Webbs oversaw the deployment of social scientific expertise at Jamshedpur (see chapter 2).

[52] IOR, L/I/1/1061, File 462.83(f), G.S. Bozman, Department of Information and Broadcasting, New Delhi, to A.H. Joyce, India Office, London, 2 June 1944; B.S. Saklatvala to Information Officer, India Office, 4 July 1944.

[53] Mukherjee, *Imperialism, Nationalism and the Indian Capitalist Class,* 435-36.

The Plan's acceptance of state control was broadly welcomed, even as there were rumblings of discontent among the more uncompromising segments of both the Indian and European business community. Tracy Gavin Jones, a Kanpur industrialist, protested to Thakurdas that "government expenditure should be confined to the establishment of Hydro-electric Power Stations and Armament factories. All other industries should be undertaken by private enterprise." Millowner Padampat Singhania found fault with the Plan because it was too close to the colonial state's own proposals: "all our attention at the present moment should be directed towards mobilizing public opinion for gaining more and more control over vital industries as private enterprises and not providing the British Government an argument that we too want State-owned industries."[54] M.D. Darookhanavala, a former Tata employee and protégé of B.J. Padshah then working as a clerk in the Central Bank of India, penned a rambling screed against the Plan – apparently inspired by an "accidental reading" of Hayek's *Road to Serfdom,* as well as his own nostalgic memories of the firm's past greatness. It was, he wrote, a "painful spectacle almost humiliating and distressful" to see the House of Tata becoming a "glorified and later a miniature edition of the National Government…a department of the state working under the orders of the Supreme Council of Planners servile in behaviour, with a complete self-effacement of their personality and their individuality."[55]

From the Left, too, the Bombay Plan was roundly condemned in the press and contrasted with a number of alternatives. M.N. Roy's "People's Plan," for example, rejected "capitalist greed and economic nationalism" in favor of "sound proposals for the economic regeneration of Indian humanity." Roy gave priority to the reform of land tenure, the modernization of

[54] NMML, Thakurdas Papers, File No. 291 (Part 1), Tracy Gavin Jones to Thakurdas, 12 February 1944; File No. 291 (Part 2), P. Singhania to Thakurdas, 20 February 1944.

[55] M.D. Darookhanavala, *The Indian Politeia* (Bombay: The Lakhani Book Depot, 1949), 19-20.

agriculture, and the purchasing power of ordinary consumers.[56] The Bombay Plan's authors could never quite shake off the suspicion of acting from interested motives. Their arguments most notably failed to convince on two problems with which the Tatas were closely associated: dependence on foreign capital and neglect of agriculture.

Colonial officials responded to the Plan in a far more ambiguous manner than is commonly supposed. They had long sought to use agrarian or feudal interests, such as the large *zamindars* and princes, as a counterweight to capitalist modernization. However, the minutes of an informal conference in April 1944 recorded "no important difference" between the Plan's authors and the government.[57] Internally, the government's Economic Adviser T.E. Gregory penned a lengthy critique of the Plan's lack of specificity regarding sources of financing, the need to work through a "centrifugal" political system, the order of priorities in designating basic industries, the nature of "state control," and many other issues.[58] After reading Gregory's note, Secretary of State Leo Amery wrote to the Governor-General: "We do not want to encourage a purely destructive attitude towards this Plan, whose boldness and initiative are praiseworthy, but it seems desirable that comments like those of Gregory should be ventilated in order to avoid Plan becoming regarded as sacrosanct." He suggested "confidentially" supplying copies of the note to the editor of *The Economist*, "with permission to use in his own way the ideas contained

---

[56] IOR, L/E/8/2637, A.G. Wagholikar, "The Two Plans," *Independent India,* 16 April 1944; Manjapra, *M.N. Roy,* 132-33. The most sustained critical appraisal of the Bombay Plan from the Left was P.A. Wadia and K.T. Merchant, *The Bombay Plan: A Criticism* (Bombay: The Popular Book Depot, 1946).

[57] NMML, Thakurdas Papers, File No. 260, Reconstruction Committee of Council, Brief record of an informal conference with the authors of "A plan of economic development for India," 20 April 1944.

[58] IOR, L/I/1/1061, File 462.83(f), "An Examination of the Bombay 'Plan of Economic Development for India'" by T.E. Gregory, 17 May 1944. Gregory was a "conservative neoclassical economist" closely allied to Finance Member Grigg when he took up the position of Economic Adviser in the late 1930s. He translated the Government of India's positions on the necessity of continuing imperial rule into "respectable academic language," by using Ricardian comparative advantage to argue for a focus on agricultural exports at the expense of industrialization. See Zachariah, *Developing India,* 97-99.

in it."[59] The resulting *Economist* article made two forceful criticisms of the Plan: its neglect of agriculture (which "has surely the first claim on post-war resources") and recourse to "autarky" (which "will not allow advantage to be taken either of foreign capital or of the international division of labour").[60]

Gregory's arguments by no means held unanimous sway inside the corridors of Whitehall. While Gregory may have had the economic details right, other officials argued that he failed to address the central *political* assumption of the Plan, namely the installation of a national government at the center. Moreover, the specter of Soviet influence over an independent India rendered the Plan far less dangerous than it might have seemed: "if India became a member of the USSR, the lives of Messrs. Tata, Birla etc. would become uninsurable."[61] Amery tended to view the Plan sympathetically, using the Soviet comparison to encourage a split between big business and the Congress:

> It is the bigness of the Russian conception and the enthusiasm behind it and not only its ruthless and autocratic methods that insured its success and I wouldn't despair of India pulling of a big thing…Politically it may be a very big thing if it does catch hold, even if only to the extent of making Birla & Co. bored with Congress political intransigence.[62]

Discussing planning with the Soviet example in mind had become *de rigeur* in Government of India circles at the end of the war, when the Soviet Union was both an ally and a rival. For many in the Indian Civil Service, the increase in centralized bureaucratic power required by the Bombay Plan might have even been "psychologically appealing."[63] Essentially, the dilemma faced by the colonial state in this period may be summarized as follows: how best to negotiate

---

[59] IOR, L/I/1/1061, File 462.83(f), Secretary of State to Governor-General, 27 May 1944.

[60] IOR, L/E/8/2637, Extract from *The Economist* dated 11 March 1944.

[61] IOR, L/E/8/2637, Notes on Gregory's memorandum, 22 and 30 April 1944.

[62] IOR, L/E/8/2637, Note by Secretary of State, 27 March 1944.

[63] Zachariah, *Developing India,* 131.

the transition from India as a source of agricultural exports and exclusive destination for British capital (Gregory and *The Economist*'s view) to a strong developmental state that could meet Indian aspirations, retain some measure of authoritarian control, and ensure Britain remained competitive with its American and Soviet rivals.

More curious was the appeal of the Soviet Union to the Tatas, the most resolutely anti-socialist Indian businessmen. The following passage scribbled by J.R.D. Tata sometime in 1943, offers a unique insight into his thinking:

> It is interesting to note that that while in Soviet Russia inequalities of income are encouraged and used as a means of increasing national production and the shouldering of responsibility, which I think is the right thing in a country whose primary need is still increased production, in advanced capitalistic countries like the U.K. and the U.S.A. the trend, under pressure from the labour movements, is in the opposite direction…I am therefore all in favour of the Soviet concept for India.[64]

During the preparation of the Plan, Thakurdas sent Matthai clippings from M.N. Roy's *Independent India* weekly on economic data from three Soviet Republics, which "makes a telling support for the Plan which you have drafted."[65] How can these internal communications be reconciled with the notion that the Bombay Plan aimed to save or absolve capitalism from the challenge of the Left? The dilemma faced by the colonial state mirrored that of the Plan's authors: political centralization had to be balanced by economic openness, particularly with regard to the preservation of private property and inflows of foreign capital.

---

[64] TCA, JRDT/AVI/A2/CHMN/CLIPP/5, Note initialed J.R.D.T. (1943). The Bombay Plan authors' celebration of inequality as a spur for productivity was ridiculed from the Left: "They regard Stakhanovism as an equivalent of the profit motive." Wadia and Merchant, *The Bombay Plan: A Criticism*, 18-19.

[65] NMML, Thakurdas Papers, File No. 291 (Part 1), Thakurdas to Matthai, 13 December 1943. Following the publication of Part II of the Bombay Plan, Thakurdas sought additional clarification from Matthai on the differences between "co-operative farming" and "collective farming" as introduced in the Soviet Union. Matthai responded that he envisioned isolated cases where the state might compel peasants to form cooperative societies, but "the resemblance stops there." Individual property in land would be sacrosanct. NMML, Thakurdas Papers, File No. 341, Matthai to Thakurdas, 19 July 1945.

T.E. Gregory glimpsed one aspect of this dilemma when he puzzled over the Plan's proposals for land reform, which aimed to abolish *zamindaris* and create a "class of peasant proprietors." Gregory reflected that "the U.S.S.R. authorities were probably right in their instinct that it was necessary to reduce, and not strengthen, individual landholding rights."[66] Soon after independence, J.R.D. Tata wrote to Matthai, then serving in Nehru's first cabinet, declaring himself "extremely perturbed" by the Constituent Assembly proceedings. In one of the articles of the Draft Constitution, "the principles concerning the extent and form of compensation payable to Zamindars are intended to be made applicable also to industrial assets that may be acquired by Government…without the right of appeal to an independent tribunal or a court of law." If this were to happen, "a complete collapse of private industry must be foreseen in the not too distant future."[67] The Tatas owned a number of assets especially vulnerable to nationalization, from the steel plant to the Air India corporation. Hence they were willing to back land reform only in principle, as long as it did not enshrine the precedent of expropriation without due process.

For most historians, the Bombay Plan prefigured import-substitution-industrialization (ISI) by declaring an aversion to foreign (especially British) capital, and promoting the development of domestic markets.[68] But the focus on the demand for state support for the capture of domestic markets obscures the political implications of the need for capital goods from

[66] IOR, L/I/1/1061, File 462.83(f), "An Examination of the Bombay 'Plan of Economic Development for India'" by T.E. Gregory, 17 May 1944. Left critiques were in agreement with Gregory on this point: "it is difficult to reconcile peasant proprietorship with the objective of maximising agricultural production, which involves large scale farming with modern technological appliances." Wadia and Merchant, *The Bombay Plan: A Criticism*, 9-12.

[67] TCA, JRDT/AVI/A/31, J.R.D. Tata to Matthai, 21 December 1948. Thakurdas took a more proactive role, sending an urgent wire to Birla suggesting FICCI "make immediate representation" in support of the fundamental right of property in the Assembly. NMML, Thakurdas Papers, File No. 239 (Part 7), Thakurdas to Birla, 12 December 1946.

[68] Mukherjee, *Imperialism, Nationalism and the Indian Capitalist Class,* 357-61; Chibber, *Locked in Place,* 107-09.

abroad.[69] The Plan's authors were certainly eager to equate the colonial state's opposition with the machinations of British capital, which in turn served to reinforce the perception that they were advocating 'autarky.'[70] But a closer reading of the Plan revealed troubling ambiguities. In a series of lectures, Dr. Gyanchand, Professor of Economics at Patna University, observed that the authors had failed "to say anything about the international aspect of their Plan and created what is really a mistaken impression that they are aiming at national self-sufficiency." The Plan included foreign loans of up to Rs. 700 crore among the sources of finance, with the caveat that the funds should be free of "political interference." Gyanchand thought this did not go far enough: "all further private investment of external capital should cease and foreign assistance should be available in the spirit of true international co-operation."[71] Such an outcome never transpired, and was not pursued as a realistic goal by the Plan's authors. Indian businessmen were not looking backward in fear of the continuation of British influence, nor were they exclusively concentrating on the capture of domestic markets. By leaving the door slightly ajar for the entry of foreign capital, they welcomed Anglo-American competition as an opportunity to open up a space of maneuver independent of the Indian state. The Tatas were at the forefront of this strategy.

GOING IT ALONE

In the United States, the Bombay Plan was received with considerably more enthusiasm than in London. The *Baltimore Sun* struck a bullish tone, pointing to the availability of sterling

[69] In Chibber's analysis, this problem is given only passing mention. Chibber, *Locked in Place,* 147.

[70] For example, Thakurdas dismissed the *Economist* article as "obviously written with the sinister purpose of discrediting in the eyes of large sections of public opinion in India a Plan of economic development which is likely to involve conflict with British post-war trade interests in India." NMML, Thakurdas Papers, File No. 291 (Part 2), Speech at a luncheon to Sir Ardeshir Dalal at the Taj, 29 July 1944.

[71] NMML, Thakurdas Papers, File No. 291 (Part 2), Dr. Gyanchand, "The Bombay Plan: Lecture II," October 1944.

balances for financing the Plan's ambitious schemes: India "will be able to enter world markets not as a country in debt to her international neighbours in general and Britain in particular but as a creditor country with exchange surpluses available for large scale purchases." The *Washington Times Herald* recalled the prewar period, when India's volume of trade with Germany and Japan was greater than that with the United States. With both countries "out of the world markets for some years to come," the way was now open for the U.S. to "start planning improvement in trade with India and not doze along until one fine day when business balance sheets show British lead on us even longer and clever commissars of USSR are taking over the rest of the trade that was once Germany's and Japan's."[72]

While Soviet influence in India remained a distant specter, by the end of the war British anxiety about American economic designs on India reached a fever pitch. Mountbatten, the Governor-General, believed there was a "void" to be filled "either by the British or the Americans." It would be "a pity if the Americans were to fill the void," because "there was no doubt that they [the Indians] would receive incomparably better treatment from British than from American firms." The appointment of Henry Grady as the first U.S. ambassador to India was an additional cause for concern.[73] But the Colonial Office warned against exaggerating the American threat, since the U.S. was more likely to "put their money into keeping Communism out of Europe." India should be discouraged from expecting capital goods from Britain, because "the Indian is only part of the world front on which the British manufacturer has to battle." There was reason for optimism in the continuing presence of British firms in India, which had proven

[72] IOR, L/E/8/2637, Tata Plan of Economic Development in India (1944), Extract from Reuter Message dated 11 April 1944.

[73] TNA, DO 142/16, Minutes of a meeting on "Industrial Planning in the Dominions of India and Pakistan," held at Government House, New Delhi, 11 September 1947. Grady immediately courted controversy in India by suggesting the report of the Technical Mission he had led five years before could form the basis for postwar planning. Clymer, *Quest for Freedom,* 274-77.

themselves more willing to go in for joint ventures with minority shareholding, compared with the Americans.[74]

Aiming to take advantage of what they perceived as a uniquely favorable climate, a mission of select Indian industrialists led by Tata and G.D. Birla set out to the U.S. and Britain to seek technical assistance and attract foreign investment. J.R.D. Tata had long believed that "the greatly expanded British engineering industry will be extremely anxious after the war to supply plant and machinery to the markets of the world and will go all out to compete with America and other countries in such markets."[75] British officials did connect the dots between the Bombay Plan and the Industrial Mission, noting that the Rs. 790 crores earmarked in the Plan for industrial development would be spent abroad. Foremost on their minds was the necessity of keeping the U.S. at bay: "there will have to be some careful preparatory work if the industrialists are not thrown into the arms of the Americans." But they were skeptical of the outcome of the Mission: "it seems most unlikely that equipment on anything like this scale would be obtainable from this country in so short a period following the war."[76]

Indian businessmen's hopes of benefiting from Anglo-American competition overstated the extent to which the British would be willing to provide capital goods. In the U.S., Tata Chemicals did strike a deal for "mutual technical and commercial association" with Mathiesons Alkali Works of Saltville, Virginia, a company "outside the ring, which otherwise controlled the chemical industry in the U.S.A." The agreement provided for the exchange of information about

[74] TNA, DO 142/16, F.F. Turnbull to A. Carter, 18 September 1947; J.T. Thomson to F.F. Turnbull, 18 September 1947.

[75] TCA, JRDT/Mis/8, J.R.D. Tata, "Post-War Disposal of Sterling Balances," 11 December 1942.

[76] IOR, L/E/8/2637, Office Note, 29 February 1944.

the manufacturing process and the training of Tata Chemicals employees at Mathiesons.[77] Yet on balance the Mission failed to meet its members' high expectations, returning largely empty-handed. It was a sign of many frustrations to come.

Despite sharp criticism from Gandhi, and from smaller Indian firms more strongly attached to protectionism, the Industrial Mission appeared to mark a high point of unity for the Indian capitalist class in its clear and unambiguous statement on the desirability of foreign capital.[78] In private, Tata was careful to emphasize that "we are definitely not a delegation or a mission, but a group of individual industrialists and business-men. Except for jointly attending a few functions and for visits to a few factories and institutions of general interest to all of us, we are not moving about or functioning as a single group."[79] Tata was convinced that Birla was trying to delay the Mission, and that Birla's suggestion of sharing technical advisers among the different members of the Mission was nothing but a ploy for the Birlas to gain valuable commercial intelligence about their rivals.[80] A.D. Shroff concurred: "I entirely agree with you that our technical advisers should be paid for by us and they should be available principally to us for our own work. I am sure you must have heard rumours that Birla is contemplating coming into Steel industry after the War."[81] The amicable division of spoils between India's two industrial giants, which had so far kept them at arm's length from each other, no longer held.

---

[77] TCA, T53-DES-T14-MINUTE-2, Tata Chemicals Board Meeting No. 35, held on 14 September 1945.

[78] Kidron, *Foreign Investments in India,* 69-70; Mukherjee, *Imperialism, Nationalism and the Indian Capitalist Class,* 367.

[79] TCA, JRDT/Mis/5, J.R.D. Tata to K.A.D. Naoroji, 6 June 1945.

[80] TCA, JRDT/Mis/7, J.R.D. Tata to A.D. Shroff, 14 March 1945.

[81] TCA, ICI/ADS/215, A.D. Shroff to J.R.D. Tata, 19 March 1945.

One year after the Industrial Mission, J.R.D. Tata wrote to G.D. Birla reminding him that it was "the policy of leading business firms in India not to add to the many difficulties already facing all of us as a result of social and political trends, by entering into avoidable competition with each other." Was Birla's sudden decision to enter the crowded field of air transport, "in which Tatas have already established themselves after many years of effort and some vicissitude…not inconsistent with the above policy?"[82] Aviation was close to J.R.D's heart. As a pilot himself, he had shepherded the fledgling Tata Air Lines from its beginnings as a night air mail service in the early 1930s to a leading internal carrier renamed Air India, fighting the colonial government's indifference and fierce competition from Imperial Airways at every step. His attention had been drawn to an article in the *Hindustan Times* (Birla's newspaper), which included thinly veiled accusations that Air India was "anti-national in outlook" and "prone to employ foreign personnel often in preference to Indians."[83] Birla's response cited the Bombay Plan in support of his decision to float a new company, Bharat Airways: "India's size and distances demanded a much wider interest in air transport…whether we interested ourselves or not, this business, it appeared, was no longer to remain a close confine of a few." He denied the *Hindustan Times* painted the Tatas as anti-national, but could not resist mentioning the "impression that even in Tatas Parsees were preferred to non-Parsees," adding: "This, I suppose, could not be true. All the same, the impression was there."[84]

For J.R.D. Tata, the entry of new players competing for limited routes was "a most uneconomical and, in fact, a disastrous proposition," inevitably leading to nationalization. But

[82] TCA, JRDT/AVI/A3/1, J.R.D. Tata to G.D. Birla, 23 August 1946.

[83] TCA, JRDT/AVI/A3/1, G.V. Bewoor to B.W. Figgins, Tata Air Lines, 12 September 1946.

[84] TCA, JRDT/AVI/A3/1, G.D. Birla to J.R.D. Tata, 23 September 1946.

his appeals fell on deaf ears. As Rafi Ahmed Kidwai, the Minister for Communications, told the Managing Director of Air India: "There has been a persistent demand from you for rationalization of the air-transport. But I found 'rationalization' had different meaning for us. Your rationalization meant a monopoly for India on principal routes."[85] Birla correctly gauged the mood of the government in formulating its air transport licensing policy, and successfully cast doubt on the Tatas' nationalist credentials by obliquely referencing their links to foreign capital and painting them as monopoly-seekers. Tata's fears were realized as Indian airline companies continued to suffer from heavy losses, leading to the wholesale nationalization of air transport in 1953.

Far from a petty side-show to the unfolding drama of Indian capitalism's flowering into maturity on the eve of independence, the Tata-Birla rivalry was the opening salvo of a long war of attrition, in which foreign capital, technical knowledge, and government contacts would be leveraged for the capture of new markets. Birla declared his willingness to approach American investors on behalf of Nehru, as he did during the Prime Minister's first visit to the U.S. in 1949.[86] The Tatas, on the other hand, were determined to secure foreign investment privately and outside government channels. The government's conciliatory Industrial Policy Statement (1948) sought to reassure Indian business about the threat of nationalization and growing labor unrest. But the punitive measures inserted into the Industries (Development and Control) Bill (1949) provoked a coordinated offensive through lobbying by business associations (FICCI,

[85] TCA, T53-DES-AVI-T9-5, Rafi Ahmed Kidwai to Gurunath Bewoor, 12 November 1949; JRDT/AVI/A3/1, J.R.D. Tata to G.D. Birla, 22 October 1946.

[86] U.S. National Archives, College Park, MD (hereafter USNA), RG59/LF57D373/B2, Department of State, Memorandum of Conversation on "American Economic Aid for India," 6 June 1949. Birla assured American diplomats that Nehru's visit "would provide an opportunity for the financiers to talk with him and resolve any remaining doubts which they may have." The year before, Birla had privately urged Nehru to consider importing half a million tons of steel from America every year. NMML, G.D. Birla Papers, File No. 2, Birla to Nehru, 31 March 1948.

ASSOCHAM, and the Indian Merchants Chamber) and threats of an "investment strike."[87] At the same time, Tata companies' plans for expansion were put on hold for want of capital.

In November 1948, A.D. Shroff wrote to his former colleague John Matthai, now serving as Finance Minister, about capital requirements for Tata Power and Air India: "I do not see the slightest hope of obtaining even a fraction of this money for our various companies. I really wonder what we shall do in the next six months."[88] Faced with limited options, Shroff opened a back channel of communication with the U.K. Trade Commissioner. He bemoaned the "wild, loose, and uninformed talk of nationalization," and said "that he had been sorry to see how many of his British friends in commerce and industry had packed up and left India since August 1947." Shroff "made a strong appeal for capital goods for India and for the export to her of British experience and 'know how,'" stressing "that there was everywhere great goodwill towards Britain which was not now likely to be lost." The British did not take the bait. Shroff's alarmism, they scoffed, "reveals the usual blind spot Indians have about the export of capital goods from the United Kingdom." Furthermore, "British concerns in India do not appear to share Mr. Shroff's view that there is no future for capitalism in that country."[89] Ardeshir Dalal told the Commissioner in confidence that Shroff was "rather disgruntled and should not be taken too seriously." London felt assured that "the dark economic background is not without its patches of sky." In particular, there was "rapidly increasing evidence of a realistic and stiffening attitude on

[87] Chibber, *Locked in Place,* 134-44.

[88] TCA, ICI/ADS/222, Shroff to Matthai, 18 November 1948.

[89] TNA, DO 142/56, Trade Commissioner, New Delhi, to Under Secretary, Export Production Department, Board of Trade, 30 January 1948; Note on a meeting of the East India Association and Overseas League held on 27 April 1948; P. Harris, Board of Trade, to Trade Commissioner, New Delhi, 5 May 1948.

the part of Government and the political parties towards indiscipline among labour." The "new steel frame seems to be of good quality."[90]

The British attitude to India's foreign capital needs betrayed a self-satisfied complacency and an overreliance on the rapidly weakening position of British firms in India. A case in point was the bidding war for the extension of the Tata hydroelectric power station at Bhira. The English Electric Company had "attempted to sting Tatas because they had provided all earlier machines and felt that they were certain of getting this order." The Tatas were "staggered when they received the English Electric quotation," preferring the much better offers made by U.S.-based Westinghouse and General Electric. The Board of Trade and the Commonwealth Relations Office grew alarmed at the history of lost contracts to American firms. It was well known that British electrical firms' prices were "'ring' controlled," which worked against the stated policy towards India: "We lay ourselves open to the charge from the Indians that we urge them to reduce dollar expenditure, promise them maximum supplies from the U.K. in replacement, and then expect 25% on the price for the privilege of placing orders in this country." But no action was taken to resolve the impasse, because "on broader financial grounds it would not be a good thing to increase supplies of capital goods to India from this country."[91]

American assistance proved equally elusive. In 1950, Shroff wrote to C.D. Deshmukh, future Finance Minister and then a member of the Planning Commission, that "if we are ultimately going to succeed in attracting American investors to help Indian economic development, it could strictly be on the basis of a business proposition apart, of course, from any assistance that the American Administration may be inclined to give India in some such shape as

[90] TNA, DO 142/68, A.C.B. Symon to G.H. Baxter, Commonwealth Relations Office, 5 April 1948.

[91] IOR, L/E/8/7570, L. Harrison to G. Bowen, Board of Trade, 20 August 1949; Bowen to J. Thomson, Commonwealth Relations Department, 6 October 1949; Note by J.M.D., 14 September 1949.

'Marshall Aid.'" The solution was not to deputize Indian businessmen like Birla to speak for the government, but to encourage "responsible Indian businessmen, either individually or in a group," to "put forth specific proposals worked out in detail and offering attractive investment possibilities" to individual American businessmen and bankers.[92] This suggestion coincided with J.R.D. Tata's second visit to the U.S. in 1950. On the whole, American investors remained wary of the risks involved in collaborating with the Indian private sector, whose position was judged too precarious due to a restrictive licensing apparatus and the possibility of nationalization.[93] Shroff's overtures were designed to overcome this barrier through an evasion, if not a suspension, of politics. When brought together face-to-face, American and Indian businessmen would shake hands on a good deal.

The lukewarm response in London and Washington to Indian appeals for investment was due to a combination of factors, including domestic reluctance to spend on foreign aid, the geopolitical focus on the reconstruction of Western Europe and the containment of communism, and uncertainties about the Nehru government's policy on industrialization and state control.[94] It *cannot* be explained by Indian firms' nationalist commitment to maintain majority control over joint ventures, which was by then a widely accepted condition of doing business in India. Though businessmen collectively resisted disciplinary planning as they sought to bend the state's

[92] TCA, ICI/ADS/25, A.D. Shroff to C.D. Deshmukh, 5 June 1950.

[93] Andrew Rotter has detected a deeper logic at work, based on longstanding cultural beliefs Americans and Indians held about each other. To American businessmen, their Indian counterparts were greedy, unscrupulous, and unreliable – typical practitioners of "oriental bargaining." The Tatas and Birlas were partial exceptions, as the most "progressive" industrialists. Rotter, *Comrades at Odds: The United States and India, 1947-64* (Ithaca: Cornell University Press, 2000), 79-81, 110-12.

[94] The Truman administration viewed South Asia as an area of comparatively low strategic priority, despite attempts by Indian diplomats to use the communist threat to obtain aid. A State Department policy summary concluded that private investment should serve "as the principal means of US financial assistance to India," a point driven home by Ambassador Loy Henderson. Indians were also encouraged to look to the World Bank and convertible sterling releases. The Foreign Office appeared all too content to adopt the role of a junior partner, urging the United States to take the lead in providing aid in order to reduce its own commitments to India. See Robert J. McMahon, *The Cold War on the Periphery: The United States, India, and Pakistan* (New York: Columbia University Press, 1995), 41-57.

industrial policy in their favor, Anglo-American capital (even when it was not forthcoming) was crucial as a medium for carving out a sphere of independent action from the state – for the Tatas above all others. Conversely, the Indian state would require another kind of foreign intervention (the Soviet offer to finance a steel plant) to secure its own autonomy from capitalist influence on the distribution of resources in the Second Five-Year Plan.

STEEL DUEL

The Nehru government's announcement of the massive expansion of steel capacity in 1948 was met with indifference on both sides of Atlantic. The U.K. High Commissioner noted with approval the implementation of a "system of inviting competitive expert opinions from foreign industrial consultants," evidenced by commissioned "reports from one British and two American firms on the Government's steel expansion schemes. But the optimism about British prospects did not translate into a proposal to assist in the construction and management of new steel plants. In May 1950, the Minister of Industry and Supply was informed that "this would be a very heavy commitment for a U.K. firm and indeed probably also for the U.K. itself, whose investment resources today were less than they had been in the past."[95] As before, Indian business was blamed for dragging its feet, somewhat unfairly given Tatas' repeated attempts to raise the necessary capital to finance the expansion of TISCO. The Treasury proposed inquiring first about whether India's steel needs could not be met by imports at lower prices from Western Europe.[96] This solution would have been unacceptable to an Indian state committed to

[95] TNA, DO 142/68, Extract from India, Monthly Appreciation of General Situation by the U.K.H.C. in New Delhi, 10 October 1948; E.A. Midgley, U.K. Trade Commissioner, New Delhi, to G. Bowen, Board of Trade, 4 November 1949; Record of conversation with Mr. Harekrushna Mahtab, Minister of Industry & Supply, 31 May 1950.

[96] TNA, DO 142/68, J. Thomson, Commonwealth Relations Office, to J. Mark, Treasury, 3 July 1950; Mark to C.J. Homewood, Board of Trade, 6 July 1950.

industrialization and self-sufficiency. The World Bank refused to provide a loan for a new steel plant if it was to be entirely under government control, and urged Nehru during his first visit to the U.S. in 1949 to seek out private capital. He found "a considerable lack of interest, mainly because the U.S. steel industry regards India as a potential valuable dumping ground for their own products."[97] Their heightened fears about each other's intentions notwithstanding, British and American officials failed to grasp the competition over steel as an economic or political opportunity until the threat of Soviet involvement changed their minds almost overnight.

The reports of the three consulting firms, the British ICC and the Americans Koppers and McKee, proposed the establishment of one million-ton plant, or two plants with 500,000 tons capacity each. The consultants broadly agreed, for reasons of strategic "dispersal," on the selection of sites in Orissa and Madhya Pradesh (formerly the Central Provinces), side-stepping the expansion of the existing Tata steel plant at Jamshedpur or the Damodar Valley in Bengal, where most of India's coking coal and iron ore resources were concentrated. The Tatas supported the proposal for a single million-ton plant, and simultaneously applied for a Rs. 200 million ($23,000,000) loan to finance the expansion of TISCO, most of which would be spent in the U.S. for obtaining essential equipment.[98] But J.R.D. Tata privately urged General Manager Jehangir Ghandy to refrain from criticizing the proposal to construct multiple new steel plants, and to "not indicate complete hostility to even the principle of state enterprise in this field." Since the Tatas, given the precarious labor situation throughout the country, "would not be prepared to undertake

[97] TNA, DO 142/76, Note on "International Bank Loan to India"; U.K. High Commissioner, New Delhi, to Commonwealth Relations Office, 14 April 1950. There were other factors preventing closer cooperation between the American and Indian steel industries at this time. The Truman administration's attempt to secure an increase in imports of Indian manganese in order to avoid dependence on the Soviet Union's reserves, was stymied by opposition from Indian steelmakers, including TISCO. See Rotter, *Comrades at Odds,* 95-96.

[98] TNA, DO 142/76, "Tata Purchases in US," 28 August 1948.

at our own risk and cost the establishment of a new major steel plant," compromise was necessary.[99] They could only hope to influence the process.

Having abandoned outright resistance to building new plants, the Tatas declared themselves willing to entertain "the possibility of Government wishing to entrust to the Tata Iron and Steel Company…the management of a new steel works which they might build in future."[100] Faced with a shortage of staff and technical expertise, the government considered the formation of a company with two Board members from TISCO and one from its rival SCOB (Steel Corporation of Bengal). But nothing came of the proposal, partly because the Tatas were preoccupied with their own extensions and unable to contribute financially to the new venture.[101] When a contract was finally awarded to the German combine Krupp-Demag for the construction of the first new steel plant at Rourkela in Orissa, Tata angrily protested to Nehru that his firm had been excluded from the negotiations. The Prime Minister replied, "Of course, it would have been a good thing to consult Tatas. But the consultation could only have been about the quality of the firm we were approaching and not about the technical details which have not yet been settled, or about the financial arrangements." It was evident that India needed more steel, and for both strategic and economic reasons it made sense "not to concentrate important industrial undertakings in one area." Effectively, Nehru asserted the state's independence in negotiating contracts and making planning decisions even when these contradicted the interests of established industries.

---

[99] TCA, JRDT/COR/MF1, J.R.D. Tata to J.J. Ghandy, 10 September 1947.

[100] TCA, JRDT/COR/MF29, J.R.D. Tata to D.K. Daji, 12 November 1951.

[101] TCA, JRDT/COR/MF19, Minutes of a Discussion with Mr. Venkataraman, 12 June 1950; T53-DES-T34-MINUTES-13, TISCO Board Meeting held on 1 June 1950.

J.R.D. Tata continued to press his case with K.C. Reddy of the Production Ministry, rejecting the strategic relevance of the location of a steel plant "in the atomic age," and pointing out the proximity of Orissa to Jamshedpur. Tata forcefully argued that, "the most economical and effective method of achieving the purpose in view would have been for Government to put up the proposed strip mill at Jamshedpur and leave it to the Tatas to create the additional steel capacity which they could have done at a fraction of what it would cost on a new site."[102] The Tatas had failed to make their case at every step, and found themselves excluded from the planning process. But this did not mean that private enterprise itself, Indian or foreign, had lost all ground, since the state continued to depend on private financing to execute the costly and technically difficult process of erecting new steel plants.

To fully grasp the dynamics of decision-making within Nehru's government at this juncture, it is important to stress the divisions and competing power centers in different ministries. Private enterprise had an ally in the Minister of Commerce and Industry, T.T. Krishnamachari (TTK). He believed that the new steel plants "cannot be described as Government works, even though Government may have to invest substantial capital on a minority basis." TTK argued that his Ministry, rather than the Ministry of Production headed by K.C. Reddy, should have the final say on the project.[103] With Rourkela already being built, the question of financing the second plant arose in 1954. TTK advised Nehru not to "swing left" on industrial policy and go in for complete nationalization, both as a matter of principle and due to the shortage of foreign exchange for the Second Five-Year Plan: "With regard to industrial

[102] TCA, JRDT/Mis/1, Nehru to J.R.D. Tata, 28 November and 17 December 1953; J.R.D. Tata to K.C. Reddy, 28 December 1953.

[103] NMML, T.T. Krishnamachari Papers, File No. 8A, C.D. Deshmukh to Nehru, 7 October 1952. The Madhya Pradesh government, stung by the rejection of Bhilai in favor of Rourkela as the site of the first steel plant, opened negotiations with Birla and offered to contribute Rs. 25 crore to the project. TNA, DO 35/8526, E.A. Midgley to F. Doy, Board of Trade, 6 September 1954.

property if we move left, we are not going to augment the scale of expansion of industries." TTK placed his hopes on a delegation led by G.D. Birla's brother, B.M. Birla, then in London attempting to obtain private financing from the City of London. Though the terms were "not satisfactory," he advised using Birla's offer "as a medium" to facilitate opening up the share capital of the new venture to private financing.[104]

Meanwhile, A.D. Shroff was in New York inquiring about the interest of American steel companies in India's steel expansion. He was informed that any support would be "most unlikely" due to the American steel industry's own capital shortage. Shroff reported back to J.R.D. Tata that G.D. Birla had "made a studious effort to run down Tata in general and you in particular" during his visits to the United States, telling President of the World Bank Eugene Black that "Tata could be ignored, as other interests, including himself, were very enthusiastic about expansion of their industrial interests as they fully backed and approved of the government's industrial policy."[105] At this stage, the focus was still on competition *within* the private sector over who could best guard the influx of foreign capital and ensure its smooth flow through the channels of the bureaucracy.

The Soviet offer to finance the second steel plant, to be located at Bhilai in Madhya Pradesh, arrived like a thunderbolt. It had been negotiated in secret through the shadowy dealings of Kedar Das, an obscure businessman with personal connections to one of Nehru's ministers, and it offered extremely low interest rates with which the City financiers could not compete. Birla was left in the lurch in London, and the British sounded the alarm. The Russian offer was "a most unexpected development," and the impact "on the Birla Mission (which was said to have

[104] NMML, T.T. Krishnamachari Papers, File No. 8A, Krishnamachari to Nehru, 2 September and 2 November 1954. Krishnamachari's active support of Birla "seemed to outweigh anything said in the 1948 Industrial Policy Resolution about reserving steel for the public sector." Kidron, *Foreign Investments in India,* 93.

[105] TCA, ICI/ADS/229, A.D. Shroff to J.R.D. Tata, 8 October 1954.

the blessing of the Prime Minister) was at once obvious." The decision to accept the offer, according to intelligence reports, was taken "without any full consideration on initiative of Ministry of Production who throughout have fought for a Government plant and do not mind at all from what source the necessary finance and technical help is provided." Krishnamachari "was very embarrassed about it and was inwardly furious that the Ministry of Production had been able to pull a fast one." British observers were left grasping at straws to understand the debacle. Falling back on superficial caste-based explanations, they noted that "Mr. Krishnamachari is a Brahmin and Mr. Reddy a non-Brahmin."[106] The reality was more complex. TTK was no friend of big business, urging Nehru to work with the Tatas and Birlas because they were the "only industrialists the country had." At the same time, he attempted to force an ambitious reform of the managing agency system following a series of high-profile corruption scandals. Facing widespread opposition from all factions of the business community, TTK resigned a few months later.[107] His Ministry had sought to direct the planning process by enlisting the support of the private sector in order to avoid outright nationalization. Birla's steel plant never materialized, and Reddy's Production Ministry was left temporarily victorious.

The acceptance of Soviet assistance for Bhilai had more to do with bureaucratic power struggles and internal policy paralysis than with high-minded Nehruvian non-alignment. The consequences of the deal were both immediate and far-reaching, as it decisively altered the relationship between state and capital in India. First, the Soviet offer temporarily freed the state from dependence on private financing, which translated to a substantive degree of autonomy in making planning decisions. In other words, what Vivek Chibber takes as a basic structural

[106] TNA, DO 35/852, U.K.H.C. to Commonwealth Relations Office, 11 September 1954; Note on discussion with Mr. T.T. Krishnamachari, 10 September 1954; E.A. Midgley to F. Doy, 13 September 1954.

[107] Tyabji, *Forging Capitalism,* xxiv-vi, 144-45.

feature of the post-colonial state was actually produced in the historical moment of the mid-1950s.[108] Cold War competition brought enormous benefits to India, since "public transfers have flowed through the Government, bringing it a measure of independence from indigenous resources and social pressures."[109] It also strengthened certain branches of the government, such as the Planning Commission headed by P.C. Mahalanobis, at the expense of others (the Finance and Industry Ministries).[110] Second, the flow of Eastern Bloc aid to public sector projects in the wake of the Bhilai offer rapidly drew American capital and expertise to India, which ended up strengthening Tata more than any other firm.

ANNUS MIRABILIS, 1957-58

Upon receiving news of the government's plans for Bhilai, the Tatas' main concern was to safeguard their American connections. E.T. Warren of Tata's New York branch wrote to J.R.D.: "If an agreement is reached between the Indian Government and the Russians for this plant I feel rather certain that a great deal of the 'open-sesame' this office has had for entry and information from the American Steel Industry will be closed to us."[111] In stimulating American concern over Soviet economic influence in India, it proved to be rather a blessing in disguise. A confidential report entitled "Complaints and Fears of U.S. Businessmen With Respect to India" in January 1957 listed a number of familiar tropes: the fear of nationalization, high taxes,

[108] Chibber, "Reviving the Developmental State?", 241-42. Arguing against what he terms "instrumentalist state theory," in which the post-colonial state merely reflected capitalists' class position, Chibber grants "some degree of genuine, albeit limited, independence" to the state, which explains why capitalists were so afraid of it.

[109] Kidron, *Foreign Investments in India,* 319.

[110] David C. Engerman, "Learning from the East: Soviet Experts and India in the Era of Competitive Coexistence," *Comparative Studies of South Asia, Africa, and the Middle East* Vol. 33, No. 2 (2013): 231-32. The Planning Commission had been deliberately weakened by the Indian business offensive as the industrial licensing system took shape in 1947-48. Cf. Chibber, *Locked in Place,* 136-37.

[111] TCA, JRDT/AVI/A3/1, E.T. Warren to J.R.D. Tata, 5 January 1955.

bureaucratic red tape, and an "unfriendly attitude" towards foreign capital. Nonetheless, the growing crisis in foreign exchange meant that "the prospects for a decided improvement in the climate for foreign business activities in India are probably better now than at any time since the independence of India." The Director of South Asian Affairs even proposed abandoning the long-standing reluctance to support public sector projects if the success of the Second Five-Year Plan was judged by Indians to depend on them.[112] In a meeting with representatives of the Commonwealth Relations Office in 1959, U.S. diplomats wanted to know "how the present preponderance of Western economic and psychological influence in India might best be maintained." Despite "the friendly commercial rivalry between ourselves and the British in India…in which neither we, nor the British, would, of course, wish to expose the positions of our respective private business interests," a common front against the Soviet threat was needed.[113]

For the Soviets, Bhilai was a public relations triumph. Unlike Rourkela, which suffered from severe construction delays and failed to meet its production targets, the new plant was completed on schedule and functioned smoothly from the start. Journalist Taya Zinkin of the *Manchester Guardian*, who visited both sites, pronounced Bhilai a "recipe for success," Rourkela one "for failure." German personnel left a bitter impression, their presence marred by drinking, womanizing and a general disregard for local sensibilities. "Rourkela produced more bastards than steel," went one saying. There were stark differences in pay and status between the Germans and their Indian counterparts, and commercial secrets were jealously guarded. By contrast, the Russian engineers lived under "strict discipline," threatened with a return passage

[112] USNA, RG59/LF60D449/B9, "Complaints and Fears of U.S. Businessmen With Respect to India," 7 January 1957; Charles D. Withers, Acting Director, Office of South Asian Affairs, to Cedric M. Seager, Regional Director, Office of Near East, South Asia and Africa Operations, International Cooperation Administration, 24 January 1957. The conclusions of NSC 5701 in January 1957 included aid for state-owned enterprises. Eisenhower personally "offered a vigorous endorsement of the policy" set forth in this paper against critics in Congress. McMahon, *The Cold War on the Periphery,* 230.

[113] USNA, RG59/LF62D43/B24, Office Memorandum from Frederic P. Bartlett to G. Lewis Jones, 9 July 1959.

home "if they molest local women, appear on the job drunk or are generally disorderly." American officials keeping a close eye on the progress of the steel plants observed that, by giving ultimate financial and administrative responsibility to Indians, the Russians had assumed "the role of helping Big Brother and advisor rather than as the superior and the boss." As a result, there was "a great feeling of fraternity" between Indian and Russian managers. In a telling anecdote, a Soviet delegation from Bhilai visited Rourkela and presented "a beautiful recital of folksongs in Hindi, leaving not a dry Indian eye in the audience."[114]

The initial American response to this alarming state of affairs came in the form of the Indian Steel Trainees Program (INSTEP), sponsored by the Ford Foundation with the aim of training 200 young Indian engineers in universities and steel plants in Pittsburgh, Chicago, Behtlehem, Cleveland, and Youngstown. The Indian trainees attended meetings of the United Steelworkers of America to learn the basics of collective bargaining, and visited both workers and managers in their homes at Thanksgiving or Christmas. After returning to India, they were meant to take up positions at Rourkela or the British plant at Durgapur. The program had to make up considerable lost ground; in 1957, there were three times as many Indian engineers trained in the Soviet Union as in the United States.[115]

Zinkin's report from Bhilai rankled U.S. State Department officials, who were keen to promote the success of INSTEP and the American way of life. But serious doubts about the

[114] Jonathan Parry and Christian Struempell, "On the Desecration of Nehru's 'Temples': Bhilai and Rourkela Compared," *Economic and Political Weekly* Vol. 43, No. 19 (May 10-16, 2008): 53; Taya Zinkin, *Challenges in India* (London: Chatto & Windus, 1966), 95-113; USNA, RG59/LF62D43/B24, "The Three Government Steel Plants in India."

[115] USNA, RG59/LF6D43/B22, D.J. McDonald, President, United Steelworkers of America, to Joseph Germano, Director, District 31, INSTEP, 9 October 1957. The Ford Foundation's strategy in India, particularly after the Second Five-Year Plan, was premised on resolving "isolable technical problems" as a means of promoting fundamental changes in Indian society. See Nick Cullather, *The Hungry World: America's Cold War Battle against Poverty in Asia* (Cambridge, MA: Harvard University Press, 2013), 186-90. In agriculture, this technocratic emphasis often meant focusing on the introduction of new plant varietals and fertilizers. INSTEP's task was far more challenging, requiring the Foundation to effectively run a "hearts and minds" campaign.

effectiveness of the program arose only one year after it began. INSTEP only offered "observation" rather than "on job" training, which was liable to criticism from both the Indian government as unsatisfactory. Engineers trained on American lines would find it difficult to adapt to British or German machinery and production methods. Worse still, "it might unfortunately create in the minds of many Asians an unfavorable comparison between what the United States and the Soviet Union are in a position to offer in the field of steel technology." With the Ford Foundation unable to provide further funding, the State Department was reluctant to continue the program under the auspices of the International Cooperation Administration (ICA).[116] Even the industry representatives directly responsible for INSTEP were left unconvinced. The head of the International Committee of the American Iron & Steel Institute (AISI) strongly argued in favor of scrapping INSTEP altogether: "the USA and American private industry can not expect to outclass the Russian training program which not only trains Indians in the USSR but has the advantage of being centered at the Russian-sponsored plant in Bhilai. If we cannot outclass the Russians…we should stop being a competitor." Unions expressed their desire to cooperate, but felt they had been denied equal participation in the management of the program.[117] The failure of INSTEP revealed, in microcosm, the limitations of U.S. policy toward India: an unclear division of responsibilities between government and private industry; lack of coordination with European partners (the British and the Germans); excessive fear of the Soviet Union, tending towards paranoia; and an inability to enter into long-term commitments.

[116] USNA, RG59/LF6D43/B23, W.F. Rivers to Frederic Bartlett, 26 February 1958; Bartlett to Rountree, 10 March 1958. INSTEP's most enthusiastic supporter was U.S. Ambassador to India Ellsworth Bunker, who argued that even "observation" training accomplished a useful "political objective."

[117] USNA, RG59/LF6D43/B23, David S. Burgess, Labor Attache, American Embassy, New Delhi, to Frederic Bartlett, 20 August 1958.

The Tatas' pressing need to implement their two-million ton program (TMP) extension at Jamshedpur offered an opportunity for American financial and technical participation in the Indian steel industry on a far grander scale. TISCO had first attempted to negotiate the terms of a loan from the Export-Import Bank in 1955, just after the announcement of the Soviet offer for Bhilai. Against the EXIM Bank's own policies, the U.S. Embassy in New Delhi "strongly recommended the granting of special or favorable terms, (a) as a means of countering the favorable terms provided in the Soviet proposal." J.R.D. Tata "stated categorically that he does not want an IBRD [World Bank] loan since according to the regulations of that institution the loan would have to be guaranteed by the Government of India, thus undermining the purely private nature of the venture which Tata wishes to maintain."[118] This was in keeping, as we have seen, with the Tatas' preference of circumventing government channels in their pursuit of foreign investment. The negotiations with the EXIM Bank foundered over the high cost of American equipment, which the Tatas had unsuccessfully sought to mitigate through some form of "invisible" aid or subsidy.

In February 1956, J.R.D. Tata returned to Washington and declared his willingness to try for a World Bank loan, which the Government of India had guaranteed. This would allow the Tatas to buy equipment "on worldwide bids and save a great deal."[119] The $75 million loan was approved, as U.S. officials realized they had perhaps driven too hard of a bargain. Only a month before Tata's second proposal, Allen Dulles told Eisenhower that "it was going to be very hard for the United States to compete with cheap Soviet money as had been shown by our attitude

[118] USNA, RG59/LF60D449/B9, "U.S. Loan Aid for Expansion of Tata Iron and Steel Company," 24 May 1955.

[119] USNA, RG59/LF60D449/B9, Memorandum of Conversation, 23 February 1956.

toward a loan to the Tata interests."[120] In part, the negotiations were a rude awakening for the Tatas, whose preference for American engineers and equipment no longer necessarily made economic sense. The state guarantee of the World Bank loan secured the deal, which undermined the Tatas' decade-long strategy of going it alone. But Indian government policy towards private enterprise and foreign capital had itself undergone a dramatic shift since the imbroglio of the Soviet offer.

The catalyst for the government's renewed openness to foreign capital was the discovery in 1957-58 of a yawning gap of $700-900 million in India's foreign exchange reserves. As Michael Kidron has argued, "the drain of foreign exchange thrust India into a totally new dependence on foreign support," which "tilted the balance of economic and social power within the country heavily in favour of the private sector, particularly its modern corporate wing, and crystallized changes of a fundamental nature in the latter's attitude to foreign capital." The announcement of a World Bank loan to the Tatas took place around the same time as G.D. Birla led another government-sanctioned Industrial Mission to the U.S., which "returned convinced that Indian and foreign capital had common and complementary interests."[121]

This rare moment of unity among the Indian business class recalls its position at the end of the Second World War, when Tata and Birla led a similar delegation together. What was different this time was the willingness of Anglo-American financial interests to invest in India. Foreign capital went on to provide "Indian industry with a toe-hold of extra-territoriality from

---

[120] *Foreign Relations of the United States*, 1955-57, Vol. X, Foreign Aid and Economic Defense Policy, ed. Robert J. McMahon, William F. Sanford, and Sherrill B. Wells (Washington: Government Printing Office, 1987), Document 14, "Memorandum of Discussion at the 273d Meeting of the National Security Council, Washington, January 18, 1956." < https://history.state.gov/historicaldocuments/frus1955-57v10/d14> (accessed 13 December 2016)

[121] Kidron, *Foreign Investments in India,* 120-27, 178-79. The foreign exchange crisis further galvanized support for aid to India in the Eisenhower administration. In 1958 a multinational "aid consortium" was formed, pledging $350 million in emergency assistance. McMahon, *The Cold War on the Periphery,* 233-36, 258-59.

which to confound the planners in every aspect of their work."[122] This extra-territorial dimension has been conspicuously absent from recent studies of state-capital relations in India. To focus on the years 1947-48 as the key turning point that defined the relationship between the so-called 'national bourgeoisie' and the developmental state is to miss the re-casting of that relationship a decade later. It is also to overlook the persistence of connections, such as those between the Tatas and the United States, preceding and outlasting the end of colonial rule.

[122] Kidron, *Foreign Investments in India*, 315.

Chapter 5. Between Paternalism and Technocracy

In October 1944, during the waning days of the Second World War, a typist in the Accounts Office of the Tata Iron and Steel Company named A. Gowtama Rao sent an unsolicited note to the Chairman, J.R.D. Tata. Entitled "Shape of Things To Come – Jamshedpur as in the year 1954," it was grandiosely presented as "an extension of the Wellsian vision for the future of Jamshedpur" – a reference to the work of science fiction author H.G. Wells. Rao's bold predictions of Jamshedpur's future, he claimed, bore "poetic kinship to the great welter of plans and super plans for the world and the steel industry" accompanying the end of the war effort. They would have been of interest to J.R.D. Tata, judged Rao, because they claimed a special "camaraderie with one of your own visions projecting your own scientific thoughts on Jamshedpur on the screen of futurity."[1]

The note offered an intriguing speculative history of the Tatas' flagship steel town in the 1950s, as seen from the vantage point of 1944. Rao began by describing a zealous government push for industrial development after the war, driven in equal measure by its own National Planning Committee and by the capitalists' Bombay Plan. Tata was destined to take on "the big housing schemes and mass electrification" called for by the Plan, and to develop into a "quasi-NRA" (U.S. President Franklin Roosevelt's National Recovery Administration). But America was not only a model to be followed, but a threat to be neutralized: "The Tatas and the American Lease-Lend firms came to an agreement which was in the nature of a complementary effort, the Americans to work in the higher strata of the steel industry, for a time and a partial monopoly of aeroplane and automobile industries for a little more." In Rao's vision, Tata was uniquely positioned to leverage extra-territorial connections in order to stave off American competition

[1] TSA, General Manager's Correspondence, File No. GM-180, A. Gowtama Rao, Typist, TISCO Accounts Office, to J.R.D. Tata, 7 October 1944.

and ensure that India could develop its basic industries. The specter of socialism and state ownership, meanwhile, was banished from the narrative.

The two most detailed, and perhaps fanciful, aspects of Rao's note concerned the relationship between capital and labor at Jamshedpur and the life of the city itself. He predicted the threat of a strike at the war's end, as production targets would be revised and workforces reduced. But "reasonable" union demands for a 36-hour week, a reorganized Labour Bureau to oversee a consistent hiring policy, and a halt in retrenchments, would all be met by management in a conciliatory spirit. A "very sensible agreement" would be drawn with the Tata Workers' Union in 1952, which would subsequently become a "permanent feature of the company administration." The future looked bright indeed: "Inspite of occasional war-clouds in the industrial field there was not even one rupture till today and a very tranquil atmosphere prevailed."

In Rao's vision, management and labor would work together to improve life in Jamshedpur on all fronts. Through the "studied and liberal approach both by the Employer and Union, the psychology of the Steel Worker is shaping itself into a healthy and robust optimism." Supplies of vegetables and milk increased, maternity centers were opened, and "the old rickety bodies and jaded faces of an ill-nourished population are going away." The housing problem, a mainstay of Jamshedpur's history, would be resolved by replacing the "monotony of the old regimented police barracks" with "architectural variation" and the comforts of modern household amenities. In these and many other ways, "the model city of Jamshedpur" would become "really model by 1954." With a literary flourish and a reference to Shelley's Ozymandias along the way, the narrator proclaimed: "In eras and eons to come it is given for Jamshedpur to bear the fervid testimony of the stature of our material civilisation and the genius of the modern architects

before the passing pageant of history." "A tranquil era of industrial harmony and prosperity has come to stay," he reassuringly concluded.[2]

What is remarkable about Rao's exercise in utopian thinking was just how much he got right. As we will see in this chapter, in the late 1940s and 1950s TISCO management took concrete steps to finally bring order and coherence to both industrial relations and urban planning. A robust collective bargaining agreement was indeed signed with the Tata Workers' Union in 1956, only four years after Rao's predicted date of 1952. Industrial psychologists, management consultants, urban planners, and other experts from abroad descended upon Jamshedpur and offered new solutions to the old problem of embedding a modern industrial enterprise in a largely agrarian society.

But Rao failed to anticipate just how fraught the path to industrial peace would be. Collective bargaining was by no means accepted by all ranks of management. Workers, too, came to resent the 1956 agreement, leading to one of the most violent strikes in Jamshedpur's history two years later. The bureaucratic structures created in accordance with scientific management principles, such as Personnel Departments and Company Information Courses, appeared hollow and superficial to the workers they were meant to serve. Despite a series of experimental and forward-thinking plans, Jamshedpur remained a spatially unequal city, plagued by housing and transportation difficulties.

The postwar years marked the high point of the cult of expertise in Jamshedpur, when scientific management promised to resolve the enduring conflict between capital and labor. The nature of Tata labor policy in this period has been described in one of three ways: as a "feudal"

[2] TSA, General Manager's Correspondence, File No. GM-180, A. Gowtama Rao, "Shape of Things to Come – Jamshedpur as in the year 1954," May 1944.

paternalism rooted in "indigenous" Indian conditions,[3] as an unbridled authoritarianism typical of capital's universal pursuit of the subjugation of labor, or as a technocratic experiment in importing discourses of rationalization and scientific management *tout court* from the West.[4] None of these explanations captures the full gamut of debates within the managerial hierarchy of the Tatas about which philosophy to follow, or which specific measures to implement at a given time. Paternalism and authoritarianism worked in tandem with technocratic methods to create a hybrid labor control regime that survived throughout the second half of the twentieth century.

The Jamshedpur case illustrates the broader trajectory of industrial relations in India, where the boundaries between paternalism and technocracy were more porous than in Britain or the United States. This was a result of the deployment of vernacular concepts in highly specific and often contradictory ways. For example, the notion of the *adivasi* 'coolie' as inherently ill-suited for industrial work was used both to stall and, later, to justify the implementation of Taylorist discipline. Industrial psychology emerged first as a solution to a prevailing sense of crisis in labor-capital relations in India, only then to lose its utopian promise on the familiar grounds of expediency and the tyranny of "local conditions." Industrial psychology was particularly susceptible to the push and pull between the universalizing aspirations of experts and

[3] According to this view, the persistence of paternalism in Jamshedpur, while understood as a modified form of "welfare capitalism" prevalent in Europe and North America, is nonetheless different due to the "traditional feudalism long forgotten in the West but still familiar to most Indians," in which deference, factionalism, and the quest for patronage cast the relationship between management and labor as one between rulers and subjects. See Kling, "Paternalism in Indian Labor," 71-72.

[4] Some critical Marxian scholars have argued that the Tatas' slavish dependence on Western, particularly American, managerial practices underpinned a clear shift in strategy after the Second World War. Since TISCO "always relied on the developed industrial world for new information on methods and control systems," an outward "change in attitude" from coercion to cooperation in dealing with labor was a foregone conclusion. Others have questioned the degree of "technological control" in the work process at TISCO, ostensibly achieved through mechanization and rationalization, by emphasizing the consistently "authoritarian mode of management" and the adoption of deliberate policies of "divide-and-rule" to control labor. See Bahl, *Making of the Indian Working Class,* 91-92, 355-56; Datta, *Capital Accumulation and Workers' Struggle*, 99.

the necessity of local adaptations.[5] At the uppermost echelons of the firm, constructing a distinct Tata "tradition" in which to inculcate future generations of managers similarly relied on the recovery of an idealized past based on the charismatic aura of the founding father, Jamsetji Nusserwanji Tata, even as it generated an impersonal bureaucracy.

The pacification of labor in Jamshedpur during the 1950s, the integration of foreign expertise into the workings of the firm, the construction of a managerial ethos of humane and caring stewardship, and the renewed attempt to reconcile the apparent contradiction of a modern industry reliant on unskilled *adivasi* labor, all formed part of Tata's coming to terms with a new political age. The Nehruvian state claimed for itself the mantle of development, leaving private enterprise in a precarious position. Selectively drawing on transnational networks of knowledge production, as they had done before in the realm of philanthropy, Tata managers sought to put their house in order and to belatedly live up to the promise of a different kind of capitalism.

HALFWAY TO UTOPIA

Notions of indigeneity and tropicality had long been used by Indian employers to insist, against the advice of foreign experts like the Webbs, that little could be done to provide amenities and services for workers. Urban planning provides one of the clearest examples of the divide between managers and foreign experts at TISCO. The company's haphazard approach to worker housing and planning for the expansion of the town had failed to follow any kind of rationalizing or scientific master plan.

In the midst of the Second World War, Chairman J.R.D. Tata visited Jamshedpur and issued a blistering critique of the town's appearance. His aesthetic preferences were largely

[5] Erik Linstrum, *Ruling Minds: Psychology in the British Empire* (Cambridge, MA: Harvard University Press, 2016), 8-9.

conventional, subscribing to the pastoral Garden City ideal deemed most appropriate for company towns worldwide.[6] "If we want the town to develop as a harmonious whole and retain the best features of a modern garden city," he wrote, "we must ensure that the elevation of all pucca buildings put up in the town should be of pleasing appearance, and have common architectural features." To this end, he advocated employing an outside expert to prepare a master plan for Jamshedpur's growth over the coming twenty-five years.[7] But the expert who did end up preparing such a plan four years later, Otto Koenigsberger, went far beyond replicating Garden City principles. Through his work at Jamshedpur, Koenigsberger sought to adapt the latest currents of transnational modernism to local conditions in India.

A Jewish refugee from Hitler's Germany, Koenigsberger emigrated to India at the beginning of the Second World War and established a thriving architectural practice in Mysore and Bangalore. Through his maternal uncle, the physicist Max Born, Koenisberger came to know Homi Bhabha, then lecturing at the Indian Institute of Science – a reminder of how networks of scientific expertise and corporate philanthropy were deeply intertwined. Koenigsberger undertook several commissions for the Institute, including designs for the Aeronautical Engineering Department and the Metallurgy Department (supported by TISCO), in which he pioneered what came to be known in India as "tropical architecture." His buildings were designed to increase circulation of air, were rarely more than one story tall, and steadfastly refused to follow colonial models. They were recognizably modernist, while at the same time organically suited to the local climate.[8] Koenigsberger's ideas appeared to perfectly complement

---

[6] Crawford, *Building the Workingman's Paradise*, 61-77.

[7] TSA, General Manager's Correspondence, File No. GM-178, Part I, Note by J.R.D. Tata on "Future Development of Jamshedpur," 26 January 1942.

[8] Rachel Lee, "Constructing a Shared Vision: Otto Koenigsberger and Tata & Sons," *ABE Journal: Architecture Beyond Europe*, No. 2 (2012), <http://abe.revues.org/356> (accessed 8 December 2015); Vandana Baweja, "Messy

the Tatas' hopes for Jamshedpur as a space where industrial and technological modernity would be implanted in Indian soil. However, a closer reading of Koenigsberger's *Jamshepdur Development Plan*, completed in 1944, reveals persistent tensions between patron and expert, and between modernist aspirations and vernacular realities.

In the foreword to the *Plan*, J. R. D. Tata continued to refer to Jamshedpur as "picturesque" and "a notable example of a Garden City." But Koenigsberger's ideas were far more ambitious and innovative. He noted the main defects of the city as it had grown over the past four decades: insufficient housing, a mixture of residential and industrial uses, and a lack of space for future expansion. The original sin of planning in Jamshedpur, namely the location of bungalows and officers' quarters near the plant, which forced workers to live on the outskirts and travel longer and longer distances, could not be corrected. As Koenigsberger put it, "an ideal solution according to theoretical postulations" was out of reach; Jamshedpur was *not* the Soviet steel city of Magnitogorsk, where the "virgin steppe" afforded socialist planners an infinite canvas for experimentation.

His preferred intervention for addressing Jamshedpur's problems was the "neighborhood unit," an arrangement of self-contained groups of houses with an open space at the center for residents to live, shop, and play. Unlike in the United States, where the concept had originated, the neighborhood unit in India would necessarily be larger (up to 2,000-3,500 houses or 10,000-18,000 residents). Koenigsberger believed neighborhood units were ideally suited to India because they mimicked the feel of the village community – an argument that had also been made by Jamshedpur's first planner, F.C. Temple, who had designed hexagonal structures for *adivasi* settlements. However, Koenisgberger modified the concept of the neighborhood unit in one

---

Modernisms: Otto Koenigsberger's Early Work in Princely Mysore, 1939–41," *South Asian Studies* Vol. 31, No. 1 (2015): 1-26.

crucial respect. "Theoretically," he wrote, "it would be desirable that each Neighborhood Unit in Jamshedpur should be composed of people of all social classes, highly paid officers, technicians, clerks, skilled workers, coolies, and sweepers." But since "cultural differences and contrasts in the style of living are still too great for such an attempt…the 19th century style social grouping must therefore be accepted as a necessary part of the Jamshedpur plan."[9] Entrenched patterns of inequality characteristic of the "traditional" Indian village would have to be reproduced in the company town in the name of localizing modernism. Indeed, William Glover has argued that planned "new towns" were "designed in part to invoke the Indian village" and to "nurture 'inherited tendencies and habits' in their residents rather than fostering wholly urbane subjectivities."[10] Koenigsberger's compromise prefigured this tendency.

Mithapur, the Tata Chemicals township under construction on the western coast of Gujarat, offered something even Jamshedpur did not: a *tabula rasa* for the deployment of scientific planning and management. Here, the objectives of urban design were more directly shaped by labor problems. During a visit to Mithapur in February 1946, J.R.D. Tata suggested that a "town of about 5,000 should be quite sufficient for all the labour force required and that we should not employ too many men." He told the Directors of Tata Chemicals that management's experience in Jamshedpur was "that when once more men had been put on a job than strictly necessary it was very difficult to bring about reduction and an immediate hue and

[9] Otto Koenisberger, *Jamshedpur Development Plan* (Bombay: Tata Iron and Steel Company, 1945), 1-8; Sinha and Singh, "Planning an Ideal Steel City," 271-73. On the difficulties and contradictions of applying the neighborhood unit model elsewhere in India, see Sanjeev Vidyarthi, "Inappropriately Appropriated or Innovatively Indigenized?: Neighborhood Unit Concept in Post-independence India," *Journal of Planning History* Vol. 9, No. 4 (2010): 260-76; Matthew Hull, "Communities of Place, Not Kind: American Technologies of Neighborhood in Postcolonial Delhi," *Comparative Studies in Society and History* Vol. 53, No. 4 (2011): 757-90.

[10] William J. Glover, "The troubled passage from 'village communities' to planned new town developments in mid-twentieth-century South Asia," *Urban History* Vol. 39, No. 1 (February 2012): 110.

cry of intensification was raised." This problem "should be prevented from the beginning" in the new township.[11]

So once Koenisgberger had completed his work in Jamshedpur, Tata arranged for him to draw up a similar plan for Mithapur. Once again, Koenigsberger's ideas departed from and contradicted the Chairman's views. In his mind, the objective of the Mithapur plan was to "turn the place from a labour camp…into a living organism with individuality and character, into a place which its citizen [*sic*] own with pride and to which they like to return in their leisure hours." Just as at Jamshedpur, the independent growth of the town beyond the factory had to be encouraged. Koenigsberger envisioned an upper limit of 20,000 residents, four times the number Tata had prescribed. To counteract the noxious effects of the "traces of slum development" already present in neighboring villages ("a vivid illustration of this danger" was provided by the outskirts of Jamshedpur), Koenigsberger proposed a fresh round of land acquisition within a 1.5-mile radius of the plant. At the same time, a "combination of agriculture with industrial labor is most desirable" to ensure that villagers retained a degree of independence. Refusing the kind of compromise he had made over the composition of the neighborhood units at Jamshedpur, Koenigsberger stressed an "equal share of labour class and middle class in the housing of the town." He believed this would be appropriate for Mithapur because a chemical production was "highly mechanized and by the nature of its processes requires qualified technicians rather than primitive cooly labour" – though his assumption was not borne out by the company's increasing reliance on unskilled contract labor.[12]

[11] TCA, T53-DES-T14-1, Notes of visit of Chairman, Dr. Matthai, and discussions, 14 February 1946.

[12] Architectural Association Archives, London (hereafter AA), Otto Koenigsberger Papers, Box 11, "Plan for Mithapur submitted to Messrs. Tata Chemicals Ltd. by Otto Koenigsberger," n.d.

In one sense, Koenigsberger's work reproduced longstanding beliefs about the peculiarities of urban space and labor practice in India. Koenigsberger justified his preference for ground-floor structures and open spaces by arguing that spending most of the day outdoors was "a general feature of the life of the poor." The failure to take this simple sociological fact into account had doomed the multi-story *chawls* or tenements in Bombay.[13] Similarly, Tata management in Jamshedpur had argued, against the advice of foreign experts, that mobile *adivasi* workers should not be enclosed behind four walls because they needed space to roam.

Koenigsberger's plans for Jamshedpur and Mithapur were more than routine corporate commissions beholden to the logic of labor control. They held special significance for the infrastructural needs of newly independent India. Shortly after his work with the Tatas, Koenigsberger was appointed the first Director of Housing under Nehru and tasked with coordinating refugee resettlement in the wake of Partition.[14] At the beginning of his tenure, Koenigsberger made arrangements to publicize the *Jamshedpur Development Plan* in view of its obvious "value to the nation."[15] So-called "new towns," a broad category encompassing state-run industrial districts, refugee settlements, and older private company towns like Jamshedpur and Mithapur, would serve a pedagogical and disciplinary role of "train[ing] newcomers for productive work." Austere and functional, the new town was "a symbol of self-confidence and hope" for the postcolonial nation-in-the-making.[16]

In fact, Jamshedpur long preceded the wave of "new towns" built across Asia, Africa, and the Middle East in the 1950s and 60s, though it is sometimes mistakenly conflated with this

[13] Otto Koenigsberger, "New Towns in India," *The Town Planning Review*, Vol. 23, No. 2 (Jul.1952): 102.

[14] Lee, "Constructing a shared vision."

[15] AA, Koenigsberger Papers, Box 4, "Public Edition of the Jamshedpur Development Plan," 2 February 1948.

[16] Koenigsberger, "New Towns in India," 100-01.

specific postcolonial moment. Jamshedpur anticipated the utopian tendencies of the "new town" movement, including the rapid compression of historical time that "sped up progress into an imminent age," and the pedagogical function of displaying "what constituted the good life, how people should live, and what cities should be like."[17] Moreover, the early planners' fascination with *adivasi* villages as spaces of vigor, purity, and order speaks to an incipient indigenization of high modernism predating Koenigsberger's more sustained and theoretically sound attempt in the late 1940s. The Tata steel plant had long served as a key site for transnational experts to encounter local conditions; this time, it would provide a model for the nation to follow as well.

Introduced to India through corporate patronage, Koenigsberger's "tropical architecture" was only one of several contemporaneous disciplinary innovations aimed at capturing the problems unique to Indian industrialization, particularly mass migration from the village to the city, and devising contextually appropriate techniques to resolve them. Industrial psychology was another, seeking to reform the minds of the displaced villagers-turned-workers rather than merely changing their surroundings.

THE MEASURE OF THE WORKER

Throughout the 1920s and 30s, TISCO management had been resistant to import expertise, or even to follow practices fashionable in the West. The rationale for this *ad hoc* approach is most succinctly captured in an exchange between two TISCO Directors, M. Visvesvaraya, ex-*diwan* of Mysore State and advocate of progressive industrialization, and Purshotamdas Thakurdas, the Bombay cotton magnate. In June 1932, Visvesvaraya sent Thakurdas a copy of a "typical handbook [of management] which is used in America," following

[17] Rosemary Wakeman, *Practicing Utopia: An Intellectual History of the New Town Movement* (Chicago: University of Chicago Press, 2016), 2-4, 120-28.

a proposal he had made that TISCO adopt a "set of business rules" to govern the exchange of information between Bombay and Jamshedpur. Expressing his disinterest in the handbook, Thakurdas replied that, "you unfortunately are overlooking some of the fundamental differences in the system of management in the West and in Bombay."[18] Thakurdas's position was characteristic of the workings of the managing agency system, which often restricted the flow of information and concentrated decision-making in the hands of a few individuals. It was also the position that TISCO managers had repeatedly taken on the ground in Jamshedpur when dealing with foreign expertise in labor relations. *We do things differently here*, they seemed to say.

The new discipline of industrial psychology offered a practical answer to such objections. Its pioneer in India was Narendra Nath Sengupta, who came of age during the *swadeshi* movement in Bengal. In 1910 Sengupta was selected for a traveling fellowship to Harvard University, where he studied in the laboratory of Hugo Münsterberg.[19] Upon his return to India five years later, Sengupta introduced the practice of Wundtian experimental psychology into India, with an increasing emphasis on the effects of industrialization on mental life. Sengupta believed that India could and "must share her burden of contribution to the unraveling of the mysteries of psychic life, to the development of Psychology as a science."[20] He served as a

[18] NMML, Thakurdas Papers, File No. 117 (Part I), Visvesvaraya to Thakurdas, 28 June 1932; Thakurdas to Visvesvaraya, 29 June 1932; Visvesvaraya to Thakurdas, 1 July 1932; TCA, T53-DES-T34-MINUTES-08-084-85, TISCO Board Meeting held on 6 May 1931.

[19] Benoy Sarkar, "The Making of Naren Sengupta, the Pioneer of Experimental Psychology in India," *Indian Journal of Psychology* Vol. XIX, Parts III & IV (Mar. & Jun. 1944): 125-29.

[20] N.N. Sengupta, "Psychology, Its Present Development and Outlook," *Indian Journal of Psychology* Vol. I, No. 1 (Jan. 1926), 19. Münsterberg was at the forefront of the shift from Taylorism to industrial psychology in Europe on the eve of the First World War. See Rabinbach, *The Human Motor,* 255-56.

founding editor of the *Journal of Indian Psychology*, which was to conduct the first series of efficiency and fatigue studies of the Jamshedpur workforce.[21]

These studies, carried out by Sengupta's student M.N. Banerji in October 1933, were strictly technical in nature and sought to fulfill the universalistic aspirations of applied social science. Banerji's team took a set of 300 readings of in different departments (sheet mill, blast furnace, etc.) using two instruments: a dynamometer (measuring grip strength) and a Vernier chronoscope (measuring reaction time). His main findings were that "the measures of Reaction Time before and after work give a more reliable index of the onset of fatigue than those by the Dynamometer," and that workers in the sheet mills suffered more from fatigue than those in other plants. Banerji was, however, careful to "not create suspicion or distrust in the minds of the worker and the owner," and offered no concrete suggestions for improvement of factory conditions.[22]

This type of dispassionate and limited inquiry would soon be eclipsed by a set of much more fundamental problems industrial psychologists believed to be specific to Indian industrialization. It mirrored a clear shift away from mechanistic investigations of the human body that was simultaneously occurring in the West. In Britain, the fatigue study, deemed to "lack theoretical coherence," was replaced by a focus on "morale" and collective attitude.[23] In the United States, "groupist criticisms of prevailing notions of capitalism," catalyzed by Elton Mayo's Hawthorne Studies, proved the importance of social relationships among workers as a

---

[21] Manjapra, *Age of Entanglement,* 213-16.

[22] M.N. Banerji, "Investigations in Industrial Psychology," *Indian Journal of Psychology* Vol. IX, Nos. 3 & 4 (July & Oct. 1934): 49-54; Banerji, "Reaction Time as an Indicator of onset of Fatigue," *Indian Journal of Psychology* Vol. X, Nos. 1, 2, 3 (Jan.-April-July 1935): 69-71.

[23] Daniel Ussishkin, "The "Will to Work': industrial management and the question of conduct in interwar Britain," in *Brave New World: Imperial and Democratic Nation-Building in Britain between the Wars,* ed. Laura Beers and Geraint Thomas (London: Institute of Historical Research, 2011), 103-04.

means of enhancing productivity.[24] Social scientists in postwar India, Britain, and the United States alike shifted from studying the efficiency of the individual worker to group morale and the problems of maladjustment and neuroses, or what Nikolas Rose has termed the "inter-subjective relations of the workplace."[25]

Whereas in Britain this transition was engendered by the experience of collective mobilization during the Second World War,[26] in India it took place amidst a different set of anxieties about social breakdown, mental and physical degeneration, and the loss of caste and the village community. Margaret Read's 1931 study *The Peasant Uprooted*, which communicated the findings of the Royal Commission on Labour to a lay audience, exemplifies this concern. Indian workers were depicted as passive victims of a fundamental clash between dynamic Western industrialization and "individualism" and a static Eastern civilization "based on agriculture, on community life, on established custom." They were "the prey of forces which they do not understand, of forces which are just as impersonal and relentless as the waves of the sea on a sandbar." The experience of migration and factory labor left them "bewildered," alienated, enervated, and mired in a "fog of apathy."[27]

---

[24] The strong reaction among American social scientists against the "individualist" assumptions of Taylorism led to an entirely new self-understanding" of corporations as "democratic sociocultural institutions." Daniel Immerwahr, *Thinking Small: The United States and the Lure of Community Development* (Cambridge, MA: Harvard University Press, 2015), 31-34. However, Taylorism was paradoxically more open to "industrial democracy" than Mayo's Human Relations School, arguably more "elitist" and well suited to corporate interests. Chris Nyland and Kyle Bruce, "Democracy or Seduction? The Demonization of Scientific Management and the Deification of Human Relations," in *The Right and Labor in America: Politics, Ideology, and Imagination*, ed. Nelson Lichtenstein and Elizabeth Tandy Shermer (Philadelphia, University of Pennsylvania Press, 2012), 43-57.

[25] Nikolas Rose, *Governing the Soul: The Shaping of the Private Self* (London: Routledge, 1990), 69-70; Rabinbach, *The Human Motor*, 274-75, 287.

[26] Daniel Ussishkin, "Morale and the Postwar Politics of Consensus," *Journal of British Studies* Vol. 52, No. 3 (July 2013): 728-33.

[27] Read, *The Indian Peasant Uprooted,* 2-3, 183-84.

Articles in the *Indian Journal of Psychology* came to explain the confusion and discontent felt by Indian workers as consequences of the substitution of caste and kinship by class. One study by D.L. Sharma, who had conducted personnel research at Jamshedpur, contrasted the strong superego in the village community with the detrimental effects of factory life: "In the new environment in which he transplants himself," Sharma wrote of the Tata worker, "he finds that all these factors, family, religion, economic and social, the combination of which formed the superego are either absent or working against him."[28] Sharma's experience at TISCO revealed that, "the difficulties of the workers are deeper and psychological rather than what people generally think them to be or what sometimes the workers themselves put them forward to be."[29] The problems of industrial labor at Jamshedpur were framed as intractably Indian and rooted in the process of migration from the village to the city. At the same time, it was now possible to pursue imported solutions and apply them to an industry that had reached the appropriate stage of advancement.

Industrial psychology, and scientific management more broadly, found an institutional home within the firm following the creation of the Personnel Department at TISCO after the Second World War. This watershed moment took place in the context of a thaw in management-union relations and the recognition of the Congress-affiliated Tata Workers' Union as "the sole bargaining agent."[30] The idea for a Personnel Department originated in a confidential proposal drafted by J.R.D. Tata in 1943, the same year in which the young Chairman turned his attention to urban planning and worker housing at Jamshedpur. He began by admitting that, "we have little

---

[28] D.L. Sharma, "Psychological Mechanism of the Morale of Industrial Workers," *Indian Journal of Psychology* Vol. XXV, Parts I-IV (Jan.-Dec. 1950): 130-31.

[29] D.L. Sharma, "Adjustment Problems of Industrial Workers," *Indian Journal of Psychology* Vol. XXIII, Parts I-IV (Jan.-Dec. 1948): 34.

[30] Datta, *Capital Accumulation and Workers' Struggle,* 97.

cause for self-congratulation or for feeling complacent." If the workers continued to feel "frequently discontented and mistrustful, and hostile towards us, I think we must assume that the fault lies with us and not with them." Tata pointed to the lack of "the personal touch" and of "mutual trust and friendly understanding in the relations between our men and the management." What was needed was a "consistent and planned labour policy" for the long term, which could be only effected by "finding means of associating in some way labour with management."

The Personnel Department, as Tata envisioned it, would absorb the existing Welfare and Safety Departments and the Labour Employment Bureau, as well as introducing a "Bureau of Industrial Psychology and Efficiency, incorporating Statistical and Research sections."[31] Notably, the Bureau would investigate a wide array of efficiency measures, including worker selection, vocational and aptitude tests, physical environment, periods of rest and work, and "the posture and movement of the worker at his task."[32] This was, in short, the most complete institutional expression of scientific management that had ever been attempted at TISCO.

The Personnel Department was not a mere fact-finding bureaucracy. It would be tasked with overseeing massive postwar reductions in a workforce that had been inflated due to wartime production needs. Tata believed there was "no more urgent problem for us to tackle" than "the excessive size of our labour force at Jamshedpur," which reduced productivity per man, "overall efficiency and morale of labour."[33] To be sure, TISCO management had often pursued reductions in the name of improving efficiency and productivity. What made this moment distinct was both the scale of the attempted re-organization of the labor process and its temporal

[31] TSA, Industrial Relations File No. 103-F, J.R.D. Tata, "Proposal for the Creation of a Personnel Department at Jamshedpur," 29 July 1943.

[32] TSA, Industrial Relations File No. 103-F, J.J. Bhabha, "Proposed Form and Functions of a Personnel Department," 29 July 1943.

[33] TSA, Industrial Relations File No. 103-F, J.R.D. Tata, "Labour Policy," 2 November 1945.

convergence with new sources of technocratic expertise. The integration of industrial psychology into the operational structure of the firm was both a response to the vernacularization of the discipline in India *and* a result of the application of transnational ideas of scientific management.

Implementation of Tata's ambitious plan proceeded slowly. The Chairman first sought to find "an experienced Industrial Psychologist who could undertake a scientific classification, analysis, and point-rating of jobs," by approaching the National Institute for Industrial Psychology in London. To aid in labor recruitment, TISCO also secured the services of the Government's new Employment Selection Bureau, headed by Brigadier H. Vinden, the former Director of Selection of Army Personnel.[34] Yet little progress had been made by August 1947. A psychologist could not be obtained from London, and Vinden's Employment Selection Bureau was disbanded within a few months of independence. Meanwhile, TISCO faced a deteriorating labor situation on the ground in Jamshedpur. Amidst widespread "dissatisfaction with the New Wage Structure and Bonus Structure" introduced after the war, the "morale of the Officers was shaken and everywhere there was a spirit of indiscipline."[35]

With TISCO management helplessly divided on how to respond, Tata decided to call upon "a fresh and expert mind" – his friend John Moore, head of the consulting firm IBCON in India.[36] IBCON had been conducting investigations in Jamshedpur since 1944, more or less in

---

[34] TSA, Industrial Relations File No. L-146, Tata Workers Union General Subjects (1941-1946). J.R.D. Tata to R. Mather, Skinnigrove Iron & Steel Works, Saltburn-by-the Sea, 20 September 1946. Vinden's tenure with the Army marked the rapid ascendancy of the universalizing methods of scientific selection; the aptitude tests he used to screen recruits were exact replicas of the tests used in Britain, paying no mind to colonial stereotypes of martial races. At the same time, Vinden was heavily criticized by civil servants from the old guard and by Indian nationalists. Both groups, albeit for their own reasons, pointed out the need to adapt the selection process to the local context. Linstrum, *Ruling Minds,* 125-34.

[35] TCA, T53-DES-T34-MINUTES-13-034-36, TISCO Board Meeting No. 1489, 19 May 1947; Board Meeting No. 1491, 19 June 1947.

[36] TCA, T53-DES-T34-MINUTES-13-049, TISCO Board Meeting No. 1499, 25 September 1947. IBCON began as Eastern Bedaux, an offshoot of an international consultancy headed by Charles Bedaux, an eccentric French-born American businessman and industrial consultant who devised a new standard unit of work measurement known as

secret. Given that "labour has got management on the run," it was imperative that the Tata Workers' Union did not "get a wrong impression" that Moore's brief was to push reductions on a mass scale.[37] In January 1948, Tata officially hired IBCON on a three-year contract to establish an Industrial Engineering Department and to undertake an analysis of "potentials" and "incentives for higher production and reduced personnel."[38] We know very little about the content of IBCON's work, which was based on the method of "time study" linking incentive bonuses with "equipment utilisation" and "labour utilisation" indices.[39] A "Memorandum on the Deployment of Labour" submitted by John Moore to J.R.D. Tata in 1950 called for "a final overall reduction of labour at Jamshedpur" of as many as 10,000 workers, or 25% of the total. This drastic measure was couched in the assumptions of the new social scientific consensus, whereby "the problems which will arise are largely psychological for each individual" and therefore best dealt with by the Personnel Department.[40]

---

the Bedaux "B." The B, a modified version of F.W. Taylor's "unit-time" method, proved enormously successful and influential in British management practice during the interwar period. However, Bedaux's achievements and importance to the history of scientific management have been obscured by his colorful personal life and dubious political allegiances. Closely associated with the Duke of Windsor and accused of being a Nazi collaborator, Bedaux committed suicide while in American custody in 1944. For a clear-eyed account of Bedaux's life and career, see Michael R. Weatherburn, "Scientific Management at Work: the Bedaux System, Management Consulting, and Worker Efficiency in British Industry, 1914-48," (PhD diss., Imperial College London, 2014).

[37] TCA, J.R.D. Tata Correspondence, MF1, J.R.D. Tata to J.J. Ghandy, 24 September 1947.

[38] TCA, T53-DES-T34-MINUTES-13-049, TISCO Board Meeting No. 1504, 29 January 1948.

[39] For a thorough description of IBCON's work at Jamshedpur based on data available in the early 1980s, see Datta, *Capital Accumulation and Workers' Struggle*, 96-102. Datta notes that the "complex rating system of incentive bonuses based on the worker's 'true' performance remained beyond the comprehension of most of the workers at TISCO; in many cases the supervisors had similar trouble." This is confirmed by numerous reports from the following decade. For example, "the three top people in the Blast Furnace Department had told the workmen that they did not understand the departmental incentive scheme themselves or the reasons for setting the high standard." TSA, Industrial Relations File No.103-Q, Morale on the Shop Floor (1957-1964), Extract from the Minutes of the meeting of the Committee of Management, 23 October 1957.

[40] TSA, Industrial Relations File No. 103-H, Pt. I, J.J. Ghandy to J.R.D. Tata, 27 March 1950.

Workers, for their part, were under no illusions about the promises made to them in the name of industrial peace. They understood the new institutions as structures of domination, and rationalization as a justification for retrenchment. Under the fiery Congress leader Abdul Bari, the Tata Workers' Union initially welcomed scientific recruitment methods, even threatening a strike if the company continued to delay its introduction.[41] Once the particulars of the retrenchment scheme became clear, however, the Personnel Department became a target. The Tata Mazdoor Sabha, a non-recognized union led by the Congress Socialists, passed a resolution in 1951 calling for the immediate abolition of Department.[42] The company-recognized TWU, led by the more pliant Michael John after Bari's death, provided management with the necessary legitimacy to implement the new efficiency measures.

Moore and IBCON went on to advise other Tata companies on reducing costs and raising productivity. In 1951 IBCON were appointed as consultants to the Tata Chemicals plant at Mithapur, and tasked with the establishment of an Industrial Engineering Division as well as with training "two engineers from the Company (one chemical engineer and one mechanical engineer) in 'Time and motion' study." They also proposed a reduction of 25% in labor and 35% in the clerical staff over a period of three to five years.[43] Connections between different Tata companies afforded both managers and outside experts new opportunities to test and modify their interventions, as was the case with Koenisberger's plans for Jamshedpur and Mithapur.

---

[41] TSA, File No. 94 (ii), Tata Workers' Union (Public Meeting), 26 May 1946; Notes on Liaison Report, 26 May 1946.

[42] TSA, Industrial Relations File No. 103-E, Tata Mazdoor Sabha (1949-1961), Resolutions of the meeting held on 23rd September 1951.

[43] TCA, T53-DES-T14-3-03, Tata Chemicals Board Meeting No. 67 held on 29 June 1951. This was in line with IBCON's advice elsewhere. Two years before, the Empress Mills at Nagpur were told to effect a drastic reduction in clerical staff from 417 to 186. TCA, T53-DES-T59C-AGM-1-0036-37, Central India Mills File C-L2 (II), "Our Labour Officer's notes and reports on Labour matters," 1949.

Industrial psychology, which had begun as a utopian science meant to ameliorate working conditions and confront the harshness of industrial life, was functionally subordinated to management's goal of improving efficiency and productivity. In moments of crisis, managers went further by rejecting scientific management altogether in favor of a firm authoritarian hand, the blandishments of paternalism, or the give-and-take of collective bargaining.

FORGING INDUSTRIAL PEACE

In the early 1950s, senior Tata managers at Bombay House pursued a comprehensive restructuring of labor relations across all companies, with TISCO in Jamshedpur as a point of departure. The architect of this initiative was J.R.D. Tata's newly appointed Adviser for Industrial Relations, M.R. ('Minoo') Masani.[44] In February 1953, Masani opened the first Tata Personnel and Labour Officers' Conference in Bombay by proposing the creation of a central Department of Industrial Relations, "a new development in Tata practice," within a year's time.[45]

The immediate pretext for the conference was the presence in India of John Marsh, Director of the Industrial Welfare Society, London. Marsh prepared a meticulous two-week Information Course for TISCO supervisory staff, including sessions on company history, current initiatives, and the work of various departments. He stressed the limited applicability of Western expertise to Indian conditions. In devising an effective system of incentives, he argued, one had to keep in mind the effect of industrialization on the joint family system, as well as the "survival" of "regional prejudices" among Jamshedpur's heterogeneous workforce. He advised against

[44] Before the war, Masani had been a staunch trade unionist and leader of the Congress Socialist Party, but then drifted sharply rightward in his political beliefs. See Minoo Masani, *Bliss Was It In That Dawn…A Political Memoir Upto Independence* (New Delhi: Arnold-Heinemann, 1977), 163-70.

[45] TCA, Box 874, First Tata Personnel and Labour Officers' Conference, First Session: Labour Legislation, 9 February 1953, and "Company Information Course: Draft of Two Weeks Training Programme for TISCO Supervisors," prepared by Mr. John Marsh.

replicating the gradual shift from "welfare" to "labor management" and finally to "personnel management." Marsh instead advocated the strengthening of welfare programs, since "there is a danger in jumping too quickly into the full flush of personnel management as practised in the West."[46] Accordingly, one of his first concrete suggestions at the Bombay conference was to replace the position of Industrial Psychologist with that of a Chief Welfare Officer.[47]

Despite the continuing lip service paid by management to industrial psychology, old arguments about the uniqueness of Indian conditions resurfaced. There was little consensus about how both efficiency and welfare measures could be integrated into companies' organizational structures, and the extent to which either should be emphasized at the expense of collective bargaining. Outside experts like Marsh no longer spoke with one voice in favor of reforming Indian management practices. By tempering universalizing claims with local needs, industrial psychology had sown the seeds of its own irrelevance.

Masani's proposal for a Department of Industrial Relations faced a barrage of objections at the Bombay conference. Tata managers worried about their role under the new system: should Personnel officers in Tata companies correspond directly with the centralized Department, and thus enjoy a degree of independence, or would they be subordinated to the General Managers? Union representatives attempted to roll back the introduction of the Personnel Officer altogether. G.D. Ambekar of the Congress-affiliated INTUC (no member of the Communist-affiliated AITUC was invited) maintained that "the institution of the P.O. is a failure and should be allowed to die out. He has no place in the Indian set-up." Personnel Officers, according to Ambekar, were "political agents" acting at the behest of management, and could not be expected

---

[46] John Marsh, *The Road to Management and Worker Co-operation in Indian Industry,* The Third Sir Ardeshir Dalal Memorial Lecture (Jamshedpur: Proceedings of the Society for the Study of Industrial Medicine, 1953), 5-11.

[47] TCA, Box 874, First Tata Personnel and Labour Officers' Conference, Third Session: Proposed Central Department of Industrial Relations, 10 February 1953.

to act impartially. The unions preferred to deal with management directly through collective bargaining.

A third critique came from Russi Mody, son of a prominent Tata Sons Director with a growing reputation for building personal relationships with workers in the TISCO collieries. He objected to the involvement of the centralized Department in collective bargaining, which should be given a chance to work at the company level.[48] In Mody's view, "it would be better if the expenditure on welfare activities was reduced and the money spent on better wages as in the United States where more attention is paid to high wages and people are not much interested in welfare activities." This suggestion met with a familiar chorus of disapproval: "workers in India were not educated enough to spend their money in a proper way, and until such time as they could be shown the proper way of living, the need for welfare activities would remain."[49]

Shortly after his involvement in the First Personnel Conference, Russi Mody was dispatched to Mithapur to compile a report on growing unrest in the Tata Chemicals plant. There were scattered reasons for optimism. "The geographical isolation of the Works site has to some extent fostered a more easy growth of something like a family relationship," Mody wrote. But overall the employees seemed "demoralised," feeling "they are not part and parcel of the enlightened Tata Policy on Labour." A failed strike in April 1952 was quickly followed by the establishment of a Personnel Department, staffed by officers trained in Jamshedpur. "A situation like this 26 years ago would have been ideal from the Management's point of view and possibly much good might have resulted from adopting a paternalistic attitude and making some concessions on your own," Mody observed. However, "conditions have changed…the somewhat

[48] TCA, Box 874, First Tata Personnel and Labour Officers' Conference, Third Session: Proposed Central Department of Industrial Relations, and Fourth Session: Relations with the Trade Unions, 10 February 1953.

[49] TCA, Box 874, First Tata Personnel and Labour Officers' Conference, Sixth Session: Welfare, 11 February 1953.

dynamic nature of the working class struggle cannot be ignored and Mithapur will be as much a part of this struggle as any other place in India." Recalling his contribution to the Personnel Conference, Mody proposed immediately recognizing the centrist Congress-led union to halt the Communist advance and signing a comprehensive agreement.[50] In other words, the company should move decisively away from paternalism and embrace collective bargaining.

At the Second Tata Personnel and Labour Officers' Conference held in Jamshedpur in 1954, TISCO ex-General Manager (now Director) J.J. Ghandy affirmed "the primacy of the human factor" at both the individual and group levels. However, Ghandy went on to report the final demise of TISCO's experimental industrial psychology section: "Eventually, we had no option but to close it down because we did not have sufficient, qualified personnel and in the circumstances most of its work was either misleading or useless." Tata policy would thenceforth "be one of caution – accepting only such methods and practices from elsewhere as would work satisfactorily in our local circumstances."[51] Masani's proposed Central Department of Industrial Relations was nowhere in sight, and technocracy was beating a steady retreat on all fronts.

Following the two Personnel Conferences, Tata organized two Management Conferences in 1955 and 1956, meant to accelerate communication and coordination across companies at the highest levels and make "a start towards a more modern and up-to-date concept of management."[52] Masani's Department was to become a "Central Advisory Bureau of Industrial Relations, which would not form part of Tata Industries but would be a service organisation advising the various Tata-managed companies." Company Information Courses had been

[50] TCA, T53-DES-T14-MINUTE-3, Report on labour conditions at Mithapur, 4 February 1953; Note on General Labour Situation in Mithapur prepared by Mr. Russi Mody, April 1953.

[51] TCA, Box 874, Second Tata Personnel and Labour Officers' Conference, Inaugural Address by Sir Jehangir Ghandy, 2 March 1954.

[52] TSA, Box 874, Second Tata Management Conference (1956), Inaugural Address by J.R.D. Tata.

adopted by the Tata and Swadeshi Mills in Bombay, though not yet by Tata Chemicals, "who hope to institute such a course in Mithapur soon." Finally, and most importantly, Masani announced the signature of an Agreement between TISCO and the Tata Workers' Union in January 1956, "a comprehensive statement of the rights and obligations of each side." As one of the architects of the agreement, Masani proudly described this moment as "a landmark in the history of industrial relations in this country."[53] TISCO had thus decided to make a sustained attempt at collective bargaining, in line with Mody's advice from Mithapur three years before. The company gambled on bringing the union into the fold, a strategy entirely dependent on the TWU maintaining its legitimacy with the workers.

The agreement was meant to smooth the transition to TISCO's two-million ton program (TMP), a planned expansion of production capacity, and to bolster the standing of the TWU as the sole bargaining agent. A three-tiered consultative machinery came into being: 27 Joint Departmental Councils, a Joint Works Council and a Joint Town Council, and a Joint Consultative Council at the top level, each staffed by representatives of both management and the union.[54] The company assured the TWU that "there will be no retrenchment of existing employees," and promised to offer higher wages "in recognition of the increased labour productivity and the larger profits resulting from the plant expansion programme." But the precise amount and timing of this wage increase were left unstated. The decision would follow the implementation of another "job evaluation" survey by IBCON. Significantly, Town

[53] TSA, Box 874, Second Tata Management Conference (1956), Note on progress made and action taken by M.R. Masani.

[54] TSA, File No. 103-B14-A, A talk given by Sir Jehangir Ghandy at a meeting of Chairmen of Joint Departmental Councils and other Executives of the Company, 14 August 1957.

employees (while given their own Joint Council) were excluded from the wage bargain.[55] Michael John, the leader of the TWU, had expressed his opposition to the clause, but did not press the point for fear of a breakdown in negotiations.

Collective bargaining displaced industrial psychology while accommodating other aspects of scientific management, notably efficiency studies and job surveys. Fair wages were a matter for experts to decide, rather than for workers to claim as their right – but experts' advice could also be disregarded at will. The paternalist impulse to deal with opposition through "face to face" encounters made the imposition of an open and transparent mechanism of channeling workers' grievances impossible. These contradictions were rapidly and brutally exposed before the ink was dry on the agreement.

CRISIS AND REAPPRAISAL

Warning signs that all was not well on the TISCO shop floor abounded throughout the year 1957. The proliferation of training sessions had only partially changed supervisors' attitudes toward workers. All that could be said was that "there was much less shouting than before as a result of the Company Information Course."[56] A memorandum submitted to the Committee of Management by Resident Director M.K. Powvala observed: ""There is at present next to no communication between workmen and supervisors in the Steel Company. The Personnel Dept. does not appear to possess the confidence of the workers. In these circumstances, when any of them want help, comfort and guidance, they do not turn to the management but look

[55] *The Story of a Strike* (Calcutta: Public Relations Department, The Tata Iron and Steel Company Limited, July 1958), Appendix I: Clauses of the Agreement signed in January 1956 between The Tata Iron & Steel Co. Ltd. and the Tata Workers' Union, 59-60.

[56] TSA, File No. 103-Q, Extract from the Minutes of the meeting of the Committee of Management, 23 October 1957.

elsewhere."[57] This "elsewhere" was the Communist-led Jamshedpur Mazdoor Union, which was gaining in strength and popularity as workers began to view the TWU leadership as compromised. Alarmed, Powvala took his case to J.R.D. Tata, warning that "sitting round a table with the representatives of the workers was not the final solution. Work on the shop floor was very necessary, and this must be insisted upon…I got the feeling that our officers really do not believe in it."[58] The sense of unease and anticipation among management was palpable.

Masani's newly formed independent consulting company, Personnel and Productivity Services (PPS), also conducted a confidential assessment of labor relations at TISCO in November 1957.[59] Its conclusions resonated with management's concerns. Masani offered to help the company by organizing a seminar on industrial relations and securing the services of an industrial psychologist in Bombay "who has specialized in 'Group Dynamics' and in the use of psychological tests for selection, evaluation and promotion purposes." But his main suggestion was to strengthen the chain of command and for management to "assert leadership over the men." He advised that "Mr. John Moore should not, as originally contemplated, hand over to the Union President a note embodying the Company's proposals regarding job evaluation and rationalisation of the wage structure." In other words, the TWU had to be kept in the dark about the implications of the agreement they had signed. Masani presciently acknowledged that, "a showdown may become inevitable in the middle of 1958." But experience in other industrial disputes, including at Mithapur, had shown that "certain intractable problems are more easily

[57] TSA, File No. 103-Q, Memorandum for the Committee of Management, sd. M.K. Powvala, 20 August 1957.

[58] TSA, File No. 103-Q, Powvala to J.R.D. Tata, 22 August 1957.

[59] At the time, Masani's consultancy sought to play the role of intermediary bringing together best practices from different Tata companies. For example, PPS oversaw the visit of the Chief Personnel Officer of Tata Chemicals to the TOMCO factories at Sewri and Tatapuram, with a view to establishing a Personnel Department there. At Mithapur IBCON's contract ran to the end of 1958, and PPS was poised to take its place. TCA, Box 106 TS/TI/DIR/SO/MRM/1/1957-1962, M.R. Masani to J.R.D. Tata, 13 January 1958.

solved at the end of a stoppage than without it…the time to implement the job evaluation scheme and the rationalization of the wage structure will be when the men return to work in a more chastened mood."[60]

When faced with a crisis, TISCO management retreated into the comforts of an earlier *ad hoc* approach. Industrial psychologists no longer had an institutional home in the company, but were called upon sporadically to put out fires. Bereft of fresh ideas to breathe life into the cumbersome bureaucratic structures they had created, Tata managers hoped a show of strength and resolve would suffice.

Masani's prediction of an impending showdown at Jamshedpur proved correct. In May 1957, the staff of the Health Department and "certain categories of lower-paid employees" in the Town Division went on strike to protest their exclusion from the promised wage increases in the 1956 agreement. Sweepers, many of them low-caste and tribal workers, "went round in small batches shouting slogans near General Offices…asking the clerical staff to show sympathy by stopping work." They threw "nightsoil" in the Store Accounts department and in the houses of employees who remained at their jobs. Management reported that "a power vacuum has been created in the town with the sweepers and others having no definite affiliations," a state of affairs ready to be exploited by the Communists.[61]

Galvanized by the election of the Bihar Communist leader Kedar Das to the Legislative Assembly from Jamshedpur in the 1957 elections, the Communist Party and the unrecognized

---

[60] TCA, Box 106 TS/TI/DIR/SO/MRM/1/1957-1962, Personnel & Productivity Services Confidential Note, sd. M.R. Masani, 18 November 1957; Confidential note prepared by Mr. H.N. Nanjundiah of Personnel & Productivity Services for personal information of Sir Jehangir Gandhy, Director-in-Charge, TISCO, based on his visit to Jamshedpur on October 3, 4, 5, and 8, 1957.

[61] TSA, File No. 103-C-1, Pt. I.Strike in the Town Department (1957), S.M Dhar to J.J. Bhabha, 22 May 1957; J.J. Ghandy to J.R.D. Tata, 9 May 1957; Confidential report on Town Division (Fourth Day of Stay-in-Strike), 4 May 1957.

Jamshedpur Mazdoor Union (JMU) stepped up their campaign to capitalize on worker discontent throughout the steel and mining belt of eastern India. As S.A. Dange, a veteran CPI leader and newly elected MP, defiantly put it: "The whole townships of Jamshedpur, Burnpur and Kulti are the private properties of the Companies, almost their private 'Empires.'" Dange maintained that the steel companies were making large profits, wages had not kept up, and the recognized Congress-dominated unions were powerless to do anything about it.[62] On May 12, 1958, the JMU spearheaded a one-day strike that led to a complete plant shutdown. Company intelligence reports described how the strike was "excellently organized" by the JMU, with "mass picketing at strategic places with their men carrying square pink cards whilst the numerous cars or taxis they used bore red flags…Inside the Works on two or three occasions they organized the men into batches and marched out with red flags shouting slogans."[63] In an atmosphere of lawlessness and intimidation, management's response was heavy-handed and violent. On the night of May 20, police fired into demonstrators, and the army was called out to Jamshedpur. By early June, the strike was defeated at last and the plant resumed operations.

Where did the blame lie for the breakdown in management-labor relations? The official company line, summarized in the booklet *The Story of a Strike,* issued by the Tata Public Relations Department in July, was that the strike was nothing more than a planned political "conspiracy" by the Communists to capture the "Ruhr of India."[64] But there were voices of dissent coming from within. M.D. Madan, the Deputy Director of Education and Social Services at TISCO, ringleader of the 1942 Quit India strike, and outspoken critic of paternalism, wrote to

---

[62] TSA, File No. 103-C-3, Pt. III. Labour Situation at Jamshedpur - Hartals and Strikes (January-15 May 1958), A Brief note on the Jamshedpur and Burnpur Iron and Steel Workers by S.A. Dange, M.P., 8 May 1958.

[63] TSA, File No. 103-C-3, Pt. III, M.K. Powvala to J.R.D. Tata, 13 May 1958.

[64] J.J. Ghandy, foreword to *The Story of a Strike*.

J.R.D. Tata with a different diagnosis: "The workmen of Jamshedpur have given you an unambiguous message: 'Mr. John does not represent us.' Believe me, the message does not contain much else. I know, for I have asked them." As a fellow Parsi and devoted servant of the company, Madan took the liberty of chiding J.R.D.: "you have often allowed your loyalties to your friends to outweigh your loyalty to greater things." His solution to the crisis was deceptively simple: to de-recognize the TWU, deal with the JMU, and drop the overblown rhetoric of the dangers of Communism. After all, "if Dwight Eisenhower can speak to Nikita Kruschev, Jehangir Tata can speak to Kedar Das and probably a lot more effectively."[65]

Madan's advice fell on unreceptive ears. But TISCO was gravely concerned about what the strike would do for the company's reputation, especially in the United States. There were rumors that American contractors working on the expansion program (TMP) were targeted by the Communists, and that the main objective of the strike was to discredit American technical expertise while the Soviets were racing ahead with the construction of a state-owned steel plant at Bhilai. Through the offices of Tata Incorporated, the parent firm's branch in New York, TISCO moved quickly to counter alarming accounts in the American press, such as an article in the *Wall Street Journal* entitled "Reds on the Rise."[66] The lessons of the 1958 strike would not be learned in a vacuum. The volatile Cold War political context weighed heavily on the minds of senior Tata managers, who had staked the steel company's future on U.S. and World Bank financial backing.

The first retrospective scholarly analysis of the strike appeared in *The Economic Weekly* in November 1958, authored by Morris David Morris, a young American economic historian

[65] TSA, File No. 103-C-3, Pt. IV, Labour Situation at Jamshedpur - Hartals and Strikes (16 May-31 May 1958), M.D. Madan to J.R.D. Tata, 16 May 1958.

[66] TSA, File No. 103-C.Strike at Jamshedpur (1958), U.S. Press Reports on the Strike, 25 June 1958; TSA, File No. 103-C-3.11-18.Strike of May 12th, 1958, Dilip Mukerjee to J.J. Bhabha, 4 September 1958.

conducting research for his soon-to-be classic dissertation on labor in the Bombay textile mills. While visiting Jamshedpur the previous spring, Morris had fallen ill and observed the strike of the Town employees from his bed in the Tata Memorial Hospital. Morris was puzzled by the sudden disruption of an "apparently peaceful, harmonious environment." TISCO had "made extensive use of industrial consultants, time-and-motion studies, job evaluation programmes, incentive schemes, and all the other devices in the arsenal of Western practice." In so doing, it had fulfilled the aspirations of many modernization theorists, or, as Morris put it, "successfully and quite early accomplished what so many social scientists despair of seeing achieved in India, not only the creation of a stable, disciplined industrial labour force but also the development of a responsible voluntary collective bargaining between management and labour."

Morris rejected political conspiracy as the sole explanation for why this promising trend had run aground. The JMU "built on dissatisfactions that were widespread," particularly the weaknesses of the 1956 agreement and the feeling that the TWU provided inadequate representation. The union had failed to put the agreement to a democratic test, leading to the impression among the workers that John had done the management's bidding. As for the consultative machinery, Morris charged TISCO management with being superficially in thrall to foreign expertise: "Tatas have taken action not so much because of overriding technical necessity but because it is impressively Western." In other aspects, the company was too wedded to another longstanding tradition: "'The softness of the Company in disciplinary and related matters is an aspect of a paternalism that has historically characterized TISCO policy and lies at the root of much of the Company's difficulties."[67]

[67] Morris D. Morris, "Order and Disorder in the Labour Force: The Jamshedpur Crisis of 1958," *The Economic Weekly* (November 1, 1958): 1387-95.

Morris's analysis brought out into the open the tension between paternalism and technocracy hitherto debated mainly behind closed doors, echoing M.D. Madan's concerns. Jamshedpur was held together, Madan wrote in 1956, solely by the steel company's firm hand. The city's 250,000 residents, most of whom were industrial workers, were "beginning to see in this situation of utter dependence on the company a loss of freedom, of self-respect, of opportunity for self-fulfilment." Madan looked back on Jamshedpur's history to explain how this dependence had come about:

> In Jamshedpur we are not afraid to experiment and not afraid to say we made a mistake. In a way our little weakness for 'foreign experts' (the more 'foreign' the better!) is itself evidence of our humility and our anxiety to do the right thing. The obvious is never quite obvious to us unless we have paid a heavy fee to somebody from the other end of the world to come and tell us so. On the other hand, deep down within us we are proud enough to go our own way when we disagree with the 'expert.' We have one unanswerable reason, in such an eventuality, why his advice cannot be put into practice: 'Conditions in India are so very different, don't you know!'[68]

Senior Tata managers had not always listened to Madan, but the strike now made it impossible to ignore the longstanding contradiction between their paternalistic approach and the imperative to follow outside expertise.

The much-delayed Third Personnel and Labour Officers' Conference, which opened on January 5, 1959, provided the venue to conduct a post-mortem on the strike and to assess the state of Tata labor policies. Masani, once again in the chair, spent a great deal of his speech dissecting Morris's criticism, to which he added his own interpretation. The Personnel Department was "a dream the failed," because it "asserted a more dominant role" vis-à-vis line management, and "became much too cooperative, or, let us say, sympathetic with the union leadership." Masani reserved his greatest scorn for the TWU, here translating Morris's diagnosis

[68] TCA, Box 998, Tata Staff College Refresher Course (October-November 1960), M.D. Madan, "Factory and Community"; Kling, "Paternalism in Indian Labor," 84. Madan made these arguments in a paper was presented at an international conference at Jamshedpur in 1956, in the presence of Chairman J.R.D. Tata. It later made its way onto the syllabus of the Tata Staff College (see next section of this chapter).

into a new prescription. Unions in India were too "political," too vulnerable to outside leadership, and too dependent on adjudication. Through the 1956 Agreement, management had gambled on collective bargaining and lost. Tata needed a policy "which deals normally with a situation where there are no trade unions worthy of the name," that is, by developing an "internal machinery" to deal with workers directly. Recognition of weak and undeserving unions would be withheld.[69] Masani's point brought into sharp relief the failure of collective bargaining and the ascent of a particular kind of technocracy, which retained the mechanisms devised in the postwar period while infusing them with the exercise of personal managerial authority.

What, then, of paternalism? At the 1959 Conference, the veteran Royist unionist V.B. Karnik reminded his audience of the basic problem of Indian industrialization, which industrial psychologists had continued to raise: "Workers come from villages. They are uprooted from the villages and they do not find a place for themselves in the new industrial community which they join." Personnel Officers therefore remained essential "in creating a feeling of belonging amongst the workers." But they would do so through face-to-face contact, not by virtue of being cogs in a well-run technocratic machine. In a response to Karnik's remarks, P.N. Krishna Pillai, Chief Personnel Manager of the Indian Aluminium Company, claimed that the Indian employer "had been never lacking in paternalism." Pillai doubted "whether all this paternalism and creation of workers' colony, etc. are not creating in the industrial worker a feeling of separatism."[70]

One way out of the dilemma would have been to follow Madan's advice: grant municipal self-government to Jamshedpur, democratize trade union relations, and create a functioning civil

[69] TCA, Box 874, Third Tata Personnel and Labour Officers' Conference (January 5, 1959). "Union Relations in Tata Enterprises: Review and Outlook" by M.R. Masani.

[70] TCA, Box 874, Third Tata Personnel and Labour Officers' Conference, "Towards Sounder Management-Labour Relations," Speaker: V.B. Karnik, Chairman: P.N. Krishna Pillai.

society. But this would have been at odds with the countervailing objective of strengthening management's hand and fostering loyalty towards the company above all else. Paternalism remained useful as a space of maneuver when the advice of experts proved unpalatable, or when collective bargaining broke down.

The story of postwar industrial relations at TISCO was not one of definite change, from coercion to consent, nor one of a consistent "carrot and stick" approach to secure domination. It is a story of recurring conflict between competing ideas and strategies, with paternalism and technocracy complementing and informing each other. The key historical shift was the emergence of a set of institutional actors and sites in the early 1950s, from IBCON and PPS to the Personnel and Management Conferences, where the outcome of the conflict was decided.

FASHIONING THE CORPORATE SELF

Exchanges of information across different companies led to a more or less stable approach to industrial relations by the early 1960s. But how would new generations of managers be trained to understand and apply this approach? The opening of the Tata Staff College, soon to become the Tata Management Training Centre (TMTC), was a foundational moment in a longer-term process of codifying and disseminating a shared Tata corporate identity.

In early December 1956, on the spacious grounds of the Turf Club in Poona, Tata Director and former Finance Minister John Matthai inaugurated the Second Session of the newly constituted Tata Staff College. He began by noting the "criticism that has been made against the Managing Agencies as a system of business organisation" after independence. He was referring to the system in which small number of agents, concentrated in the metropolitan centers of Bombay and Calcutta, had taken over the promotion and management of joint-stock companies

on a commission basis. Matthai believed the managing agency was "an almost unconscious, automatic growth" of the distinct business environment in colonial India, in which capital and technical expertise were scarce.[71] But in the post-independence climate, Matthai continued, managing agencies were becoming increasingly irrelevant, and opened themselves up to charges of corruption and inefficiency. Companies looked to the government for finance, rather than to managing agents, and the rise of state-owned educational institutions such as the Indian Institutes of Management (IIMs) and Indian Institutes of Technology (IITs) would soon render agents' privileged role in the procurement of technical expertise obsolete as well.

What did this state of affairs mean for Tata, the largest and most powerful firm within the agency system? Matthai insisted that Tata would continue to "fulfil a very important purpose, namely, to provide the *right atmosphere* and the *right tradition* which is a very important thing now a days, because there is a great deal of criticism against the way in which business is being run." Through centralized initiatives such as the Staff College, "members belonging to different Tata Companies get together and develop a corporate sense" in order to ensure "the maintenance of that tradition." Tata would then "lead the way" in assuaging critics of capitalism in the ruling Congress Party and "develop the idea of business as means of rendering service to the country."[72] To Matthai's audience, the elements of the Tata "tradition" may have seemed stable and unchanging for the better part of a century; the task was merely to find a way to communicate them to a skeptical public. However, the emergent institutional apparatus of which the College was a part constructed that tradition and gave it new meaning.

---

[71] TCA, Box 998, Tata Staff College Inaugurals and Closings, Report on Sixth Session (1956-61), "A Talk by Dr. John Matthai on the opening day of the Second Session of the Tata Staff College, 5 December 1956.

[72] TCA, Box 998, "A Talk by Dr. John Matthai." Emphases mine.

The objective of the Staff College went beyond general management training. Through lectures, discussions, and use of the firm's resources, including the Department of Economics and Statistics and the Tata Institute of Social Sciences library, young Tata managers at the College would be imbued with a common purpose and a sense of fellowship.[73] In this rarefied world, there was "a need to need to guard against the tendency to think 'TATA' rather than to think 'Indian.'"[74] If businessmen were to make the case for their contributions to society, they had to be made aware of what their concerns stood for in the context of a broad humanistic education. Accordingly, the College paid close attention to "the cultural side of life," taking inspiration from MIT and Caltech as models of "general education." Among the suggested speakers at the Eighth Session of the College in 1962 were the filmmaker Satyajit Ray and the author R.K. Narayan. Course subjects ranged from economics and labor relations to art, science, and "topical" issues such as space exploration.[75] But in pursuing such a broad agenda, the College initially fell behind in its "contribution to executive development." A more rigorous course of study in general management training was soon introduced with the help of Masani's consultancy, Personnel & Productivity Services.[76]

In January 1966, the Tata Staff College was renamed the Tata Management Training Centre (TMTC). J.R.D. Tata spoke at the inauguration to officers of the Tata Administrative

---

[73] The DES issued the *Tata Quarterly*, a highly regarded review of economic trends and financial data, and became the custodian of the firm's records. Today the DES collection forms the core of the Tata Central Archives in Pune, which the present study has used extensively (see introduction).

[74] TCA Box 998, Tata Staff College Inaugurals and Closings, Report on Sixth Session (1956-61), R.D. Choksi to J.R.D. Tata, 9 January 1958.

[75] TCA, Box 998, "A Talk by Dr. John Matthai"; Tata Staff College Eighth Session (July-August 1962), V.D. Raje to D. Malegamwala, 26 July 1962. Around the same time, the MIT curriculum provided a direct model for how to integrate the sciences and the humanities at the Birla Institute of Technology and Science at Pilani and the Indian Institute of Technology Kanpur. Bassett, *Technological Indian,* 236.

[76] TCA, Box 998, Tata Staff College Inaugurals and Closings, Report on Sixth Session (1956-61), R.D. Choksi to J.R.D. Tata, 9 January 1958.

Service (TAS). A companion organization established concurrently with the College "with the object of...filling senior executive posts in the Tata group of companies," the TAS represented the realization of an old dream to create "a great Indian Industrial Tata Service" as a kind of parallel bureaucracy to the British Raj.[77] TAS and TMTC became the two stages in the life cycle of a Tata manager: recruitment from prestigious educational institutions (IITs and IIMs in particular), followed by integration into the everyday culture of the firm. Together they also represented the belated institutionalization of scientific management at the highest level. As J.R.D Tata noted in his inaugural speech, the "tremendous upsurge of interest in scientific management" in India since the Second World War, much of it inspired by the innovations of the British and American militaries in recruitment, selection, and psychological testing, had been slow to permeate the private sector. Twenty years on, the Personnel and Management Conferences, TMTC, and TAS all marked "an important and simultaneous break with past thinking and practices and the beginning of a new era in the field of management."

But if these institutions and programs looked to the future, they did so by appealing to the past and to the firm's unique role in the economic and political history of modern India. J.R.D. Tata closed his speech with an origin story. "To understand Tatas' approach and what we stand for," it was "necessary to go back to J.N. Tata" and the qualities that he had shown: "uncompromising honesty, vision of a New India, dedication to such vision, will power and determination to succeed in face of any odds." In urging TAS officers to study the life of J.N. Tata, J.R.D. was not asking them to "abide by outmoded ideas of 19th century paternalism," but to seek the origins of modern practices in the history of the firm. The concept of "paternalism," while freely used by outsiders to describe Tata, was internally considered a slur. With the final

[77] TCA, Report on the Tata Administrative Service, 22 April 1974. In the 1920 *Bombay Chronicle* exposé, which had painted the Tatas as anti-national in the heady days of the *swadeshi* movement, the anonymous author criticized Tata for failing to create such an institution (see chapter 1).

demise of the managing agency as a legal form of corporate organization on the horizon, the invention and reproduction of tradition became vital to the future of the firm: "If there is today such an intangible yet living entity that we call the 'House of Tata,' it is largely due to the magic of his name and the principles and traditions he laid down for us."[78] The project of knowing one's history had a clear *telos*: to articulate the corporate self in a changed political landscape.

STEEL PASTORAL

The varied managerial initiatives undertaken by Tata from the late 1940s to the mid-1960s described so far were largely internal to the firm. They went some way toward achieving a coherent philosophy or ethos of management, though not without setbacks and controversies. But the wider social purpose of the large, modern corporation in India remained contested. Through a series of public relations initiatives, Tata sought to project its managerial ethos outward into the world. These initiatives included the patronage of artistic and literary works that celebrated TISCO's technological modernity using the rhetoric of the Nehruvian developmental state. Drawing on Nehruvian tropes, particularly the link between industry and social progress, allowed Tata to legitimize and sustain itself as an institution vital to the nation – even as the firm's economic strategy stood at odds with the state.

The effort to craft a new public image was spearheaded by Minoo Masani, architect of the firm's industrial relations policy. Masani began his career with Tata in the Public Relations Department (PRD). The first pamphlet sponsored by the PRD on his watch was *Sixty Years: The Story of Tatas* by Aubrey Menon, published in 1948. It opened with the voice of a worker "feeling small because Tatas is so big." An appeal to patriotism immediately assuaged the

[78] TCA, 1966-06-06-0001-8, Points for Chairman's Talk to T.A.S. Officers on the occasion of the Inauguration of the Tata Management Training Center in Poona on 6 January 1966.

worker's concerns: "You are not only an employee, you are not only a worker. You are above everything else an Indian…If India is poor you are poor; if India has no freedom, you have no freedom; if India has no food, you starve." The pamphlet then described, with the aid of drawings of key events in Tata history and black-and-white photographs of smokestacks, power generating stations, and airliners, how "Tatas have put power in the hands of every Indian – the power to make Nature serve them."[79] The firm's varied business interests were here reduced to one critical imperative: the conquest of nature through modern science and technology. The postcolonial citizen's freedom to share in the fruits of development had been won not only by political sacrifice, the pamphlet suggested, but also by the economic strand of *swadeshi* Tata claimed as its own.

Tata, much like large corporations in the United States in the 1920s, "deliberately" and "self-consciously" launched publicity campaigns "to define themselves as public trustees" and safeguard their "popular legitimacy." Faced with the still-formidable strength of trade unions and the Congress Party's tilt to the Left, a situation comparable to the onset of the Great Depression in the U.S., "a more compelling motive than either internal morale or public stature would spur a new wave of corporate image campaigns: the urgent need to save the system of free enterprise itself."[80] A clear parallel between Tata and large corporations in the U.S. in this respect was the use of art in advertising to create an enduring aesthetic of industrial modernism.

Throughout the colonial period, TISCO produced relatively few promotional materials, despite the Tatas' extensive involvement in artistic and cultural patronage. That changed during

---

[79] Aubrey Menon, *Sixty Years: The Story of Tatas* (Bombay: Commercial Printing Press, 1948), 2, 32. It is doubtful whether Indian workers were the main audience of a booklet written in English. The illustrations may have been intended to circulate more widely.

[80] Roland Marchand, *Creating the Corporate Soul: The Rise of Public Relations and Corporate Imagery in American Big Business* (Berkeley: University of California Press, 1998), 164-67, 201.

the war. In 1943, the Ministry of Information and Broadcasting suggested to TISCO the inclusion of the Jamshedpur works in a series of industrial films meant to serve as war propaganda. The resulting treatment, drafted by the Sales Department in Calcutta and entitled "The Harnessed Giant," emphasized the connection between the technological sophistication of the steel plant and the primordial tradition of iron ore mining by *adivasis* in the region: "The film opens with a view of an Aboriginal furnace and shows the men who made Iron centuries ago. After a close-up, we see a group of Aborigines carrying baskets of ore…The Commentary tells us that ore is the basis of Iron & Steel. Should show ore arriving at Steel Works."[81] This film was never produced, but the narrative framework it established, particularly the temporal bridge between the primitive and the modern, would recur in subsequent representations of the steel-making process at Jamshedpur.

After the war, TISCO commissioned a series of paintings by Walter Langhammer, mentor of the Progressive Artists Group in Bombay and, like Koenigsberger, a German-Jewish émigré. Langhammer's painting of "a general view of the Steel Works across the Coke Ovens," for which he was paid Rs. 1,000, hung in the Central Office in Jamshedpur. It was also reproduced in the 1945 company calendar and the *Times of India* Annual for 1947 (the year of independence) to illustrate an article on "Industrial India."[82] The Tata Steel Art Collection today holds five 16'' x 24'' oil paintings by Langhammer, three showing views of the factory and machinery and two depicting workers in the blast furnaces.[83] These paintings display the key

[81] TSA, General Manager's Correspondence, File No. GM-178, Pt. II, H. Vincent Murray, Sales Manager, to The Agent, TISCO, 19 October 1943.

[82] TSA, General Manager's Correspondence, File No. GM-179, Pt. II, J.J. Bhabha to Advertisement Manager, *Times of India,* 23 August 1946; S. Nanavati to J.J. Bhabha, 24 August 1946; Bhabha to Nanavati, 8 November 1946.

[83] Tata Steel Art Collection Catalogue, obtained through the kind courtesy of Jenny Shah. W. Langhammer, "The Steel Worker" (Acc. No. MUM-BH-851), "Steel City" (MUM-BH-855), "Steel Worker" (MUM-BH-857), "Steel Works" (MUM-BH-858), "Steel City" (MUM-NM-891).

characteristics of what John Stilgoe has referred to as the "industrial zone aesthetic" in the early twentieth-century United States, notably a "fascination with angular forms, a middle distance of water or unoccupied land, and towering structures wreathed in a haze of half-smoke, half-steam." As in the U.S., steel plants exerted a heightened fascination on painters and photographers.[84] Unlike in the U.S., where Stilgoe notes the absence of human figures in the industrial landscape, Langhammer and other artists taking the TISCO steel plant as their subject dwelled on the romantic and heroic figure of the worker. Langhammer's figures are oversized, bent at impossible angles as they are captured by the painter's brush midway through their battle with the fires of the furnace. Their faces are shrouded, giving no clue as to religion, caste, or ethnicity. The message is a simple one, well suited for the rhetoric of national development: man meets machine, and industry tames nature.

The pioneering Bengali photojournalist Sunil Janah also began working in the Jamshedpur plant in the late 1940s. The spectacle of *adivasi* bodies amidst modern machinery had captured the imagination of interwar observers like Radhakamal Mukerjee, who nonetheless remained undecided about the prospects for large-scale technical training opened up by the presence of the Tata Steel plant in eastern India. Janah's photographs of trainees in the TISCO machine shop, their well-lit studious faces and alert bodies occupying the center of the frame, departed from Langhammer's more abstract view of the factory floor to provide an answer to this old debate.[85] Janah went on to photograph many of Nehru's "temples of modern India," from the

---

[84] John Stilgoe, "Moulding the Industrial Zone Aesthetic: 1880-1929," *Journal of American Studies*, Vol. 16, No. 1 (April 1982): 18-22.

[85] Janah's archive remains largely in the hands of his family, absent a few publications stemming from curator and photographer Ram Rahman's exhibition of Janah's work in 1998. See Sunil Janah, *Photographing India* (Delhi: Oxford University Press, 2013), and Ram Rahman, *Sunil Janah: Photographs 1940-1960, Vintage Prints from the Swaraj Art Archive* (Noida, UP: Vijay Kumar Aggrawal, 2014). The industrial photographs discussed here are part of a recent exhibition at Chatterjee & Lal in Mumbai, entitled "Sunil Janah: A Modern Vision | Vintage Prints,

state-owned steel plants at Bhilai and Rourkela to the hydroelectric dam at Bhakra-Nangal, as well as spending a significant part of his career making close-up portraits of *adivasis* from across India. He was continually fascinated by the juxtaposition of the primitive and the modern. "Very often, the contrast between these simple folk from the firsts and the structures and symbols of modern industry in which they were employed made interesting pictures," Janah wrote in the introduction to his book *The Tribals of India.* Due to his political background as a member of the Communist Party, Janah stressed the diversity and inclusivity of the nation while subjecting it to subtle critique. He strove to bring attention to *adivasis* as the forgotten original inhabitants of India, whose claims to sovereignty and dignity were to be respected.[86]

This interplay of nationalism and socialism has been the dominant frame of analysis of Janah's photographs of Jamshedpur. For example, in her study of modern Indian art Rebecca Brown has chosen an image of a distant, barely visible human figure framed by a massive vessel in the steel smelting shop to show how Janah "celebrates large-scale projects while acknowledging the potential for eliminating the worker as an actor in India's economy." As in Stilgoe's analysis of industrial photographs in the U.S., the erasure of the human and the glorification of the machine take precedence.[87] However, this example is somewhat atypical of Janah's work. Many of his industrial photographs, and nearly all of his images of *adivasis*, are resolutely focused on the human body and its resilience through labor. The visual vocabulary in his photographs of Jamshedpur draws on a much older discourse of the Tata steel plant as a key

---

1940s – 1960s" (29 October – 28 November 2015), viewable online at < http://chatterjeeandlal.com/shows/sunil-janah/> (accessed 14 December 2015).

[86] Rashmi Varma, "Prior to erasure: Looking for adivasis in photographs," in *Political Aesthetics: Culture, Critique and the Everyday*, ed. Arundhati Virmani (London: Routledge, 2015), 117-18, 121.

[87] Rebecca M. Brown, *Art for a Modern India, 1947-1980* (Durham: Duke University Press, 2009), 127-30.

experimental site for testing the impact of industrial modernity in India, here repurposed for nationalist ends.

Artists and writers were so enthralled with the *adivasi* body, as Tata managers and urban planners had done before them, because it represented the final frontier and ultimate proving ground for the future of modern industry in India. These most ostensibly 'backward' and 'primitive' people would be transformed into productive laboring subjects and citizens, while at the same time imbuing cold and impersonal machinery with their vitality and virility. It is no surprise, then, that Tata management chose to celebrate the Golden Jubilee of TISCO in 1957 by commissioning the anthropologist Verrier Elwin, a close friend and collaborator of Sunil Janah, to write a glossy illustrated history of the company.[88]

Elwin was a heterodox anthropologist, whose political allegiances shifted from Gandhian constructive work to a focus on tribal autonomy and an uneasy rapprochement with Hindu nationalism's fight against Christian missionaries.[89] Until he was appointed by Nehru to investigate tribal problems on the Northeast Frontier in 1954, Elwin's main sources of patronage were Bombay business magnates. Purshottamdas Thakurdas and the cotton baron J.P. Patel funded Elwin's research and supported the establishment of TARU (the Tribal Art and Research Unit), with which Janah was associated as well.[90] The Tatas had been Elwin's steadfast backers

---

[88] Janah's first professional assignment was to do a feature on *adivasis* for Victor Sassoon's picture agency Tropix in Calcutta, which was how the two met. Elwin's help was prominently acknowledged in the foreword to Janah's *The Tribals of India.* See Varma, "Prior to erasure," 117, and Sunil Janah, "Shadowing a philanthropologist," *The Times Higher Education Supplement* No. 398 (20 Aug. 1999).

[89] On Elwin's shift away from Congress and the Gandhian movement in the late 1930s, see Ramachandra Guha, *Savaging the Civilized: Verrier Elwin, His Tribals, and India* (Chicago: University of Chicago Press, 1999), 103-09. For a critique of Elwin's romantic primitivism, which laid the groundwork for the advance of Hindu nationalism in tribal areas, see Archana Prasad, *Against ecological romanticism: Verrier Elwin and the making of an anti-modern tribal identity* (Gurgaon: Three Essays Collective, 2003), 2-8, 92-98.

[90] The complete list of donors to Elwin's work, including Thakurdas, M.A. Master, Birla Brothers, J.K. Mehta, Chunilal Mehta, Anandilal Podar, Shri Ram, and R.G. Saraiya, reads like a directory of the Bombay bourgeoisie in the mid-1950s. NMML, Thakurdas Papers, File No. 337. On the eve of his departure to Assam, Elwin was fêted at

for over two decades. In the late 1930s, Elwin was a Research Associate at TISS, and a grant from the Dorabji Tata enabled the publication of his ethnographic study *The Baiga* in 1939.[91] Elwin's next book, on the tribal iron smelters of the Central Provinces, was dedicated to J.R.D. Tata, "partly as a token of your friendship and partly because of your relationship to the great iron-works of which the Agaria furnaces were the first and primitive foreshadowing…On every ground, therefore, it is your book."[92] He was partly right, since J.R.D. Tata's continuing financial support had made it possible. But the contents of the book risked telling a different story.

The Agaria was a heartfelt plea for the preservation of a dying lifestyle threatened by the advance of modern industry. Elwin blamed the "interests of big business on one side and sheer ignorance and carelessness on the other," particularly unrestricted competition from "'factory' iron," for the decline of Agaria smelting.[93] How can this central argument of the book be reconciled with its effusive praise for Tata? Elwin's biographer, Ramachandra Guha, dismisses the contradiction: "I doubt that [J.R.D. Tata] or anyone else in the firm really read the book – its defense of an indigenous craft was at the same time an indictment of their factory-made product."[94] There was, however, a much deeper resonance between Elwin's research and the Tatas' public relations aims. First, Elwin did not necessarily blame TISCO, since the plant at Jamshedpur had *not* been located in the Central Provinces, thus sparing the Agaria for a time.[95]

---

the Taj Hotel in Bombay and at the Rotary Club in Delhi, while Tata Director Homi Mody presided over a fundraiser for TARU. See Guha, *Savaging the Civilized,* 222-24.

[91] TCA, J.R.D. Tata Correspondence, E-9, Verrier Elwin to John Murray, 23 July 1943.

[92] TCA, J.R.D. Tata Correspondence, E-9, Elwin to J.R.D. Tata, 6 November 1940.

[93] Verrier Elwin, *The Agaria* (Calcutta: Oxford University Press, 1942), 239-44.

[94] Guha, *Savaging the Civilized,* 119-20.

[95] Elwin, *The Agaria,* xxiv-xv. Elwin also apparently quoted a British official predicting in 1905 that smelters could find useful employment in the TISCO works: "before long we may behold the spectacle of our local smelters emigrating to seek their future at Sini (near Sakchi)." See Bahl, *Making of the Indian Working Class,* 98. I have not

More importantly, TISCO was a *swadeshi* industry, which connected the primitive Agaria to the modern Indian nation through the "magic" substance of iron. Given the nature of their craft, the Agaria already had "more to do with the outside world than some other aboriginals." Elwin reported their fascination with trains: "no wonder, for here are iron and fire and coal combined in a gigantic moving furnace."[96]

The connection between Elwin's research and his promotional work for TISCO is made explicit in the text of the commissioned history he produced, entitled *The Story of Tata Steel.* Elwin reproduced almost verbatim from his earlier work a passage on "the protective power of iron" in tribal folktales, recounting how Tatas were asked by local *adivasis* to produce "magic iron."[97] He absolved the company of any wrongdoing in the matter of displacing local inhabitants or impoverishing the surrounding area, claiming that villagers had "warm memories of Tata visitors" bringing "new prosperity into their homes." The book included full-color plates of smiling *adivasis* working in the company's mines, and a reproduction of one of Walter Langhammer's idyllic paintings of Jamshedpur. Above all, Elwin cemented the association between the Tata steel plant and the temporal shift from primitive to modern: "Few stories are more romantic than that of the growth of little Sakchi in an area whose inhabitants lived by scratching the soil and extracting a few hundred-weight of iron from tiny furnaces, to the great modern town, ideally planned and provided with most of the things that make life worth living."[98]

---

been able to confirm the existence of this quotation, since page number 307 referenced by Bahl does not exist in the first edition copy of *The Agaria* she cites.

[96] Elwin, *The Agaria,* 14-15.

[97] Verrier Elwin, *The Story of Tata Steel* (Bombay: Commercial Printing Press, 1958), 4-5.

[98] Elwin, *Story of Tata Steel,* 33-58.

To be sure, much of the "romance and excitement" of Elwin's story was delivered on command in exchange for a Rs. 10,000 honorarium. Meant for "mass distribution to the employees and shareholders" of TISCO, *The Story of Tata Steel* was published in February 1958 – a few months before the Communist-led strike.[99] Its function was both to boost internal morale and to score a political point. As J.R.D. Tata's foreword put it, the story of TISCO "has provided a living and dynamic answer to the charge that private enterprise 'cannot deliver the goods,' is only inspired by selfish motives and does not serve the needs of the people."[100] Elwin's book, along with Langhammer's paintings and Sunil Janah's photograph of the TISCO Golden Jubilee celebrations, realized the utopia dreamed by the typist A. Gowtama Rao, with which this chapter began. While Jamshedpur was engulfed in violence and political intrigue, the narrative of Tata serving the nation provided the comforts of an alternative history, where modern industry aligned with widely cherished hopes for social progress and economic development, and where men met machines on equal terms.

[99] NMML, Verrier Elwin Papers, Correspondence No. 7-8, J.J. Bhabha to Verrier Elwin, 15 November 1956. Correspondence No. 193-94, Bhabha to Elwin, 13 May 1957; Bhabha to Elwin, 28 May 1957.

[100] J.R.D. Tata, foreword to Elwin, *Story of Tata Steel,* 6-7.

Chapter 6. The Social Responsibilities of Business

In early January 1942, from the confines of the Deoli Detention Camp in the deserts of Rajputana, the Congress Socialist leader Jayaprakash 'JP' Narayan acknowledged receipt of several books sent by his friend Minoo Masani for a "little intellectual spring-cleaning." He reported finishing Peter Drucker's *The End of Economic Man*, and pronounced Arthur Koestler's *Darkness at Noon* "most revealing and stimulating."[1] At the height of the Second World War and only a few months before the outbreak of the Quit India movement, JP's reputation as a militant and uncompromising freedom fighter had landed him in prison. For JP and many of his fellow nationalists bearing the brunt of the colonial state's repression, "the months and years spent in prison were amongst the most meaningful periods of their lives, and they left it very different from when they entered."[2] Books were often the medium by which incarcerated nationalists refashioned their political selves. Through daily acts of solitary reading and reflection, JP began to challenge his commitment to Marxism, which dated back to his studies in the United States during the 1920s.

Masani, for his part, had already experienced a profound disillusionment with the Soviet Union, after a visit in 1935 that coincided with the beginning of Stalin's purges. His subsequent exposure to the works of André Gide, James Burnham, and Arthur Koestler, all writers highly critical of Stalinism, cemented Masani's conversion. He repeatedly attempted to persuade JP to abandon scientific Marxism for a more ideologically flexible democratic socialism.[3] Initially, JP refused to budge: "You know, I do not owe allegiance to the established Church, and in that

---

[1] NAI, M.R. Masani Papers, File No. III, S. No. 13, Jayaprakash Narayan to Minoo Masani, 4 January 1942.

[2] David Arnold, "The Self and the Cell: Indian Prison Narratives as Life Histories," in *Telling Lives in India: Biography, Autobiography, and Life History,* ed. David Arnold and Stuart Blackburn (Bloomington, IN: Indiana University Press, 2004), 29-31.

[3] Masani, *Bliss Was It In That Dawn,* 84-85, 133, 170.

regard I am a Protestant, but yet my faith in the original doctrines of the founders remains unshaken, and I do not see an alternative. Much of the disillusioned thought of the present period merely [dries?] itself up in the sands of liberalism."[4] His letters to Masani are filled with a detailed apologia of Marxist thought and its application to India and the West.

Yet by 1945, the books Masani continued to send him had the desired effect. JP was particularly impressed with James Burnham's *The Managerial Revolution*, which collapsed the distinctions between Nazi Germany, the Soviet Union, and New Deal America, warning of the eclipse of freedom and the coming of an all-encompassing managerialism, at once totalitarian and technocratic. JP declared Burnham "one of the most clear-headed authors I have read" on the "problem of democracy and economic planning." He jokingly asked, "are all ex-Trotskyists clear-headed?" JP also continued to read and appreciate Koestler, praising the dichotomy of materialism and spiritualism laid out in *The Yogi and the Commissar* (1945): "there is page after page, in this section of the book which I could have written myself…I think I am mainly a commissar type with Yogi leanings…"[5]

In his extensive wartime correspondence with Masani, JP occasionally alluded to his comrade's new job as adviser to the Tatas. The encounter of socialist politicians like JP and Masani with transnational intellectual currents in the late 1940s, initially mediated through the circulation of books across prison walls, would continue to unfold after independence in the unlikeliest of places: the boardrooms of business firms. One concrete resolution of Indian intellectuals' private and public struggles with the big questions of the age, particularly the organization of society in a Cold War world divided by competing ideologies and superpower

[4] NAI, M.R. Masani Papers, File No. III, S. No. 12, Narayan to Masani, 26 March 1942.

[5] NAI, M.R. Masani Papers, File No. III, S. No. 170, Narayan to Masani, 20 January 1945; S. No. 175, Narayan to Masani, 19 August 1945.

conflict, was the formulation of the concept of "socially responsible" business. Around this concept grew a new ethical and political language, just as useful to socialist and Gandhian critics of the centralized Nehruvian state as it was to businessmen seeking to enhance their legitimacy by cleaning up their public image.

Why was JP so attracted to authors like Burnham, Drucker, and Koestler, and how was this once inveterate critic of capitalism drawn into the defense of free enterprise? Drucker's *The End of Economic Man* (1939) and *The Future of Industrial Man* (1942) critiqued laissez-faire liberalism and posited markets as societally 'embedded.' Influenced by the classic New Deal-era economic study *The Modern Corporation and Private Property* by Adolf A. Berle Jr. and Gardiner Means, Drucker argued that capitalism in the United States had entered a new phase, characterized by "the separation of ownership and control" and the rise of a managerial class. Burnham also read Berle and Means, but his conclusions were far more pessimistic. Managerialism, according to Burnham, inevitably led to totalitarianism. Whereas Burnham moved to the far right of the political spectrum, Drucker reinvented himself as a management guru. In *The Concept of the Corporation* (1946), Drucker set out to prove that large corporations "could act as responsible leaders in the new industrial age," principally as a bulwark against the state. Thus, "Drucker's hope that corporations might responsibly embed both state and market in social relations was compatible with the basic idea that a number of intellectuals – of all stripe – were converging upon."[6]

As in the United States, Indian intellectuals with diverse backgrounds and political convictions found common ground in their quest for a midway path between socialism and capitalism. The boundaries between the Gandhian and Marxist Left were beginning to dissolve.

[6] Daniel Immerwahr, "Polanyi in the United States: Peter Drucker, Karl Polanyi, and the Midcentury Critique of Economic Society," *Journal of the History of Ideas,* Vol. 70, No. 3 (July 2009): 445-66. Cf. James Burnham, *The Managerial Revolution: What is Happening in the World* (New York: John Day, 1941), 88-95.

Congress Socialists like JP and Masani turned to their own practical experience of anticolonial mass politics to assess contemporary developments in the Soviet Union and New Deal America. The result has been variously termed an "indigenization" of socialism through Gandhism" and a "soft vernacularization" of Marxism.[7]. Yet the historiographies of anticommunist and anticolonial thought remain resolutely separate, and together even more distant from the study of business firms as social and political actors.

In the pamphlet *Socialism Reconsidered* (1944), published in the same year the Bombay Plan announced the ostensible arrival of a mature business class embracing economic planning, Masani emphasized the importance of ethics as the bedrock of politics:

> Must one then abandon hope and compromise with reality either by accepting one or other kind of totalitarianism or by reconciling oneself to a maintenance of the muddle and anarchy and waste of old type capitalism? [...] To struggle for larger social aims, whether they are achievable or not, is part of an evolved conception of living – of what the ancient Greeks called "the good life."[8]

Against the dominant 'Nehruvian consensus' in the first two decades after independence, characterized by faith in centralized state planning within a single-party framework, oppositional forms of politics increasingly relied upon what Julien Bourg has termed a "turn to ethics." Indian intellectuals who advocated the primacy of ethical renewal, like the New Philosophers in France after May 1968, looked to the struggles of the Eastern Bloc for inspiration.[9] Just as Solzhenitsyn's revelations of the horrors of the gulag shocked the Western European Left in the 1970s, the first generation of anti-Stalinist dissidents, notably Koestler, Burnham, and the Yugoslav Milovan Djilas, left a significant impact on the Indian political scene.

---

[7] Zachariah, *Developing India,* 262; Bayly, *Recovering Liberties,* 291-96.

[8] M.R. Masani, *Socialism Reconsidered* (Bombay: Padma Publications, 1944), 41-44.

[9] Julien Bourg, *From Revolution to Ethics: May 1968 and Contemporary French Thought* (Montréal: McGill University Press, 2007), 16-17.

In the immediate post-independence period, democratic socialists and radical humanists on the Indian Left turned from Marx to Gandhi, reinventing 'trusteeship' as the ethical foundation of an alternative political economy. Together they comprised a layer of "intermediate" political thought, their ideas disseminated in pamphlets, minor journals, and *ad hoc* conferences and seminars. As individuals who "sailed away from their own ideas, or their own earlier selves," they have proven elusive to historians.[10] Foregrounding narratives of intellectual conversion allows one to reconstruct an alternative geneaology of neoliberalism in India from debates about the meaning of socialism during the early Nehru years.[11] Indeed, "a wide variety of socialisms" were in dialogue with neoclassical economics throughout the world, including such experiments as Yugoslav worker self-management (much admired by Masani and JP). In India, as in Eastern Europe, historians are only beginning to recognize the extent to which "socialist ideas remain latent in [the] neoliberal project" of pitting markets against the state.[12]

Alongside this small but influential minority of intellectuals and politicians, businessmen voiced their fears of a 'crisis of values' in India that could only be solved by a combination of decentralized planning, political democracy, and free enterprise. They framed the problems of Nehruvian political economy in such a way as to require that these disparate values be brought together. Gradually moving from the ethical burden of relieving poverty, expressed in the Bombay Plan in 1944, to fighting corruption, tax evasion and 'black-marketing' in the 1970s,

[10] Rothschild, "Arcs of Ideas," 219, 224-25.

[11] By "neoliberalism," I do not exclusively mean the Anglo-American economic policies of deregulation, privatization, and fiscal austerity implemented in the early 1980s by Ronald Reagan and Margaret Thatcher and guided by the libertarian economic thought of Milton Friedman. In the immediate postwar period, economists gathered under the auspices of the Mont Pelerin Society advocated markets on ethical grounds, calling for "a social philosophy that transcended the abstract dictates of laissez-faire." See Angus Burgin, *The Great Persuasion: Reinventing Free Markets since the Depression* (Cambridge, MA: Harvard University Press, 2012), 7-8, 188-94, and Daniel Stedman Jones, *Masters of the Universe: Hayek, Friedman, and the Birth of Neoliberal Politics* (Princeton: Princeton University Press, 2012).

[12] Johanna Bockman, *Markets in the Name of Socialism: The Left-Wing Origins of Neoliberalism* (Stanford: Stanford University Press, 2011), 5-12, 219.

businessmen claimed to act as guarantors of fundamental values against an impersonal, bureaucratic state. JP and the Gandhians viewed themselves as engaged in a "moral battle against corruption in society," circumventing the increasingly rigid governing structures of Nehru's Congress Party through mass political mobilization.[13] Businessmen like J.R.D. Tata, who might have otherwise been among the targets of the Gandhians' crusade, emphasized their ability and willingness to self-regulate. By positing corruption and red tape as the worst evils affecting independent India, businessmen found themselves speaking through Gandhi against Nehru. The proliferation of Gandhian and socialist critiques of the state in the 1950s and 60s thus reinforced good business conduct as a key terrain of ethical and political struggle.

The business community was by no means homogeneous in its relationship to the state. As we have seen in previous chapters, while the Birlas remained close to the Congress Party, the Tatas chose to carve out a semi-autonomous sphere of activity. Through both internal reforms of management practice and external public relations campaigns, Tata had taken the lead in crafting an image of business as a respectable, modernizing, quasi-public institution essential to economic life in independent India. During the 1960s, this image was reinforced by a coordinated strategy of promoting corporate social responsibility (CSR) through a variety of means, from seminars bringing together managers, intellectuals, and politicians, to advocacy groups, voluntary codes of conduct, and philanthropic donations to Gandhian causes.[14] The

[13] Matthew Jenkins, "Anna Hazare, Liberalisation and the Careers of Corruption in Modern India, 1974-2011," *Economic and Political Weekly* Vol. XLIX, No. 33 (16 August 2014): 41-44.

[14] Meera Mitra, *It's Only Business! India's Corporate Social Responsiveness in a Globalized World* (Delhi: Oxford University Press, 2007), 36-38, 137-38; Bidyut Chakrabarty, *Corporate Social Responsibility in India* (Abingdon, Oxon: Routledge, 2011), 131-36; Shashank Shah, "Corporate Social Responsibility: A Way of Life at the Tata Group," *Journal of Human Values* Vol. 20, No. 1 (2014): 59-74. The Tatas are commonly assumed to have been the "uncontested" leaders of the shift from philanthropy to CSR, for example by entering the field of rural development and service provision long before many of their competitors. CSR is seen as fully consistent with the original vision and values of the Founder, J.N. Tata – a vision of continuity assiduously cultivated by the Tatas themselves through public relations initiatives.

Tatas, hitherto the most intransigent defenders of free enterprise, became one of the unlikeliest proponents of Gandhian ideas in Nehru's India.

Existing explanations for when and why business chose to declare itself "socially responsible" have emphasized the persistence of ancient social prejudices or the defense of material interests. It was once presumed that business in postcolonial India faced popular distrust due to "traditional" stereotypes of "usurious village merchants…transmitted to the modern industrial sector." More recently, Vivek Chibber has argued that business consistently pursued a self-interested strategy of courting state assistance against organized labor while rejecting "disciplinary planning" by the state.[15] However, we cannot derive the origins of CSR solely from "the material situation of a particular class or social group," in this case the Indian business class, and cannot understand the "ideology" of CSR "in abstraction from its linguistic form." The "social responsibilities of business" was a new *political language*, bringing together Gandhian trusteeship and transnational ideas in response to a perceived crisis of legitimacy.[16] CSR also promised to resolve the enduring problem of collective action. Indian businessmen increasingly depended on the Nehruvian state for licenses while simultaneously fearing its regulatory power. Interests alone cannot explain when and why they decided to act in concert. As Mark Blyth has argued, economic ideas are the essential resources agents mobilize for collective action, coalition

---

[15] Stanley Kochanek, *Business and Politics in India* (Berkeley: University of California Press, 1974), 198-200; Chibber, *Locked in Place*, 134-47.

[16] Gareth Stedman Jones, "Rethinking Chartism," in *Languages of Class: Studies in English Working-Class History, 1832-1982* (Cambridge: Cambridge University Press, 1983), 93-96. My interpretation of CSR as a contextually specific "political language," following Stedman Jones, rejects frequent assumptions in business studies of an unbroken line connecting the reciprocal obligations of merchants and caste guilds in Vedic times with Gandhian trusteeship and modern CSR. See Pushpa Sundar, *Business and Community: The Story of Corporate Social Responsibility in India* (New Delhi: SAGE Publications, 2013), 39-42; Mitra, *It's Only Business!,* 15-23; Chakrabarty, *Corporate Social Responsibility in India,* 56-73. For an incisive critique of this "partisan" and "unduly favourable" literature, see Arun Kumar, review of Pushpa Sundar, *Business and Community*, *Management Learning* Vol. 44, No. 5 (2013): 563-66.

building, and constructing new institutions.[17] Whatever their internal differences, businessmen diagnosed a crisis of widespread corruption and bureaucratic red tape in Indian political economy and settled on the idea of "social responsibility" as the answer.

THE POLITICS OF CONVERSION

While JP began to doubt in prison, the ex-Communist revolutionary and itinerant cosmopolitan thinker M.N. Roy set up a "study camp" in the mountain city of Dehra Dun to "carry out an exegesis of post-Soviet Marxism and to eventually develop a way of thinking beyond Marxist assumptions." By 1949, he had developed a new philosophy of Radical Humanism and founded the Indian Renaissance Institute. Roy's philosophical turn was closely linked with the postwar loss of faith in communism and the Soviet Union on a transnational scale. His journal *The Radical Humanist* published articles by well-known European critics of Stalinism, including Koestler and Raymond Aron.[18] This did not mean that Roy softened his stance on capitalism. During this period, he continued to fight the libel case brought against him by the Tatas (discussed in chapter 4) and produced an alternative blueprint for Indian economic development to compete with the Bombay Plan. Roy advocated a decentralized cooperative economy, rejecting both Nehru's statism and the designs of big business. Above all, Roy was

[17] Mark Blyth, *Great Transformations: Economic Ideas and Institutional Change in the Twentieth Century* (Cambridge: Cambridge University Press, 2002), 6-14. Blyth used this model to examine the establishment and eventual disintegration of "embedded liberalism" in postwar Europe and the United States, a period marked by a mutually beneficial alliance of business, organized labor, and state economic policy. The "capture of the state" by U.S. business groups and think tanks in the early 1980s bears some resemblance to parallel developments in India, though the ideas involved, such as the perils of inflation and the delegation of economic policy to the Federal Reserve, are specific to the U.S. context.

[18] Manjapra, *M.N. Roy*, 159-60.

committed to "human freedom and ethical growth," which he now saw as fundamentally incompatible with Marxism.[19]

Changing one's mind about Communism, in India as elsewhere, required a radical refashioning of oneself – a secular conversion from one "absolutist passion" to another. The fierceness with which many ex-Communists condemned their former belief system mirrored their initial devotion to the cause.[20] Roy's friend and associate Philip Spratt provides one of the most dramatic examples. As a young member of the British Communist Party, Spratt had been sent to India in the 1920s to organize workers and peasants, which landed him in prison as one of the accused in the Meerut Conspiracy Case.[21] For Spratt his marked the beginning of "an emotional turn away from communism…brought about mainly by reading." In prison, Spratt had come to believe that "Marxism as a guide to practical activity needs an ethical theory, and yet Marx implicitly denied validity to ethics, and his modern followers did so explicitly."[22] Spratt and Roy had already tread the path JP was following.

After his release from prison at the end of the war, JP announced he had abandoned materialism on ethical grounds and became a disciple of Gandhi's anointed heir Vinoba Bhave. With the Congress Socialist Party faring badly in the first general election of 1952, and Nehru maintaining an absolute grip on power, JP then decided to retreat from political life altogether.[23] He found in Roy a kindred spirit, initiating a correspondence with him on the possibility of a

---

[19] Bayly, *Recovering Liberties,* 316-19.

[20] Susan Jacoby, *Strange Gods: A Secular History of Conversion* (New York: Pantheon Books, 2016), 337-56.

[21] For a short biographical sketch of Spratt, see Ramachandra Guha, "The Other Side of the Raj: Mira, Spratt, Elwin and Haldane," in *An Anthropologist Among the Marxists and Other Essays* (Delhi: Permanent Black, 2001).

[22] Philip Spratt, *Blowing Up India: Reminiscences and Reflections of a former Comintern Emissary* (Calcutta: Prachi Prakashan, 1955), 54-56.

[23] Fox, *Gandhian Utopia*, 198-201.

"non-party politics" in India. "You have done more thinking on this subject than anyone else in the country," JP wrote to Roy in September 1953.[24] Roy died a few months later, but JP continued to hope that several distinct groups who prioritized ethics over politics would join forces: "there are three trends today more or less working in the same direction, namely, the Radical Humanists, the Sarvodaya movement led by Vinoba and that part of Democratic Socialists as represented by me. I think these trends should try to come together and understand one another better."[25] Roy's humanists, Vinoba's Gandhians, and JP's democratic socialists felt a sense of kinship with each other primarily because they all opposed Nehruvian state socialism.

One stumbling block to a closer working relationship between the three groups was a longstanding suspicion of Gandhi among Roy's followers, who fought for the "modernization of society" and viewed individual freedom as inextricably linked with "a material factor, modern technology."[26] Spratt was brutal in his assessment of Gandhi, whose "puritanical morality" bestowed upon Indian capitalism a corrupted Protestant ethic:

> The capitalist, by the nature of his occupation, is cut off from society and this makes him feel guilty. Moreover, he has often to do things which morality condemns. Consequently, he tends to atone for it by mortifying the flesh. He wears coarse or severe clothes, lies on a hard bed, restricts his diet, and so forth, and feels that the moral balance is thereby maintained.[27]

Gandhian self-denial was initially alien to the Royists' expansive humanist vision. In his later years, Roy's attitude to Gandhi softened as he discovered an affinity between his own ethics and

[24] NMML, Brahmanand Papers, Correspondence No. 414-15, JP to M.N. Roy, 12 September 1953.

[25] NMML, Jayaprakash Narayan Papers, Subject File No. 635, JP to Ellen Roy, April 1954.

[26] Philip Spratt, "The Crisis of Our Time," in Spratt and M.N. Roy, *Beyond Communism*, third edition (Delhi: M.R. Prints, 1981), 8-12.

[27] Spratt, "Gandhism and Radicalism," in Spratt and Roy, *Beyond Communism*, 20-21.

Gandhi's "precepts of purifying politics with truth and non-violence alone."[28] Spratt took a more circuitous route to a similar end. In his curious "psycho-analytic study" *Hindu Culture and Personality* (1966), Gandhi was no longer described as a Calvinist puritan but as a typically Indian "projective extrovert." Spratt attributed the "cultural sterility of India in recent centuries" to the "weakness of the revolt against the father, i.e. against the ideas of the past." Historically, both Indian merchants and intellectuals were shown to be "less aggressive and more conservative than the European."[29] Spratt thus adopted a culturalist explanation for "the indifference of the Indian public to the danger of communism."[30] To put up a robust defense against the Nehruvian state, capitalists would have to exhibit a fundamental change in their passive disposition and put forward a positive vision of their role in society – with the aid of Gandhism if necessary.

The domestic ramifications of the Cold War decisively shaped the emerging alliance of humanists, Gandhians, and democratic socialists, which ultimately brought capitalists into the fold. Roy refused to attend a meeting of the U.S.-sponsored Congress for Cultural Freedom (CCF) organized in Bombay in 1951 by Masani and JP, merely sending a letter of support instead.[31] But Spratt enthusiastically joined the organization and wrote regularly for its bulletin, *Freedom First* (edited by Masani).[32] The CCF had been established in 1950 by a hardline anti-Stalinist old guard, led by Koestler and Burnham, as a way of countering Soviet influence among artists, writers, and intellectuals in Europe and the Third World. With the covert guidance and financial support of the C.I.A., the CCF deliberately cultivated the democratic non-communist

[28] Manjapra, *M.N. Roy,* 162-63.

[29] Philip Spratt, *Hindu Culture and Personality: A Psycho-Analytic Study* (Bombay: Manaktalas, 1966), 360-61.

[30] Spratt, *Blowing Up India*, 70-71.

[31] Manjapra, *M.N. Roy*, 138.

[32] Spratt, *Blowing Up India,* 79.

Left and distanced itself from outright conservatism – to Koestler's and Burnham's chagrin. In India, the popularity of Nehru's non-aligned stance and suspicion of the C.I.A. posed a uniquely difficult problem.[33] Gandhism, understood primarily in ethical and spiritual terms, became the linchpin of the CCF's Indian strategy. JP was appointed President of the Indian Committee, and the CCF journal *Encounter* repeatedly published articles about *bhoodan*, the Gandhian movement for land reform. Yet even as Western observers stressed "the political advantages to the West of Indian religion, a familiar colonialist argument updated for the Cold War," the CCF-sponsored Indian literary magazine *Quest* occasionally critiqued the Gandhian program as a "romantic return to the past"' and a "reversion to archaic Hindu 'idealisation of indigence.'"[34]

JP played a crucial mediating role in implanting transnational anticommunism on Indian soil. As a former materialist newly converted to Gandhism, he allayed Indian intellectuals' concerns about excessive indigenism and distanced himself when needed from Masani's overtly pro-American, anti-Nehru stance. Mike Josselson, Executive Director of the CCF, warned JP that the organization risked becoming too closely identified with Masani's personality. Pursuant to the strategy of cultivating the Left at the expense of the Right, Josselson was "appalled to see that such a fanatic and mindless anti-Communist as James Burnham" was continually given a platform by Masani's *Freedom First.* JP replied that "on the question of non-alignment the difference [with Masani] has been permanent and deep," agreeing that "the Indian Committee

---

[33] Peter Coleman, *The Liberal Conspiracy: The Congress for Cultural Freedom and the Struggle for the Mind of Postwar Europe* (New York: The Free Press, 1989), 2-11, 44-45, 91-93. On narratives of political conversion in the making of the C.C.F., see also David C. Engerman, Foreword to *The God that Failed,* ed. Richard H. Crossman (New York: Columbia University Press, 2001), xxv, xxx.

[34] Margery Sabin, "The Politics of Cultural Freedom: India in the 1950s," in *Dissenters and Mavericks: Writings about India in English, 1765-2000* (New York: Oxford University Press, 2002), 148-51.

should be completely kept away from Minoo's personality and politics as well as from the Freedom First."[35] In practice, this proved a difficult, if not impossible, line to draw.

With Masani firmly ensconced in Tata headquarters at Bombay House as an adviser to J.R.D. Tata, businessmen were more receptive to the message of anticommunist hardliners. After Burnham's visit to Bombay for the inaugural meeting of the Indian CCF in 1951 stirred controversy in the press, Tata defended him in a letter to Frank Moraes, editor of the *Times of India:* "I cannot agree, therefore, on the evidence before me and from Burnham's published books or the conversations I had with him during his recent stay in Bombay, that he is a fascist, cold-blooded or otherwise." Tata argued instead that Indians should be grateful to Burnham, Koestler, and Masani for being "amongst the first to open our eyes to the true facts, meanings and objectives of world communism."[36] If the CCF had limited success in India among Gandhians and the Left, as most histories of the organization attest, Masani and Tata secured a firmer foothold for transnational anticommunism in the world of business. It bears repeating that J.R.D. Tata's involvement was not an inevitable consequence of his class position. He actively and willingly engaged in exchanges of ideas facilitated by Masani, beginning with his meeting with Burnham, and had to persuade his fellow businessmen to take a more assertive stance.

One year after the CCF meeting, Tata co-signed an invitation to a delegation from Moral Re-Armament (MRA) planning a tour of South Asia. MRA was originally an evangelical Christian movement in the United States "dedicated to changing the world by changing people," working first with students and subsequently with businessmen hit by the Great Depression. Under the leadership of founder Frank Buchman, by the early 1950s MRA downplayed its Christian origins and rebranded itself a global "ideology" in competition with communism. The

[35] NMML, Jayaprakash Narayan Papers, File No. 456, Josselson to JP, 7 May 1962; JP to Josselson, 29 June 1962.

[36] TCA, J.R.D. Tata Correspondence, MF25, Tata to Frank Moraes, n.d. (1951?).

movement used personal contact to instill forgiveness and reconciliation, encouraging individuals to admit their own faults and put grievances behind them. MRA claimed its greatest achievement was settling labor disputes, notably in the Ruhr Valley coalfields of West Germany, where its proselytizing activities reportedly reduced communist control of work councils.[37] J.R.D. Tata had closely followed MRA's progress, sending Masani on a fact-finding trip to the Ruhr in 1950. Though "very sceptical at the beginning," Tata concluded that MRA "is playing an increasingly powerful role in fighting Communism" and contributing to "the cause of better understanding between management and labor."[38] He was therefore willing to sponsor the MRA delegation's visit to India in 1952, personally greeting the arrival of their ship in Bombay and taking the lead in raising funds from fellow businessmen to support the tour.

The MRA party consisted of around 200 members of 25 nationalities, including French, Germans, Japanese, ex-communist miners from the Ruhr, and veterans of the British and Indian armies. They aimed to "plant a moral ideology into the nascent Indian democracy" and to "bring understanding and healing" to the subcontinent still reeling from the trauma of Partition. The method chosen to achieve these grandiose aims was the staging of didactic musical plays, such as *Jotham Valley* (a "true story of two brothers in the American West who quarreled over water rights") and *The Forgotten Factor* ("an industrial drama about two families, one management and one union, and the resolution of their violent confrontation"). The theme of peaceful reconciliation between labor and capital appealed to Tata and Masani, who were then engaged in reshaping industrial relations policy in Jamshedpur. A special showing of *The Forgotten Factor*

---

[37] Daniel Sack, *Moral Re-Armament: The Reinventions of an American Religious Movement* (New York: Palgrave Macmillan, 2009), 1-5, 70, 132-43.

[38] TCA, J.R.D. Tata Correspondence, MF19, Tata to Frederick James, 19 June 1950; MF22, Tata to Lionel Jardine, 12 December 1950.

was organized for the Tatas, with the entire board of directors seated in the front row.[39] J.R.D. Tata urged the Tata Iron and Steel Company to send "a small party from Jamshedpur," including Russi Mody, M.D. Madan, and Tata Workers' Union President Michael John to view the MRA plays. If John could not attend, "Mody and Madan will have, on their return, to explain to Union leaders what they have seen in Bombay and the benefits of the MRA team's visit to Jamshedpur during their tour of India."[40] TISCO managers, struggling with the lack of a 'personal touch' in their dealings with workers, found in MRA a useful complement to the recommendations of industrial psychologists and consultants.

Convinced of MRA's purported success in creating a "better atmosphere" between employers and workers, J.R.D. Tata asked fellow businessmen for contributions toward the expenses of the tour, which ran to Rs. 1,50,000. He wrote to Purshottamdas Thakurdas of the need to "follow up their work with a concrete and permanent programme of reconciliation based on a sincere desire to be fair on both sides, and, according to the MRA slogan, to act on the basis of 'what is right and not who is right.'" The response was somewhat lukewarm. Tata companies led the way by donating Rs. 25,000, followed by the Associated Cement Companies (ACC) and Scindias (Rs. 10,000 each), and the Birlas, Mafatlals and Khataus (Rs. 5,000 each).[41]

Even among businessmen, MRA raised eyebrows more often than changing hearts. J.R.D. Tata himself was never a convert to the movement, unlike many fellow Parsis in Bombay.

---

[39] Michael Henderson, *Ice in Every Carriage: An Extraordinary Asian Journey, 1952-53* (Caux: Caux Books, 2010), 19-25, 62-74, 81-88. To be sure, MRA did not enjoy a universally warm welcome in India. The left-leaning tabloid *Blitz* denounced it as a Trojan Horse for the C.I.A., declaring that "MRA is short for Murder, Rape and Arson." The Chief Minister of Bombay, Morarji Desai, was heckled at the premiere of *Jotham Valley.* But the movement also gained valuable converts in India, including a young Parsi journalist, Russi Lala (who later became the authorized biographer and chronicler of the Tatas), and Gandhi's grandson Rajmohan. In the following years, MRA built a permanent center known as Asia Plateau in the hill station of Panchgani, while Lala and Rajmohan Gandhi founded the small but influential opinion weekly *Himmat.*

[40] TCA, J.R.D. Tata Correspondence, MF98, Tata to J.J. Ghandy, 8 November 1952.

[41] TCA, J.R.D. Tata Correspondence, MF35, Tata to Thakurdas, 23 December 1952.

He confessed to feeling "rather critical of some of their [MRA's] ways or idiosyncracies," but in the end decided "there can be no doubt about their being a force for good."[42] Tata was searching for a set of ethical precepts applicable both to the local challenges of disciplining labor and reforming managerial practice, and to the global anticommunist struggle. MRA was too limited in scope to provide a satisfactory long-term solution, though it did contribute to the adoption of a more ostensibly 'humane' approach to labor relations in Jamshedpur.[43] Gandhian trusteeship, revived by Jayaprakash Narayan and promoted by Minoo Masani in the mid-1950s, emerged as a more promising foundation for institutionalizing corporate ethics on an all-India basis.

REINVENTING TRUSTEESHIP

The origins of the concept of trusteeship lie in Gandhi's rejection of material expropriation and redistribution of property. He demanded instead the spiritual regeneration of the rich, based on reciprocity, gift giving (*dan*) and the spirit of non-possession (*aparigraha*). Individual capitalists, Gandhi believed, held their wealth "in trust" for the benefit of society at large. He claimed to have derived this theory from a multitude of sources, including Andrew Carnegie's "Gospel of Wealth," John Ruskin's political economy, and the ancient Upaniṣads. A lawyer by training, Gandhi was also influenced by the nineteenth century law of trusts, particularly the "strongly moralistic" principle of fiduciary obligation to one's trustees in the works of jurists Henry Maine and F.W. Maitland. For Gandhi, trusteeship was simultaneously a "provocative theoretical construct" reconciling ethics and economics, and an "effective

[42] TCA, J.R.D. Tata Correspondence, MF38, Tata to Maj. Theo M. Thorne, Calcutta, 14 May 1955.

[43] MRA (now renamed Initiatives of Change) continues to host conferences at Asia Plateau on CSR sponsored by Tata Steel and featuring speeches by senior Tata managers. See, for example, "Economic Growth – Possibilities amidst Challenges in making it Sustainable and Humane," Caux Initiatives for Business Conference Report (November 7 to 11, 2013), available at < http://www.cibglobal.org/cib-2013-a-brief-summary/ > (accessed 31 May 2016); Interview with Dr. Amit Mukerjee, Jamshedpur, 17 April 2014.

mechanism in political mobilization" to persuade businessmen to support the nationalist movement. [44] He developed close personal and financial relationships with Jamnalal Bajaj and G.D. Birla, who helped fund his campaigns for *khadi* (homespun cloth), village industries, and untouchable uplift, as well as his *ashram*s at Sabarmati and Wardha. The relationship between Birla and Gandhi has been described as one of "patron" and "publicist," with Birla gaining spiritual and social prestige in return for his financial support.[45] Despite this precedent, Gandhi's disciples were in the minority among businessmen. The Tatas remained coolly distant from the Gandhian movement before independence, and made no claim to practicing trusteeship except in their own philanthropy.

The Congress Socialists in the 1930s, meanwhile, were scornful of trusteeship as a fig leaf for perpetuating the inequities of capitalism. In his revolutionary days, JP Narayan even authored a scathing pamphlet entitled "The Shark, a Trustee for the Minnow." As Masani later recalled, "when Mahatma Gandhi described [trusteeship] as his pattern of socialism, I, in my Marxist or semi-Marxist superiority, thought how out of date and antediluvian he was."[46] Yet soon after Gandhi's assassination in 1948, transnational intellectual exchanges around anticommunism suddenly rendered trusteeship more relevant than ever. Masani proudly noted that the Yugoslav dissident Milovan Djilas had also turned to Gandhi in his rebellion against Marx. During a visit to Yugoslavia in the 1950s, Masani grew convinced that the system of

---

[44] Fox, *Gandhian Utopia,* 53-54; David Hardiman, *Gandhi in His Time and Ours: The Global Legacy of His Ideas* (New York: Columbia University Press, 2004)*,* 82-85; Chakrabarty, *Corporate Social Responsibility in India,* 56-73; Ajit K. Dasgupta, *Gandhi's Economic Thought* (London: Routledge, 1996)*,* 118-31.

[45] Leah Renold, "Gandhi, Patron Saint of the Industrialist," *Sagar: South Asia Graduate Research Journal,* Vol. 1, No. 1 (Spring 1994): 16-29. There were political and economic advantages to the relationship as well. Gandhi refused to criticize working conditions in the Birla textile mills, accepted Birla cloth as *khadi*, and joined in businessmen's opposition to price controls.

[46] Fox, *Gandhian Utopia,* 158-60; TCA, Box 998, Tata Staff College First Refresher Course (1960), "The Management Man as Trustee" by M.R. Masani.

"workers' control" echoed Gandhi's ideas developed in India twenty years earlier.[47] Trusteeship was attractive, indeed globally exportable, because it could *produce* ethical capitalism by design:

> What the theory of trusteeship comes to is that the State allows the present owners of property to continue in possession only on condition that they use the property for the benefit and profit of the entire community. Any property owner who uses his property primarily for private profit would be removed from possession on the ground of breach of trust. In other words, it is a conception in which the capitalist is defunctionalised. [...] The value of the concept of "trusteeship" is not in its finality but rather in its elasticity as a transition technique. It stresses the ethical and social value of attempting to undo the wrong of the anti-social use of property before destroying or liquidating the wrong-doer.[48]

This notion of an "anti-social use of property" lies at the heart of Indian businessmen's critique of corruption and their self-fashioning as ethical agents. With Masani's help, trusteeship shifted from a theory relevant only to Gandhi's devotees to a fundamental organizing principle of corporate behavior in India.

As J.R.D. Tata's trusted adviser in charge of reshaping industrial relations policy, Masani arranged for the Chairman to meet JP Narayan, who was visiting Bombay in June 1954 to collect donations for the *bhoodan* and *sampattidan* campaigns. The brainchild of Vinoba Bhave, Gandhi's most prominent successor and JP's spiritual guru, *bhoodan* entailed the redistribution of land through gifting. Vinoba travelled across India on foot attempting to persuade villages to collectively pool their land, not least in order to stave off violent agrarian unrest or forcible expropriation by the state. The Congress government came to regard the movement sympathetically as a more palatable alternative to substantive land reform, but Vinoba and JP

---

[47] Masani, *Bliss Was It In That Dawn,* 62. Masani's partial (and partisan) genealogy of workers' control obscures a much more diverse phenomenon. Numerous experiments with worker self-management were then taking place across the Third World – some revolutionary, others directed by the state, and still others emerging out of labor movements. In most cases, whether under a socialist or capitalist system, states intervened to terminate the experiments because they interfered with the accumulation process. See Kristin Plys, "Worker self-management in the Third World, 1952-1979," *International Journal of Comparative Sociology* Vol. 57, No. 1 (2016): 1-28.

[48] Masani, *Socialism Reconsidered*, 52.

insisted on its radical transformative potential.[49] *Sampattidan* was a closely related scheme to encourage wealthy individuals to donate a fixed portion of their income to Gandhian organizations. JP viewed *sampattidan* not as another form of charity but as "a first step towards the goal of trusteeship." In a tense political climate for Indian business, marked by frequent revelations of tax evasion and other abuses blamed on the managing agency system, JP believed that the voluntary alienation of wealth promoted institutional change more effectively than legal restrictions. As he explained to one sympathetic industrialist: "If the Managing Agency system is abolished by law, I would be pleased. But I would be much more pleased if the Managing Agents voluntarily relinquished their privileges and became trustees."[50] Given the unique structure of Tata Sons as a managing agency almost entirely owned by trusts, JP expected a favorable hearing from J.R.D. Tata. But the two men's ideas about the meaning of trusteeship turned out to be very different.

During JP's visit to Bombay, Tata announced that he would contribute one-sixth of his net personal income for five years as *sampattidan,* and to make a series of donations to the *bhoodan* movement through the Tata Trusts.[51] Almost immediately, he faced a backlash from the Bombay political establishment. The veteran Congressman and labor leader Kanji Dwarkadas privately warned J.R.D. that *bhoodan* was "a kind of dope, which sends people to sleep" instead

[49] Fox, *Gandhian Utopia,* 186-88. In Fox's interpretation, Vinoba "hijacked" Gandhi's utopianism and allowed it to be coopted by the Nehruvian state, displacing the more militant and confrontational strand represented by Ram Manohar Lohia. He points to the ultimate failure of *bhoodan* to revolutionize agrarian relations. By the mid-1970s, only 30% the 4 million acres of donated land had been redistributed, often not to the poor and landless. Taylor Sherman's more even-handed analysis concedes that Vinoba represented the right wing of the Gandhian movement, but rejects the notion that Nehru's association with Vinoba was "all cynical political posturing." The postcolonial state's pursuit of land reform through *bhoodan* was rather a continuation of "the constructive, non-statist, popular side of the nationalist programme." See Taylor C. Sherman, "A Gandhian answer to the threat of communism? Sarvodaya and postcolonial nationalism in India," *The Indian Economic and Social History Review*, Vol. 53, No. 2 (2016): 265-67.

[50] NMML, Jayaprakash Narayan Papers, File No. 325A, JP to Shantikumar Morarji, 22 June 1955.

[51] TCA, Box 355, JRDT/Mis/14, Note signed J.R.D. Tata, n.d.; Masani, *Bliss Was It In That Dawn,* 168-69.

of taking practical steps to deal with the land problem. As an ex-Marxist turned Gandhian sailing with the prevailing political winds, JP was not to be trusted: "He wobbles all the time and he does not know his own mind…the only thing Jai Prakash is interested in is himself." Above all, trusteeship concealed a socialist vision in which "there cannot be any words like charity, philanthropy, or generosity; you are a plunderer with all the money you had got and you have no right to keep it with you!"[52]

The latter critique made an impression on Tata, who protested to JP that he had been made the face of a movement whose ultimate aim he could not possibly share. JP replied that he was "deeply distressed" and "extremely sorry for having put you in an embarrassing position" of making a public commitment "to end the capitalist system that you represent." But, continued JP, "I never thought that you were so keen to preserve that system." It was clear that the two men had completely misunderstood each other. Tata viewed *sampattidan* as a purely charitable cause, in line with the Tata Trusts' pledge to support nation-building activities by voluntary organizations. He could not accept that it implied surrendering the right of private enterprise to exist. JP, on the other hand, had taken at face value Tata's claim to be a more enlightened type of capitalist: "If even the Gandhian revolution, in which the capitalists play such an honourable and constructive and forward role, is not acceptable *even to men such as you*, then God alone save the capitalists, and with them the non-capitalists too!"[53]

In response, Tata bluntly informed JP that he did not "share your understanding of the role of the capitalist system or its place in history." He was convinced, surveying the geopolitical divisions engendered by Cold War, that "in most parts of the world the system of free enterprise, far from dying, will be given a renewed lease of life" as the "unpleasant reality" of state

[52] TCA, Box 355, JRDT/Mis/14, Kanji Dwarkadas to J.R.D. Tata, 24 November 1954.

[53] TCA, Box 355, JRDT/Mis/14, JP Narayan to J.R.D. Tata, 24 December 1954. Emphasis mine.

socialism would be exposed. Gandhism was commendable for its emphasis on decentralization, and might work well in rural areas to promote small-scale industry. But it was unsuited to "a modern, highly industrialised society," in which only large-scale mass production and consumption could effect a rise in the standard of living. Vinoba and JP's quest to transform human nature was doomed to fail, Tata concluded, because it could not harness "the urge for private ownership – whether of a piece of land, a cow, a house, a motorcar or a bank account."[54] The uneasy alliance of convenience between the capitalist and the Gandhian threatened to break down almost as soon as it had been forged.

Behind the scenes, Masani quickly smoothed over the philosophical and practical differences revealed in this frank exchange of views. He ensured that Tata's financial contributions were perceived as fully consistent with the Gandhian agenda. Masani advised JP to inform trade unions in Jamshedpur that "the practice already followed by Mr. Tata over a number of years of allocating to public causes of a charitable nature a proportion of his income which is in excess of the minimum requirements of Sampattidan, entitled him to be considered a Sampattidani." Board members of the J.R.D. Tata Trust were keen to counter "incorrect" assumptions that "the donation to Bhoodan is only affecting the Trust and not the donor's personal income."[55] Tata philanthropy as a whole was thus conflated with the Chairman's individual pledges. Meanwhile, Vinoba Bhave told JP that the underlying tenets of their movement were "freedom from government and freedom from exploitation," but that "we should keep our mind open for mutual discussion and leave ourselves free to make adjustments" in the details. Tata then wrote a respectful and conciliatory note to Vinoba, declaring the concept of

[54] Letter from J.R.D. Tata to JP Narayan, 4 January 1955, in J.R.D. Tata, *Letters,* Vol. 1, ed. Arvind Mambro, R.M. Lala and S.A. Sabavala (New Delhi: Rupa & Co., 2004), 423-24.

[55] TCA, Box 355, JRDT/Mis/14, Masani to JP, 7 March 1955; Note by D.R.D. Tata, 29 April 1955.

trusteeship "one which each of us should seek to implement in whatever way is possible to him."[56] This compromise diluted trusteeship's radical potential, as the already symbolic goal of restructuring private enterprise was abandoned.

In subsequent years, donations by Tata Trusts and companies to Gandhian causes were restricted to the rural sector as a matter of policy. Between 1953 and 1969, TISCO contributed Rs. 3,86,850 to *bhoodan* and other campaigns for village uplift and *adivasi* welfare in Bihar and Orissa, in the form of money, agricultural implements, and steel at discounted prices.[57] But when Vinoba proposed "a scheme similar to Bhoodan and Sampatti Dhan…to be extended to industries," the Tata Sons Board of Directors decided that the firm "should keep out of this movement."[58] Trusteeship did not challenge the workings of the capitalist system as it really was. It did, however, recast corporate philanthropy as part of a wider transformation of society in a non-statist direction. Gandhians and businessmen shared "freedom from government" as a basic value, even as they disagreed about "freedom from exploitation."

Having secured the Chairman and the Trusts' public allegiance to the Gandhian movement, Masani sought to implant trusteeship into the operations of the firm. At the Tata Staff College, supervisors' discussion groups pored over the distinction between a "fully socialist economy" and a "mixed economy," which "has arisen out of the Gandhian thinking." If private enterprises were run as if they were trusts, "the institution of the industrialists need not be destroyed." A "change in values" and awareness of one's "full social responsibility" was sufficient to erase the stigma of the profit motive. The key texts on the syllabus for a course on

[56] TCA, Box 355, JRDT/Mis/14, Vinoba to JP, n.d.; J.R.D. Tata to Vinoba, 27 June 1955.

[57] TSA, Box 210-15, File No. 75B-112, "Donations sanctioned during the last 16 years for Bhoodan, Gramdan and similar activities in which Acharya Vinoba Bhave and Mr. Jayaprakash Narayan are interested," 12 May 1969.

[58] TCA, Box 355, JRDT/Mis/14, Extract from the Minutes of the Agents' Meeting held on 9 April 1958.

the "Social Responsibilities of Management" at the College were Howard R. Bowen's *Social Responsibilities of the Businessman* (1954) and Peter Drucker's *The Practice of Management* (1954), as well as a series of articles from the *Harvard Business Review,* indicating the predominant influence of American ideas alongside Gandhian trusteeship.[59] The possible contradictions between the role of the managerial class in an advanced industrial economy and the Gandhian definition of a "trustee," which had so troubled J.R.D. Tata in his correspondence with JP, were deliberately minimized. As the most technocratic and sophisticated business house, with a long history of combining indigenous and foreign management techniques, Tata sought to play a vanguard role in fixing the meaning of "social responsibility" in the Indian context.

In a speech entitled "The Management Man as Trustee," delivered at the Staff College, Masani recapitulated his own intellectual trajectory from a young Socialist firebrand suspicious of Gandhi to an evangelist for trusteeship. He presented numerous contemporary examples of worker and shareholder ownership in Britain, France, and Yugoslavia as worthy of emulation, and reiterated the significance for modern firms of the separation between ownership and control (derived, as we have seen, from Berle and Means via Drucker). The new expert managerial class, comprised of "people who run enterprises like the Tata Trusts, the directors and the senior executives of Tata Industries and the various Tata enterprises," was still in its infancy in India. But it was ideally positioned to ensure that businesses lived up to their moral, rather than merely legal, obligations to society. Tata had taken the lead in reconciling labor and capital through a landmark collective bargaining agreement and the implementation of scientific management. The next step was to devise a wide-ranging code of conduct applicable to all spheres of business operations, from the production of consumer goods to the reinvestment of profits. In this regard,

[59] TCA, Box 998, Tata Staff College Refresher Course, The Role of a Corporate Citizen (October-November 1960), Supervisors' Discussion Group on "What are the factors that weld together society and industry?"; "Social Responsibilities of Management: An Outline."

Masani conceded, the Tatas still had to live up to their enlightened reputation, ensuring that they were "not being left behind in this race for trusteeship… One of the charges made against the Indian businessmen is that even if they are clean they mix with those who are not clean. Are good businessmen prepared to dissociate themselves as businessmen from those who are letting down the way of life in which they believe?"[60]

Here Masani pointed to the vexing problem of collective action among Indian businessmen. In order to counter accusations of corruption and present a united front against a state machinery bent on limiting industrial expansion in the private sector, they first had to put their own house in order. Trusteeship was useful as an identifying test to separate those who were "clean" from those who were not, and as a set of first principles to enable businessmen to construct a shared vision of "social responsibility." Left unsaid was a sharp division between the largest houses such as Tata and Birla, run along modern managerial lines, and the petty traders or marketeers whose reputation for hoarding, speculation, and other "anti-social" activities was deemed guilty of undermining the legitimacy of private enterprise.

IN DEFENSE OF FREE ENTERPRISE

Gandhian trusteeship was not the only conceptual framework available to businessmen staking their claims against the Nehruvian state in the first decade after independence. Its ascent by the late 1950s displaced an earlier mobilization around the plight of the "middle classes." The Government of India had chosen to retain the system of extensive price and commodity controls introduced by the colonial state to deal with shortages during the Second World War, on the basis of the Constitution's guarantee of "economic justice" to all Indian citizens. Draconian

[60] TCA, Box 998, Tata Staff College First Refresher Course (1960), "The Management Man as Trustee" by M.R. Masani.

criminal laws and the massive bureaucracy needed to enforce them created new categories of "socio-economic crimes," including "hoarding, black-marketeering, tax evasion, food adulteration and illegal trading in licences and permits."[61] Traders in cloth and foodgrains, many of whom had been loyal supporters of the Congress, were hardest hit. Organizations such as the Bengal Trades Association, affiliated with the Bengal Chamber of Commerce and representing small traders, vociferously protested against the government's policies of "appeasement of both capital and labour, all-through at the expense of the middle classes and the cultivators." They pointed to the reluctance of revenue authorities to investigate tax evasion among big business houses, and denounced controls on sugar and yarns as a scheme to enrich millowners at the expense of traders.[62] Other regional Chambers of Commerce and advocacy groups such as the Bombay-based Middle Class National Front sought to mend fences with big business and seek out potential allies against the controls regime.

At the annual session of the Federation of Indian Chambers of Commerce (FICCI) in March 1950, cotton magnate Purshotamdas Thakurdas moved a resolution on "The Plight of the Middle Classes" calling for an end to controls and the restoration of normal channels of trade. The middle classes in question were defined as the "professional and technical men, employees of Governments and local authorities, traders and merchants, shop assistants and clerks and vast mass of small shop-keepers" who together comprised the "backbone" of Indian commercial society. As a result of the widespread corruption engendered by controls, there had been a noticeable "lowering in moral values in the day-to-day walks of life." Thakurdas's speech in support of the Resolution stressed the ethical as well as the economic aspects of the crisis. Black

[61] Rohit De, "'Commodities must be controlled': economic crimes and market discipline in India (1939-1955)," *International Journal of Law in Context,* Vol. 10, No. 3 (September 2014): 286-89.

[62] NMML, Thakurdas Papers, File No. 430, "Memorandum on the present socio-economic problems affecting West Bengal and particularly the Middle-Class Traders," 11 February 1950.

markets proliferated, and "anti-social behaviour" by a minority of unscrupulous traders tarnished the venerable "traditions of business ethics" in India.[63] But not all big businessmen were convinced of the argument. G.D. Birla, who remained close to Nehru personally and to the Congress Party politically, protested that retail trade was not unduly affected by controls. It was only "at the higher level that the normal trade channel has ceased to exist." Food was indeed distributed through ration shops, but other commodities were largely unaffected. He went so far as to assert that "many new employments have been created due to controls."[64] Thakurdas was aghast. Middlemen in grain, sugar, and cotton had been thrown out of work by rationing, he countered, creating massive unemployment. Their intimate knowledge of markets performed a "vital, essential and cheap service" to the nation by linking producers and consumers.[65]

At one level, this exchange was the latest act in a long struggle pitting industrialists against merchants, the city against the country, and the state against the market. Birla's defense of controls exposed a divided business community unsure of how to respond to the growing involvement of the state in economic life. His reluctance to adopt a more overtly confrontational stance may be explained by reference to regional, ethnic, and economic factors. Birla prioritized "political stability" over ideological purity, partly because his interests in Calcutta were most threatened not by Nehru's Congress but by the rising Communist Party. Most Marwari and Gujarati businessmen followed him down the path of accommodation with the ruling elite. By contrast, the Tatas and other houses based in Bombay were "much more dogmatically committed

[63] NMML, Thakurdas Papers, File No. 430, FICCI Resolution on "The Plight of the Middle Classes" moved by Sir Purshotamdas Thakurdas at the 23rd Annual Session of the Federation of Indian Chambers of Commerce and Industry, and speech by Thakurdas.

[64] NMML, Thakurdas Papers, File No. 430, Birla to Thakurdas, 2 March 1950.

[65] NMML, Thakurdas Papers, File No. 430, Thakurdas to Birla, 6 March 1950.

to classical economic liberalism."[66] Focused on negotiations with ministers and bureaucrats for industrial licenses, both sides cared equally little about the concerns of the small traders Thakurdas claimed to represent. But the language of the FICCI resolution made a persuasive case on ethical grounds, broad enough to appeal to different factions. Businessmen of all political persuasions would come to speak of a decline in values and the need to confront "anti-social" elements by regulating themselves. In so doing, they appropriated proliferating public discourses of anti-corruption in the wake of the imposition of wartime rationing and controls, and attempted to channel them into an exclusive critique of the postcolonial state.[67]

The Forum of Free Enterprise was the first attempt to build a unified platform for businessmen to influence public opinion. Founded by A.D. Shroff, the Tata Director responsible for crafting the strategy of preserving the firm's autonomy from the state by strengthening connections with American and British finance capital, the Forum aimed to "organize on a country-wide basis a campaign to educate the public about the mistaken policy of the ruling party and to satisfy the country that the attempt to establish a Socialist State is not calculated to serve the best interests of the hundreds of millions inhabiting this country."[68] Shroff and his associates, including Masani (now a leader of the opposition Swatantra Party) and the eminent jurist Nani Palkhivala, went on speaking tours and circulated pamphlets on planning, annual budgets, nationalization of industries, and other pressing economic issues of the day. The Forum was ostensibly an apolitical think tank, funded by small donations in order to counter accusations

[66] Kochanek, *Business and Politics in India,* 215-16.

[67] Cf. William Gould, *Bureaucracy, Community and Influence in India: Society and the state, 1930s-1960s* (Abingdon, Oxon: Routledge, 2011), 104-05.

[68] A.D. Shroff, *Free Enterprise in India* (Bombay: Forum of Free Enterprise, 1956), 2.

of collusion with foreign interests.[69] Business leaders themselves were not enthusiastic participants, at least not in public. Attacked by Congress ministers for criticizing the Third Five-Year Plan, J.R.D. Tata reportedly "reacted by withdrawing into a shell."[70] FICCI and Birla's faction wanted nothing at all to do with the Forum, ensuring it could never speak for the business community as a whole.[71] Shroff later bemoaned the "moral cowardice the business men of India suffered from at the time I sponsored the Forum of Free Enterprise in 1956."[72]

Faced with a hostile political climate, Forum spokesmen chose to couch their anti-statist message in the language of democratic socialism and Gandhian trusteeship, rather than advocating *laissez-faire*. They appealed to India's "rich heritage of spiritual past and Gandhian ideals," quoting the Mahatma alongside the Austrian economists Hayek and von Mises. Socialism, in their definition, was "a way of life, representing certain ethical values which cannot be imposed from above dictates of Government or by merely nationalizing industries."[73] This "need to accept, to some extent, the enemy's political vocabulary" speaks to more than an idiosyncratic Indian attachment to Marxism.[74] Democratic socialism, however vaguely defined, had become a useful political language through which businessmen spoke back to the state.

---

[69] Intelligence reports circulated within the Government held that the Forum had been offered CIA funding, and that it covertly supported Masani's and other Tata executives' campaigns for seats in the Lok Sabha. Tyabji, *Forging Capitalism*, 142-43.

[70] Sucheta Dalal, *A.D. Shroff: Titan of Finance and Free Enterprise* (Delhi: Viking, 2000), 61, 115-19. As recently uncovered documents from Nehru's private papers reveal, Tata's personal friendship with the Prime Minister in the early 1950s protected TISCO from an investigation into the "the single largest case" of tax evasion in the history of Indian revenue administration. See Tyabji, *Forging Capitalism,* 91-92.

[71] Kochanek, *Business and Politics in India,* 204-06.

[72] A.D. Shroff, *Private Enterprise and Politics* (Bombay: Forum of Free Enterprise, 1962), 2.

[73] A.D. Shroff, Murarji Vaidya, and Prof. C.L. Gheevala, *A Survey of Socialism Today* (Bombay: Forum of Free Enterprise, 1961), 34-50.

[74] Howard L. Erdman, *The Swatantra Party and Indian Conservatism* (Cambridge: Cambridge University Press, 1967), 197-99.

One anecdote shows how democratic socialism and Gandhian trusteeship were deployed in the defense of free enterprise. While at the Forum, A.D. Shroff drafted a Code of Conduct for Indian business, setting out the mutual responsibilities of producers, consumers, shareholders, and workers. It began by condemning "hoarding, black-marketing and profiteering" as "anti-social and evil" – familiar language that had come to encapsulate the case for self-regulation.[75] Masani strove to convince his Gandhian friends that businessmen were working toward the same objective. A seminar held in January 1959 in Bombay under the auspices of the Akhil Bharat Sarva Seva Sangh, the apex Gandhian organization controlled by Vinoba Bhave, called for "radical change in the character of industry and commerce," reiterating the distinction between *sampattidan* and ordinary charity. Masani seized the opportunity to impress the "eminent Gandhians" in attendance, including JP, U.N. Dhebar, and Shankarrao Deo, by "reading from [Shroff's] Code without saying what it was to ask if this is what they understood by the application of trusteeship in practice." When they all "said that it was beautifully put," Masani triumphantly "told them it was from that "horrible reactionary organization" which they have imagined the Forum of Free Enterprise to be!" [76] Masani's bit of showmanship was meant to bolster the Forum's legitimacy by associating its program of codification with the doctrine of trusteeship. But J.R.D. Tata refused JP's invitation to attend the Bombay seminar, revealing the limits of the dialogue between businessmen and Gandhians.[77]

The Forum of Free Enterprise could not succeed alone. Its code of conduct was unenforceable without the participation of the majority of the business community. As the

---

[75] Dalal, *A.D. Shroff*, 119.

[76] M.R. Masani, *Congress Misrule and the Swatantra Alternative* (Bombay: Manaktalas, 1966), 174-75.

[77]TCA, Box 355, JRDT/Mis/14, JP Narayan to JRD Tata, 29 March 1958; NMML, Ramkrishna Bajaj Papers, File No. 14, JP Narayan to Ramkrishna Bajaj, 1 January 1959; Akhil Bharat Sarva Seva Sangh, "Proceedings of the seminars held at Rajghat and Bombay to discuss Gandhian approach to industry, trade, and labour."

'License-Permit Raj' was taking shape, J.R.D. Tata, G.D. Birla, and most prominent businessmen moved cautiously to preserve access to the upper echelons of the state bureaucracy. They initially kept a respectable distance from the Forum, as well as from the Gandhian movement. Masani correctly surmised that trusteeship was an idea flexible and capacious enough to bridge the gap. In the early 1960s, a series of high-profile seminars, conferences, and working groups amalgamated trusteeship, democratic socialism, and ongoing voluntary efforts to regulate business practices into the singular concept of "corporate social responsibility."

A MEETING OF MINDS

In late 1964, JP decided to convene a Seminar on the Social Responsibilities of Business at the India International Centre, New Delhi, with a view to "discovering the first steps toward practical trusteeship."[78] He began by issuing a statement to the press calling for greater self-discipline in the private sector and the imposition of a broad-based code of conduct. JP thus unwittingly revived the conflict between industrialists and traders, pointing to a recent egregious instance of price gouging by flour millers in Calcutta as an example of "how woefully has the business community failed to exert any manner of internal discipline upon its erring members." In response, the Chairman of the Federation of Mofussil Traders Organisations of West Bengal protested against singling out "small and middle class businessmen" while industrialists were left alone to prosper – a reprise of a familiar argument.[79] By contrast, J.R.D. Tata sought to absolve big business of the sins of the many: "profiteering in food and other essentials and anti-social

[78] TCA, Box 1007, JP Narayan to JRD Tata, 29 October 1964.

[79] NMML, Brahmanand Papers, File No. 36, Statement by JP Narayan, Kohima, 2 November 1964; S.N. Bajoria, Chairman, Paschim Banga Mofussil Byabasayee Sammelan, to JP Narayan, 19 November 1964; G.D. Birla to JP Narayan, 24 November 1964; Narayan to Birla, 7 December 1964. Having moderated his public support of Nehru, G.D. Birla now found himself on the opposite side of the divide, accusing JP of never bothering to meet and listen to the concerns of "these petty traders" before smearing them in the press.

acts are committed principally by the distributive trade consisting of literally hundreds of thousands of merchants and small-scale producers." The root cause of their dishonesty, according to Tata, lay in the "woefully low ethical and civic standards in our country." Traders, most of whom belonged to close-knit ethnic and religious communities, were taught "since childhood, to ensure the safety, health, and material prosperity of the family ahead of any other duty," and thus saw nothing wrong in evading taxes or hoarding essential commodities. Of the many instances of tax evasion by big businesses, Tata said nothing. He blamed the government instead for creating "conditions which foster and encourage such malpractices," by imposing a corrupt license-permit system and an unduly high tax burden.[80] JP felt "rather depressed" by this hostile reaction. He had thought Tata would "appreciate the non-ideological approach," and likened him to Nehru in conflating his own virtues with the institutions of which he was a part.[81]

Corporate social responsibility was an adversarial political language. It required both an external Other (the state) and an internal enemy (unscrupulous traders). For Tata, any code of conduct agreed upon at the Seminar should focus on the ethical deficiencies of small traders, and function in concert with applying political pressure on the state to reverse its policies. Big business was already *de facto* socially responsible, presumably because it embodied a cosmopolitan, technocratic, and managerial ethos. This position is consistent with the skepticism he had always voiced about the relevance of Gandhian trusteeship to modern industrial enterprise, but marks a shift in a more hardline direction from his earlier reluctance to openly support Shroff's Forum. It fell to the second tier of managers and executives in the Tata firm to strengthen the fragile alliance between business and the Gandhians.

[80] TCA, Box 1007, J.R.D. Tata to JP Narayan, 16 November 1964; NMML, Brahmanand Papers, Correspondence No. 491, J.R.D. Tata to JP Narayan, 21 December 1964.

[81] TCA, Box 1007, JP Narayan to J.R.D. Tata, 2 December 1964.

Undaunted by Tata's stance, JP worked closely with Masani to draw up an eclectic list of invitees to the Seminar, reflecting the latest transnational currents of management thought. Among Tata executives, Masani suggested the jurist Nani Palkhivala, expert on tax policy and a spokesperson for the Forum of Free Enterprise, and Colonel Leslie Sawhny, J.R.D.'s brother-in-law. But given the Chairman's refusal to participate, "there was no fear" of the Tatas being overrepresented. From abroad, Masani floated the names of Milton Friedman (who knew "something of the conditions in India," having recently visited at the invitation of the Planning Commission), John Marsh (who had assisted Masani in the implementation of scientific management at TISCO), A.A. Berle (co-author of *The Modern Corporation and Private Property*) and the ubiquitous Peter Drucker.[82] None of them was able to accept the invitation, but the list aroused suspicion on all sides of the political spectrum. J.R.D. Tata objected to "the idea of foreigners, mainly from countries where the understanding of social responsibilities has evolved much ahead of ours, being invited for such a discussion, *as it will expose our weaknesses!*"[83] Tarlok Singh, member of the Planning Commission, worried that the Seminar was "not sufficiently indigenous perhaps in its roots and purposes and that in practice it may be a little external, escapist or even superficial."[84] Both Singh and Tata presumed, for different reasons, that the solutions likely to be proposed at the Seminar were ill suited to the Indian context.

The two most prominent participants in Seminar from the West were George Goyder, a British newsprint manufacturer and advocate of company law reform, and Ernest Bader, a

[82] NMML, JP Papers, File No. 485, Masani to JP, 26 November 1964 and 23 March 1965. Tata did contribute Rs. 5,000 toward the cost of the Seminar. As was the case with the *bhoodan* movement, the firm's financial support was more important than any public pledge of support.

[83] TCA, Box 1007, JRD Tata to JP Narayan, 16 November 1964.

[84] NMML, JP Papers, File No. 485, Tarlok Singh to Ashoka Mehta, Dy. Chairman, Planning Commission, 10 December 1964.

Quaker entrepreneur of Swiss origin who converted his chemicals company into a worker-owned "Commonwealth." Whereas Goyder spoke of abstract legal principles, Bader was an embodiment of the practical, bottom-up approach. Their careers reflect the transnational nature of exchanges of ideas around corporate social responsibility. Indian thinkers were not the only ones who detected a resonance between Gandhian trusteeship and similar experiments in advanced industrial economies. Goyder, like Gandhi before him, drew on Maine and Maitland's nineteenth century legal theories to propose a shift in corporate law from contract to "the personality of the organized group." Since the introduction of the joint-stock form, he wrote, the "personality or essence of a company resides in its Memorandum and Articles of Association." But directors were 'trustees' of the shareholders alone, having no legally defined responsibilities to workers, consumers, and the community at large. In *The Future of Private Enterprise* (1951), Goyder proposed the introduction of a General Objects Clause in companies' Memorandum of Association specifying these responsibilities, including the necessity of guaranteeing worker membership on an equal standing to shareholders.[85]

Ernest Bader's work gave concrete expression to Goyder's ideas. In 1951, he established the Scott Bader Commonwealth as a trust owning 90% of the share capital of his chemicals company. Bader was directly influenced by Gandhian trusteeship, which he came to know through the radical Labour MP Wilfred Wellock. A few years later, Bader and Wellock launched the Association for the Democratic Integration of Industry (shortened to "Demintry") to promote the spread of social responsibility through common ownership. In 1958-59, Bader visited India for the first time, staying with JP at his *ashram* in Bihar and delivering speeches to *bhoodan*

[85] George Goyder, *The Future of Private Enterprise: A Study in Responsibility* (Oxford: Basil Blackwell, 1951), 50-61, 93-97. Some of the existing models Goyder drew upon were the Carl Zeiss Stiftung (which he translated as "Trust") in Germany and the John Lewis Partnership in Britain.

workers.[86] To counter Tarlok Singh's accusations and Tata's suspicions, JP pointed to his longstanding association with Bader and Goyder, thereby rejecting the categorical distinction between indigenous and foreign ideas.[87]

The Seminar on Social Responsibilities of Business took place over five days, from 15 to 20 March 1965. Discussions centered on the definition of trusteeship and its contemporary relevance. M.L. Dantwala, an agricultural economist and former confidante of Gandhi, revealed that he had originally drafted the six "Fundamental Principles of Trusteeship," and that Gandhi had made several changes to make them more conciliatory toward business. R.K. Hazari, who was then investigating the concentration of economic power in the private sector on behalf of the Planning Commission, found trusteeship to be a "rather negative" concept. He thought "traditional norms of social responsibility," restricted to families and castes and "based on paternalism," were not applicable to large firms that had "developed a corporate conscience." U.N. Dhebar, another veteran Gandhian activist, stressed that "Gandhiji had in view only the problems of an agro-industrial society and not those of a technological society." Masani, speaking on behalf of the Tatas and other big business houses, insisted on a minimal definition: "free enterprise reinforced by social objectives was trusteeship." Questions of ownership were excluded from the discussion, and JP insisted that the focus of the Seminar was on "voluntary

[86] Susanna Hoe, *The Man Who Gave his Company Away: A biography of Ernest Bader, Founder of the Scott Bader Commonwealth* (London: Heinemann, 1978), 108-19, 161-72. Building on contacts in the field of rural reconstruction made during his travels to India, South Africa, and Rhodesia, Bader founded the Society for Training Rural Industries and Village Enterprises (Strive), which merged with E.F. Schumacher's Intermediate Technology Group in the early 1970s. In his capacity as chief economist of the National Coal Board, Schumacher grew disillusioned with mainstream Keynesian economics and, via his own independent encounter with Gandhian thought, went on to promote localism and minimal growth in the manifesto *Small is Beautiful: Economics as if People Mattered* (1973). Schumacher was also invited to the Seminar on the Social Responsibilities of Business by JP, indicating the breadth and depth of transnational heterodox economics in the mid-1960s.

[87] NMML, JP Papers, File No. 495, JP to Ashoka Mehta, 11 January 1965.

measures" and not state regulation.[88] The very flexibility and open-endedness of trusteeship, which brought thinkers of different backgrounds and beliefs around the same table in the first place, made possible a tenuous compromise.

The Declaration issued by the Seminar at the conclusion of proceedings made clear that corporate social responsibility was a necessary consequence of the advent of managerial capitalism, obscuring the political contestations that lay behind the concept. Clause 4 read:

> Every business has an over-riding responsibility to make the fullest possible use of its resources, both human and material, as has each individual. An enterprise is a corporate citizen. Like a citizen it is esteemed and judged by its actions in relation to the community of which it is a member, as well as by its economic performance. Management has the main responsibility today for developing the corporate enterprise which is everywhere replacing the family and family business as the unit of work in a technological society.[89]

The Declaration went on to recommend the inclusion of "a specific statement of these responsibilities" in the Memorandum of Association "of both public and private enterprises" (George Goyder's proposal), the revision of management training courses (resembling the syllabus of the Tata Staff College), and a regular Social Audit to evaluate if companies were living up to their stated responsibilities. A Standing Committee was formed, and a regional seminar on the same theme convened in Calcutta in March 1966. In his speech inaugurating the Calcutta seminar, JP reflected on the limitations of earlier campaigns, conceding that "the Sampattidan programme of the Sarvodaya movement was a very crude and unrealistic step

[88] NMML, JP Papers, File No. 487, Summary of proceedings, Seminar on Social Responsibility of Business; File No. 491, Majumdar to M.C. Bhandari, 11 February 1966; Mitra, *It's Only Business!,* 24-25, 169-70; Sundar, *Beyond Business*, 245-47.

[89] TCA, Box 1007, "Declaration on the Social Responsibilities of Business," Seminar on Social Responsibilities of Business, India International Centre, New Delhi, 15-21 March 1965.

towards the goal of Gandhian trusteeship." Experiments such as the Scott Bader Commonwealth revealed that "much more has been done" abroad than in India to make trusteeship a reality.[90]

Corporate social responsibility was meant to align Indian capitalism with the progressive edge of its Western counterpart, and to confront the twin challenges of the "managerial revolution" and the rise of the welfare state before they ruptured the Indian social fabric. The product of numerous compromises and strategic alliances barely held together by force of personality and circumstance, it was an idea very much of its time. Yet its long-term resonance has also placed it beyond the reach of historical inquiry. Accounts of Gandhian politics in postcolonial India are often written without any reference to the role of big business. Conversely, corporate social responsibility is typically presented as a *sui generis* development, with little regard for the many diverse actors who played a key role in deploying the concept, or as superficial rhetoric concealing immutable capitalist interests. Its transnational dimensions, drawing on successive encounters with Gandhian thought diffused through networks of heterodox economists, Quaker entrepreneurs, and other figures on the margins of the postwar Keynesian consensus, have fallen out of view. The Delhi Seminar of 1965 marked the high point of intellectual and political convergence toward a non-statist, ethically grounded vision of economic development. As businessmen moved to implement the recommendations put forth in the Declaration, corporate social responsibility was to lose the last vestiges of its utopian origins.

IN SEARCH OF A CODE

In parallel to the seminars in Delhi and Calcutta, business groups in Bombay renewed their efforts to develop a comprehensive code of conduct, which had stagnated due to the

[90] NMML, JP Papers, File No. 491, Address by Shri Jayaprakash Narayan at the Calcutta Seminar on Social Responsibilities of Business, 25-27 March 1966.

political marginalization of Shroff's Forum of Free Enterprise. In April 1965, Ramkrishna Bajaj, then President of the Maharashtra Chamber of Commerce, invited J.R.D. Tata to participate in a seminar "to formulate a detailed code of fair practices," restricted only to businessmen. Ramkrishna was the younger son of the Marwari industrialist Jamnalal Bajaj, one of Gandhi's most devoted followers, but he did not always see eye to eye with JP and contemporary Gandhians.[91] Tata once again refused to participate, arguing that in the absence of a punitive system of sanctions "those who scrupulously adhere to [the code] will be placed automatically at a disadvantage vis-à-vis those who, while paying lip service to it, will continue their nefarious practices." This time, however, he did propose the formation of a "small Committee" to draw up a plan for a new organization – the Fair Trade Practices Association (FTPA).[92]

The first meeting of the FTPA took place on 15 September 1965 in the office of the Indian Merchants' Chamber, with Bajaj, textile and chemicals manufacturer Arvind Mafatlal, and P.A. Narielwala of the Tatas in attendance. They drew up a "Retailers' Pledge" committing signatories to "not withhold or suppress goods, with a view to indulging in black marketing," "charge consumers a just and fair price," "not deal in smuggled goods," and "generally conduct our activities in accordance with high standards of business ethics."[93] At the same time, Bajaj joined the Standing Committee charged with implementing the Delhi Declaration on Social Responsibilities, recognizing the two efforts as complementary.

---

[91] TCA, Box 72, TS/ICO/CFBP/2, Bajaj to J.R.D. Tata, 16 April 1965. In 1966, Ramkrishna Bajaj refused JP's appeal for donations to a Bihar Relief Fund, established in the wake of devastating floods affecting the state. He justified the decision by blaming the government's "doctrinaire statist outlook" for "stifling every incentive of the business community to do anything constructive or charitable." NMML, Ramkrishna Bajaj Papers, Correspondence No. 122-27, JP to Bajaj, 2 November 1966; Bajaj to JP, 8 November 1966.

[92] TCA, Box 72, TS/ICO/CFBP/2, Tata to Bajaj, 5 May 1965.

[93] TCA, Box 72, TS/ICO/CFBP/2, Report of the Sub-Committee Regarding Model Code of Fair Commercial Practices, 15 September 1965.

Membership in the FTPA grew to around 200 by 1968, but it never spoke for the majority of the business community. The official FICCI position was that sanctions were unenforceable, and that regulation was best left to the government. Even within the organization, some members felt the FTPA went too far, others that it was an essentially toothless body. J.R.D. Tata would have liked to see it "ostracise those who are known to offend its principles," which implicitly meant smaller retail traders and not big business houses. Tax evasion found no mention on the list of core principles.[94] Furthermore, the Tata Board of Directors decided that even if a Tata company became a member of the FTPA (TELCO, TOMCO, Voltas, and the Tata and Swadeshi Mills all joined), "it should not consider itself tied down to the Association's views and should be prepared to take an independent stand in respect of prices and distribution."[95] The FTPA accommodated the Tatas' reluctance to engage in collective action, but it also laid bare the inadequacy of their isolationism and exceptionalism. Punishing retailers for adulterating goods or manipulating prices was only one aspect of the drive toward corporate social responsibility.

The next meeting of the committee discussing the implementation of the Delhi Declaration, held in September 1969, began by commending the FTPA's work. The list of participants was nearly identical: Bajaj, Arvind Mafatlal, Nani Palkhivala, and S.P. Godrej among the businessmen, with the addition of JP Narayan and Masani. Their task, in accordance with George Goyder's proposal at the Seminar, was more ambitious: to draft a "General Purposes Clause or Declaration on Social Objectives to be placed before companies and trade unions," inspired by the Tata Iron and Steel Company's "statement on social objectives" and the

[94] TCA, Box 72, TS/ICO/CFBP/2, Tata to Bajaj, 1 April 1966; Kochanek, *Business and Politics in India,* 207-08.

[95] TCA, Box 72, TS/ICO/CFBP/2, Extract from the Minutes of the Board of Directors of Tata Industries Private Limited held on 12 May 1966; Board Minutes, 16 December 1966. Companies like Tata Power, which did not deal in consumer goods, did not become members.

Johnson & Johnson "Credo." Juxtaposing an Indian and an American firm as equally worthy of emulation reaffirmed the convergence of indigenous and foreign best practices. But it also conveniently implied that what companies like TISCO were already doing (profit-sharing and welfare provision, for example) provided the best template for reform. Observing the progress of the committee from afar, Goyder admitted that his ideas had failed to translate in India and suggested a simpler solution: "insist not on profit sharing but on the regular purchase of the shares of all public companies by Trustees on behalf of the workers in the company on the lines so successfully carried out by the Sears Roebuck Company of Chicago."[96] Worker association with management had been largely abandoned as a desideratum in the aftermath of the Delhi Seminar, despite its obvious resonance with Gandhian trusteeship, because it would have required a fundamental restructuring of the corporate form.

Another recommendation of the Seminar, the Social Audit, was meant to surpass the "symbolic gesture" of merely inserting an objectives clause in companies' Articles of Association. But a systematic analysis of the extent to which companies were living up to their professed social obligations risked creating too much accountability. The "possibility of government taking up this idea and making social audit compulsory in due course" had to be avoided at all costs. A team of "sociologists, economists, scientists, and management men" from the Tata Institute of Social Sciences and the Indian Institute of Management, Ahmedabad, was entrusted with preparing a detailed report in early 1971.[97] The joint TISS-IIM report delineated three areas of responsibility: to the consumer, the worker, and the larger local and national

[96] NMML, JP Papers, IIIrd Instalment, File No. 46, Conference on the Social Responsibilities of Business held in the Princes Room at the Taj Mahal Hotel, Bombay, on Saturday, September 13, 1969; Goyder to M.C. Bhandari, 17 June 1969. On the Sears model, see Sanford M. Jacoby, *Modern Manors: Welfare Capitalism since the New Deal* (Princeton: Princeton University Press, 1997), chapter 4.

[97] NMML, JP Papers, Correspondence No. 567, Leslie Sawhny Programme of Training for Democracy to JP Narayan, 3 June 1970.

community. The scope of the Social Audit was limited from the beginning, excluding "tax laws, Company Law, Industrial development regulations, foreign exchange regulations, excise laws, etc." and focusing on "voluntary actions."[98] Administering the Audit would be left to independent experts, in this case connected with the Tata philanthropic network, who were powerless to hold companies to account on the most divisive issues.

Meanwhile, the Delhi Seminar and the FTPA were politically mobilized in the battle against a resurgent Left within the Congress. The newly installed Prime Minister, Nehru's daughter Indira Gandhi, shed the old guard of the party and redefined herself as a champion of the poor after the 1967 elections. She challenged the private sector on its own ethical terms, promising to relax controls and regulations subject to businessmen living up to their social responsibilities. Masani, who had contested the elections on behalf of the rightward-leaning Swatantra Party, brought the Delhi Seminar and the recent meeting in Bombay to her attention. The Prime Minister was unmoved, stating that the Seminar "did not make much positive impact on the business community," and that more progress could be made on "the avoidance of tax evasion and conspicuous consumption and rigorous enforcement of proper standards of quality, particularly in respect of food and drugs through voluntary action."[99] The latter was the ostensible mandate of the FTPA, though the association's work was hampered by disagreements over enforcement, while tax evasion remained a taboo subject. Indira Gandhi's decisive electoral victory in 1971, under the slogan *Garibi Hatao!* ("Abolish Poverty!"), helped shift the agenda of corporate social responsibility even further from Gandhian trusteeship. Business had to demonstrate concrete results in improving the lives of workers, consumers, and the communities

[98] NMML, JP Papers, File No. 402, Social Audit compiled by the Tata Institute of Social Sciences, Bombay, and The Indian Institute of Management, Ahmedabad, March 1971.

[99] NMML, JP Papers, File No. 403, Masani to Indira Gandhi, 9 October 1969; Indira Gandhi to Masani, 16 November 1969.

surrounding their sites of operation. CSR would thus come full circle, returning to its roots in philanthropy and social work, shadowing the state rather than confronting it.

THE AFTERLIVES OF CSR

Trusteeship's last stand came at a conference convened by Vinoba Bhave in September 1973 at Gandhi's old ashram in Wardha, Maharashtra. JP Narayan was steadily making his way back into active politics, rallying disparate forces opposed to Indira Gandhi's creeping authoritarianism, while Vinoba adopted a quietist posture. The widening gulf between guru and disciple was reflected in their stances toward business. JP's modest proposal to establish "a Board of Trustees for companies with a paid-up capital of over 50 lakhs" was roundly rejected at the conference, along with all other "elaborate legislation." Under Vinoba's guidance, trusteeship could only "come from within" and be manifested as "a voluntary spontaneous gesture." The shift suited businessmen's newfound interest in "community service and development" as a way to visibly demonstrate the contributions of the private sector to society. It is no coincidence that J.R.D. Tata now pledged to continue participating in future conferences, after nearly two decades of keeping the Gandhians at arm's length. In return, Vinoba praised the Tatas as "essentially public-spirited," recalling a pleasant stay in Jamshedpur during the *bhoodan* campaign. He unhesitatingly acceded to a "lowest common denominator" platform calling in general terms for "organised collective action" but advocating for no specific reforms.[100] The Social Audit and workers' association with management fell by the wayside.

Instead, Ramkrishna Bajaj announced the formation of yet another association, Business for Social Progress (BSP). The draft constitution of BSP stated that it was meant to "promote and

[100] TCA, Box 596, NAP/Business for Social & Economic Progress/1973, Trusteeship: A Review of the Wardha Conference, 14 September 1973; Summary of the Discussions with Shri Vinobaji.

propagate the ideals and objectives embodied" in the Delhi Declaration, but Bajaj recognized that the recommendations outlined in the Declaration could only "be acceptable to individual members on an experimental basis."[101] Whereas the Forum of Free Enterprise had a primarily ideological mission and the FTPA stood for codification and internal self-regulation, BSP redefined corporate social responsibility as a set of targeted projects carried out by individual business houses – thus rendering its associational character obsolete. Three kinds of projects were identified, starting with the city of Bombay and extending to rural areas: mobile hospitals, subsidized lunch packets, and the construction of low-cost housing for "500 middle class and lower class families" living in *zopadpattis* (slum areas).[102]

J.R.D. Tata soon decided to scrap the BSP's draft constitution. He informed Bajaj in March 1975 that, "in order to move quickly," BSP's proposed work in Bombay would be carried out by just two firms, Tata and Mahindra. Providing services such as primary education and vocational training to inhabitants of an existing slum "would recognize the inevitability of the continued existence and growth of the illegal occupation of city land." So the project would involve the demolition of informal dwellings and resettlement to the outskirts of the city, in cooperation with the Ministry for Urban Development.[103] Not only had businessmen failed to devise a formula for collective action, they were increasingly willing to act as proxies for the state's coercive developmental measures.

Three months to the day after Tata informed Bajaj of BSP's demise, Indira Gandhi proclaimed the imposition of Emergency in response to widespread social and political unrest. JP

---

[101] TCA, Box 596, NAP/Trusts/Ramakrishna Bajaj/Misc/1, Bajaj to N.A. Palkhivala, 20 September 1973.

[102] NMML, Ramkrishna Bajaj Papers, File No. 27, A meeting to study different schemes which could be undertaken under the auspices of BSP in Bombay city, 24 July 1973.

[103] NMML, Ramkrishna Bajaj Papers, File No. 27, JRD Tata to Bajaj, 10 April 1974 and 27 March 1975.

Narayan had emerged as her chief adversary, issuing a call for "total revolution" at the head of the student movement in Bihar. Civil liberties were suspended, the press was censored, political opponents were jailed (including JP), and the government launched a coordinated drive to raise productivity and efficiency. Slum clearance and compulsory sterilization, under the direction of the Prime Minister's son Sanjay, became developmental priorities. Increasingly violent means were used to displace and discipline the urban population, culminating in an infamous police shooting near the Turkman Gate in Old Delhi in April 1976.[104]

While the extent of state repression during the Emergency is well known, businessmen were occasionally even more uncompromising – and were even taken to task by the state for their zeal. In Bombay, the Chief Minister informed a delegation from the Tatas that the priority of the state government was "slum improvement," not wholesale demolition, as the Tatas were advocating. He refuted the Tatas' assertion that a majority of slum dwellers were "bootleggers, smugglers, and anti-social" elements; in fact, "75 per cent of the residents were industrial workers." Would it not be better, the Chief Minister asked, for textile mills and other companies in the city to strengthen their welfare programs? J.R.D. Tata countered by citing his "experience in Jamshedpur" of observing uncontrolled slum growth in an industrial area. He refused to spend any money on the project unless the government agreed to use "Mobile Police Squads to remove the zopadpattis and to abort any attempts to create them."[105] Tata went on to openly support the Emergency, along with many other businessmen who welcomed the return of law and order.[106]

---

[104] John Dayal and Ajoy Bose, *For Reasons of State: Delhi under Emergency* (Delhi: Ess Ess Publications, 1977), 35-65. On the lasting consequences of demolitions and resettlement for residents of Delhi, see Emma Tarlo, *Unsettling Memories: Narratives of the Emergency in Delhi* (Berkeley: University of California Press, 2003).

[105] TCA, Box 460, T20/PHIL/Slum Clearance/1, Meeting on 10 June 1975; J.R.D. Tata note.

[106] Ramachandra Guha, "Gentle Dents in A Worthy Idol," *The Telegraph* (Kolkata), 6 January 2007. Guha reads J.R.D. Tata's decision as politically "naïve" yet emblematic of "the wider impatience with democracy and democratic procedures displayed by industrialists everywhere," giving the comparable example of Pinochet's Chile.

In theory, the descent into authoritarianism and Indira Gandhi's continuing use of socialist rhetoric should have brought the simmering conflict between capital and the state into the open. However, the political language of the state during the Emergency mirrored that of its fiercest detractors. The Planning Commission boasted of the "crack down on economic offenders – black marketeers, profiteers and smugglers," leading to "a change in the psychology of both the consumer and the traders." Strikes and lockouts plummeted, while corporate profits rose faster than ever before (the Tatas' assets grew by 66.6% between 1972 and 1977). By wholly taking upon itself the task of managing the economy, the state promised to achieve what businessmen had always demanded, namely controlling organized labor and reducing corruption. In the process, the state's legitimacy came to depend on the support of business groups and a revitalized "middle class." As Arvind Rajagopal has argued, the Emergency "showed the limits of the state's capacity to govern without actively and continuously seeking and winning popular consent."[107]

The conceptual bundle of classical liberalism, democratic socialism, and Gandhian trusteeship that sustained resistance to the state among businessmen fell apart, to be replaced by a neoliberal "state and business alliance for economic growth".[108] JP Narayan found himself in prison for the first time since the Quit India movement, when he had abandoned Marx for Gandhi. At the end of his life, he became an underground revolutionary once again. His non-political efforts to remake Indian society along Gandhian lines had led nowhere. As a political language, corporate social responsibility had made possible the expression of the collective

---

[107] Arvind Rajagopal, "The Emergency as Prehistory of the Indian Middle Class," *Modern Asian Studies* Vol. 45, No. 5 (2011): 1010-21.

[108] Atul Kohli, "Politics of Economic Growth in India, 1980-2005, Part I: The 1980s," *Economic and Political Weekly,* Vol. XLI, No. 13 (1 April 2006): 1251-55.

interests of capital *and* foreshadowed the postcolonial Indian state's eventual diagnosis of its own failures: bureaucratic red tape, corruption, and sluggish economic growth.

In the aftermath of the Emergency and Indira Gandhi's electoral defeat in 1977, CSR became thoroughly internalized and territorialized at the company level. Pressures on business to engage with the rural sector grew. During the Emergency, Union Minister of Agriculture and Irrigation Jagjivan Ram urged the president of the Federation of Indian Chambers of Commerce and Industry (FICCI) to promote a coordinated approach. A dedicated subcommittee and rural development cell were subsequently established within FICCI. Due in part to the threat of Naxalite violence in the countryside, the West Bengal Chamber of Commerce and Industry adopted a cluster of villages. The Bajaj Group "systematised" the existing rural work done by its constituent trusts and companies. Whereas Tata was once "an exception to non-engagement in rural development," in the late 1970s a number of companies entered the field, through such initiatives as the Birla Rural Development Association (1978), the Narottam Lalbhai Rural Development Fund (1978), the C.C. Shroff Self Help Centre (1978), and the Birla Agricultural Farm and Newata Mandal Village Project (1979). [109]

In July 1977, only a few months after the Janata coalition came to power, TISCO Managing Director Russi Mody was informed that "a policy seems to be emerging which, in essence, shifts the emphasis now from industrial to rural development as a way of tackling our massive unemployment programme." Consequently, "officials in Delhi from Ministers downwards are constantly seeking information and asking representatives of industry what role they can play in this rural development." In response to criticisms directed against Tata in this regard, the Chairman "asked that companies take a hard look at their existing community

[109] Mitra, *It's Only Business!,* 32-33.

development and village extension programmes, if any, and see what they can do to refurbish them." [110] The result was the Tata Steel Rural Development Society (TSRDS), registered as an NGO under the Societies Act rather than as an integrated department of the company. Its mission was to "improve earning opportunities in villages around Jamshedpur."[111] TSRDS marked a return to an earlier paternalist impulse and mode of philanthropic engagement, building on the Tata Trusts' model village projects in the early Nehru years, as much as it heralded the rise of the professionalized NGO in the 1980s and 90s.

Corporate social responsibility has been accepted by admirers and critics alike as an inevitable consequence of a maturing global capitalist system. CSR is often taken to be "a distinctly modern phenomenon, the product of millennial concerns about social and ecological sustainability in an era of neoliberal globalisation," overlooking "striking continuities with much older forms of corporate philanthropy."[112] Rather than serving as a marker of business self-evidently coming into its own as a social actor, CSR uneasily integrated disparate intellectual influences and pressures specific to a historical moment marked by the ascendancy of the developmental welfare state and the exigencies of Cold War politics. Its complex and contradictory origins, as well as its unrealized futures, have since been lost.

[110] TSA, Box 267, File No. 34, Pt. V, Town-Miscellaneous, S.A. Sabavala to Russi Mody, 15 July 1977.

[111] TSA, Box 267, File No. 34AC-3, Pt. I, TSRDS - Adivasi Welfare Work (February 1978), Note by A.D. Gadgil on Community Development, Rural Development and Adivasi Welfare, 6 June 1980.

[112] Dinah Rajak, *In Good Company: An Anatomy of Corporate Social Responsibility* (Stanford: Stanford University Press, 2011), 10.

Conclusion

Tata was at the forefront of several major transitions in the history of Indian capitalism – from the oceanic, coastal-oriented circuits of long-distance trade to industrialization and the exploitation of resources in the interior for the sake of national development; from paternalism to industrial relations and scientific management; and from charitable gifting to institutionalized corporate social responsibility. The endpoint of each transition, however contested or incomplete, was reached in the late 1970s. Tata was firmly ensconced within the territory of the nation-state, restricted from further expansion by draconian licensing laws and the vagaries of currying political favor with Congress Party elites in Delhi. TISCO retained full control over Jamshedpur and the surrounding mines, and bought industrial peace by reaching a generous settlement with a pliant company union. A large and stable workforce enjoyed ample benefits, including a system of ethnic quotas and the guarantee of employment to family members. Farther afield from Jamshedpur, model villages and urban resettlement schemes enacted a narrow vision of corporate social responsibility, unmoored from the Gandhians' utopian attempts to remake every private company into a trust.

Since the 1980s, the unraveling of this status quo has been dramatic, driven in large part by the scalar reconfiguration of the Indian economy away from the nation-state in a new globalizing age. It has often manifested as the return of older conflicts, of questions seemingly long settled. A wave of spectacular acquisitions by Tata companies in the mid-2000s became emblematic of Indian capitalism's triumphant "arrival" on the world stage it had ostensibly abandoned after independence.[1] In 2007, after a fierce bidding war, Tata Steel purchased the Anglo-Dutch company Corus, which included the remnants of the privatized British Steel. It was

[1] Ravinder Kaur and Thomas Blom Hansen, "Aesthetics of Arrival: spectacle, capital, novelty in post-reform India," *Identities: Global Studies in Culture and Power* Vol. 23, No. 3 (2016): 4-5.

the largest overseas acquisition ever made up to that point by an Indian company. Despite the high price tag of $12 billion, Tata leadership believed that the owners of iron ore were destined to become "the OPEC of the steel industry" in an increasingly cutthroat corporate landscape.[2] Significantly, Tata Steel could afford to outbid its closest competitor, the Brazilian Companhia Siderúrgica Nacional (CSN), by raising money with the assistance of Western banks (Credit Suisse, ABN-Amro, and Deutsche Bank) eager to expand in India. Many of the necessary loans were secured through subsidiary firms in the U.K., Singapore, and the Netherlands, which played the same role of intermediaries between Indian capitalism and global finance that Tata Limited and Tata & Co. had in the early twentieth century.[3]

The news of the Corus takeover was initially greeted with jubilation in the Indian media and business circles as "the empire striking back" and "a delicious reversal of fortune: a once-proud civilization, having fallen to the humiliations of colonization, is now buying out the hallowed corporations of the West."[4] One year later, Tata Motors followed suit with the acquisition of Jaguar Land Rover. But rather than simply inverting the master-subject colonial script, with Asian economic dynamism reinvigorating moribund industrial Europe, Tata's global business empire looks stretched too far, groaning under the strains imposed by the financial crisis of 2007-08. The Corus acquisition turned out to be a poisoned chalice. Tata Steel suddenly stood to lose its competitive advantage derived from holding captive mines in India, and risked becoming "ore-deficient" on volatile global markets. A botched leadership transition, sagging demand, and relentless competition from cheap Chinese steel conspired to make Corus a "drag

[2] Mukherjee, *A Century of Trust,* 1-8; Daniel Madar, *Big Steel: Technology, Trade, and Survival in a Global Market* (Vancouver: University of British Columbia Press, 2010).

[3] Dilip Hiro, *The Age of Aspiration: Power, Wealth, and Conflict in Globalizing India* (New York: The New Press, 2015), 60-68.

[4] Anand Giridharadas, "India Celebrates a Take-over," *The New York Times*, 1 February 2007.

on the company."[5] Moreover, Tata Steel was now responsible for the livelihoods of workers not only in India, but in far away places like South Wales with their own proud industrial history. With job losses and dwindling pensions on the horizon, Tata has found it difficult to live up to its new responsibilities while maintaining a healthy bottom line.[6]

Throughout early 2016, Tata Steel sold off smaller units in piecemeal fashion, while promising to keep the main steel plant at Port Talbot open. Plans to find a buyer were put on hold during the summer, amidst an unexpected tectonic political shift: Britain's vote to exit the European Union.[7] Meanwhile, senior Tata leadership in Bombay grew bitterly divided over how to proceed, with former Chairman Ratan N. Tata, who had overseen the Corus and JLR acquisitions, pitted against his cost-cutting successor Cyrus Mistry. The conflict culminated in Mistry's shock dismissal in October 2016 and the outbreak of an extraordinary public scandal that threatened to tarnish the Group's hard-won reputation.[8] The internecine family disputes between Dorabji and R.D. Tata over foreign expansion in the aftermath of the 1920-21 crisis, which were largely kept secret, have resurfaced in new guises. As before, the nation-state and domestic markets act as a safe haven from the unforgiving winds of globalization.

---

[5] Suman Layak, "Wanted: Another lease of life," *Business Today,* 11 January 2011; Prince Mathews Thomas, "Putting the Shine Back Into Tata Steel," *Forbes India*, 19 April 2013; Ishita Ayan Dutt, "Tata Steel's problem child struggles to make good," *Business Standard*, 4 June 2014.

[6] Karl West, "Welsh town with steel at its heart casts a wary eye at the future," *The Guardian*, 25 September 2014; Karl West, "Tata steelworkers prepare to strike as gloom descends on Port Talbot again," *The Guardian,* 9 June 2015. During the 1984-85 miners' strike, the Port Talbot steelworks witnessed dramatic scenes of miners scaling cranes in a daring attempt to stop coal imports meant to break the strike. Robin Turner, "Miners' Strike: Five months in and South Wales saw one of the most spectacular industrial actions ever," *Wales Online,* 18 March 2014.

[7] Graham Ruddick and Heather Stewart, "Tata Steel to sell off entire British business," *The Guardian*, 29 March 2016; Sean Farrell, "Tata completes sale to Greybull, saving jobs and reviving British Steel," *The Guardian*, 1 June 2016; "Brexit Jitters Could Delay Tata Steel's Port Talbot Sale," *Forbes,* 7 July 2016; Michael Pooler and Patrick McGee, "Tata seeks a way out of European steel woes," *Financial Times,* 19 July 2016.

[8] Baiju Kalesh, Kala Vijayraghavan & Arijit Barman, "Behind the Scenes: What Led to Mistry's Ouster," *The Economic Times*, 25 October 2016; "Clash of the Tatas," *The Economist,* 19 November 2016; "Ratan Tata tried to sell TCS, made Corus deal expensive: Cyrus Mistry," *Times of India,* 22 November 2016.

When the Corus deal was first announced in the press, the Tatas were introduced to the British public as representatives of a unique "brand of caring capitalism." Workers who felt "nervous" at the prospect of the takeover were told they "need look no further than Jamshedpur" to realize they had nothing to fear.[9] A 2015 BBC radio and television documentary presented by Zareer Masani, Minoo Masani's son, promised to unlock the secrets of Tata by recounting a familiar history of generosity, virtue, and ethical business practice: "This concept of a benevolent employer caring for its employees' needs and for the wider community, a virtual state within the state, has made Tata a household name for trust and integrity across the Indian subcontinent."[10] Tata's past continues to matter greatly, even as its future has grown more precarious.

At first sight, the view from Jamshedpur appears less gloomy than the view from Port Talbot. Paradoxically, the "historical languages of paternalism" in Jamshedpur have proven resilient enough to legitimize the mass casualization of labor after 1991, when Tata Steel downsized nearly half its workforce in the name of global competitiveness and began to scale back its commitments to civic and welfare amenities.[11] Residents of Jamshedpur have steadfastly resisted giving up control of the township to the Bihar state government. Local activist Jawaharlal Sharma filed and won a public interest litigation (PIL) in the Supreme Court in 1988, arguing that the Constitution guaranteed a "third vote" (for local government) to every citizen

[9] Justin Huggler, "From Parsee priests to profits: say hello to Tata," *The Independent*, 1 February 2007.

[10] Zareer Masani, "What makes the Tata empire tick," *The Independent*, 5 February 2015; Zareer Masani and Vibeke Venema, "The men of steel with a softer side," *BBC News Magazine*, 2 February 2015. Masani's documentary, *Tata: India's Global Giant*, aired on BBC Radio 4 on 6 February 2015.

[11] Divya Gupta, "Moral Minefield," *The Caravan,* 1 November 2011; Andrew Sanchez, "Deadwood and Paternalism: Rationalizing Casual Labour in an Indian Company Town," *Journal of the Royal Anthropological Institute* 18 (2012): 809-10.

and pointing to the irregular distribution of municipal services by the company.[12] The state never implemented the Supreme Court order, and Jamshedpur has not yet been declared a municipality. This may be due to a feeling among residents of "psychological comfort and security of being taken care of and protected" – or what Mr. Sharma, still fighting his case as of 2014, refers to as a state of *ghulami* (slavery).[13]

Tata Steel managers draw on a deep reservoir of goodwill and trust when they enjoin residents to make sacrifices, as employees have done, for the sake of the company's success. But in the same breath, they raise the specter of Detroit as a possible alternative future, as if to say, *Après nous, le déluge*.[14] If corporations "exercise prerogatives of sovereign power in the name of governing life," they have the power to decide which lives are "valuable" and which can be "abandoned."[15] Tata Steel has decisively moved away from a "Jamshedpur-centric model" through the opening of a new integrated steel plant in Kalinganagar, Odisha in 2015. The Jamshedpur model of a proprietary township with full provision of municipal services is unlikely to be replicated at future sites.[16] Some activists and critics believe that Jamshedpur itself will no

[12] According to the provisions of an agreement signed between TISCO and the Government of Bihar in 1984, the company would hold the acquired area on a renewable lease, subject to an obligation "to maintain the standard of Municipal Services and Civic amenities being rendered by them in Jamshedpur." The latest agreement, signed in 2005 with the newly formed Jharkhand government, contained a controversial provision to exclude *bastis* (informal settlements or slums) from the leasehold, thus depriving these areas of municipal services. Interview with Saryu Roy, former BJP Member of the Legislative Assembly, Jamshedpur, April 2014. Mr. Roy is also an environmental and social activist who led a civil disobedience campaign calling for the provision of drinking water connections to the *bastis* in January 2013. He has made available the full texts of the various agreements between Tata Steel and the Governments of Bihar and Jharkhand on his personal website at <http://www.saryuroy.in/intvs/> (accessed 16 August 2016).

[13] Interview with Jawaharlal Sharma, Jamshedpur, April 2014; Kling, "Paternalism in Indian Labor," 83-84; Gupta, "Moral Minefield"; Barbara Crossette, "Good Government Scares a Good City in India," *New York Times,* 22 January 1991.

[14] Tata Stel press conference, Russi Mody Centre for Excellence Auditorium, Jamshedpur, 1 April 2014.

[15] Barkan, *Corporate Sovereignty,* 6-12.

[16] Interviews with B. Muthuraman, former Managing Director, Tata Steel, and A.N. Singh, former Vice-President of Town Services, Tata Steel, Mumbai, February 2014.

longer be a productive industrial space within the next twenty years, and will be useful to Tata Steel strictly for speculation in land – a fear tempered by the hope that the company will finally surrender control.[17] Jamshedpur is arguably no longer the crown jewel of industrial modernity in India, just another place where a shrinking and ever more specialized workforce makes steel. But it is still standing and has not yet become another ruin of deindustrialization, like Detroit and its ill-fated Amazonian cousin Fordlandia, or an extractive enclave cut off from its surroundings like the oil compounds in sub-Saharan Africa described by James Ferguson.[18] As a space of "embedded" capitalism, it continues to exercise enormous economic and symbolic power.

Elsewhere in India, Tata companies' rapid expansion has severely dented their public image. Tata Steel first attempted to start a second integrated steel plant in Gopalpur, Orissa in 1996. Whereas the reduction of the workforce in Jamshedpur proceeded largely without incident, union politics had taken a more violent turn with the assassination of a veteran Tata Workers' Union leader (allegedly by members of a rival faction). Senior management hoped to wipe the slate clean and start over, building a "new corporate culture" with a plant staffed by Jamshedpur's "cream of the crop." But Gopalpur was a poor choice of location. Land could only be acquired by force, and displaced villagers mobilized in protest.[19] The project was eventually abandoned, but the company did not learn from its mistakes. At Kalinganagar, the next proposed site for the second steel plant, 12 *adivasis* were killed and 37 injured in a police firing in 2006 –

---

[17] Interviews with Xavier Dias, Ranchi, April 2014; R.S. Agrawal, Jugsalai, April 2014.

[18] Greg Grandin, *Fordlandia: The Rise and Fall of Henry Ford's Forgotten Jungle City* (New York: Picador, 2010), 360; James Ferguson, "Seeing Like an Oil Company: Space, Security and Global Capital in Neoliberal Africa," *American Anthropologist* Vol. 107, No. 3 (September 2005): 378-79.

[19] Interview with Viraf Metha, New Delhi, 11 June 2014; Nityanand Jayaraman, "Stolen for Steel: Tata Takes Tribal Lands in India," *CorpWatch*, 24 May 1996, < http://www.corpwatch.org/article.php?id=13620> (accessed 25 March 2016)

exactly a decade after Gopalpur. That same year, at Singur in West Bengal, widespread protests over land acquisition stalled Tata Motors' plans to build a plant to manufacture the Nano car.[20]

These incidents are widely seen in industry-friendly literature as unfortunate "exceptions" to the Tatas' stellar record of business ethics, or are blamed on political machinations.[21] Critics view them as predictable effects of the untrammeled forward march of exploitative capitalism.[22] For one former insider, these are symptoms of a deeper malaise affecting company culture. Unlike the generation of Russi Mody and J.R.D. Tata, current Tata managers have lost the "personal touch." They are afraid of going into communities and persuading them of the benefits industrial projects can bring. With different leadership, perhaps the Tatas would have been welcomed in Singur.[23]

But this kind of personalized approach, echoing an earlier paternalism, is difficult to institutionalize and reconcile with an increasingly technocratic understanding of CSR. The Tata Council for Community Initiatives (TCCI), established in 1991-92 to oversee CSR implementation across Tata companies, acknowledged that changes were needed in light of India's post-liberalization landscape: "While we continue to believe that the *Community* is a stakeholder in our businesses and is in fact the very purpose of our existence, the forces of market-economy are changing the traditional ways of conducting business…we ought to

---

[20] Sudeep Chakravarti, *Clear.Hold.Build: Hard Lessons of Business and Human Rights in India* (Noida, UP: Collins Business, 2014).

[21] See, *inter alia*, Sundar, *Business and Community,* 43; Mitra, *It's Only Business!*, 100-01.

[22] Felix Padel and Samarendra Das, *Out of This Earth: East India Adivasis and the Aluminium Cartel* (Hyderabad: Orient Blackswan, 2010); Rakesh Kalshian, ed., *The Caterpillar and the Mahua Flower: Tremors in India's Mining Fields* (New Delhi: Panos South Asia, 2007).

[23] Interview with Viraf Metha, New Delhi, 11 June 2014. Mehta, a Parsi anthropologist educated in the U.K. who had studied the displacement of *adivasis* by large industrial projects in Bihar, was tapped by Russi Mody to head the Tata Steel Rural Development Society in 1988. Under Mehta's watch, TSRDS sought to involve local communities as "partners in development." It raised funds from external donors, including the United Nations and the Ford Foundation, and employed professional staff with degrees in social science and social work.

innovate means to integrate social responsibility as part of the core *processes* in every business."[24] Territorial control through "village adoption" programs in the 1960s and 70s has come to an end, replaced by professionalization and devolution through NGO partnerships and the use of rigorous quantitative metrics. The attendant neoliberal emphasis on individual "empowerment" through income generation and access to markets has a less pedagogical and disciplinary tone than earlier interventions to "uplift" rural populations, yet it also serves as a convenient justification to evade the heavy cost burden of direct service provision.[25]

Anthropologist Dinah Rajak has argued that the key tension in the practice of CSR in transnational corporations today is between "corporate virtue, underpinned by a moral register of compassionate capitalism," and "market rationality." By combining morality with technocracy, CSR "becomes a crucial mechanism by which corporate structures reinvent, reproduce and extend their authority, not only over the economic order, but over the social (and indeed) moral order."[26] For Tata, CSR began as an externally oriented political language, deployed to justify the very existence of private capital in post-independence India. It was then internalized as a territorial mandate to provide services in rural areas surrounding the company's factories and mines. Finally, it was partially re-externalized as NGO partnerships for "sustainable development," an unstable arrangement leaving corporations and citizens alike struggling to disentangle the web of mutual obligations that has unevenly grown between them.

---

[24] TSA, Box 267, File No. 34, Pt. VI, Town-Miscellaneous, Tata Council for Community Initiatives Annual Seminar 1997-98, Tata Management Training Centre (Pune), 12-14 September 1997.

[25] Until the 1990s, Tata Steel spent 12% of PAT (profits after tax) on CSR, but the proportion has since declined to around 6%. For a clear summary of the internal debate on increasing or reducing CSR expenditure within the company, see Jittu Singh, "Tight Rope Walk at Tata Steel: Balancing Profits and CSR," *South Asian Journal of Management* Vol. 15, No. 1 (Jan.-Mar. 2008): 118-36.

[26] Rajak, *In Good Company,* 1-3, 30-32.

Bibliography

ARCHIVES

Architectural Association Archive, London
Godrej Archives, Mumbai
Houghton Library, Harvard University, Cambridge, MA
India Office Records, British Library, London
London School of Economics Archives, London
Maharashtra State Archives, Mumbai
The National Archives, Kew
National Archives of India, New Delhi
Nehru Memorial Museum and Library, New Delhi
Tata Central Archives, Pune
Tata Steel Archives, Jamshedpur
Tata Institute of Fundamental Research Archives, Mumbai
U.S. National Archives, College Park, MD

INTERVIEWS

R.S. Agrawal, editor, *Uditvani* newspaper, Jugsalai, April 2014
Xavier Dias, activist, Ranchi, April 2014
Viraf Mehta, former Director, Tata Steel Rural Development Society, New Delhi, June 2014
Dr. Amit Mukherjee, Initiatives of Change, Jamshedpur, April 2014
B. Muthuraman, former Managing Director, Tata Steel, Mumbai, February 2014
Rajendra Prasad Narla, archivist, Tata Central Archives, Pune, January 2014
Saryu Roy, MLA, Jamshedpur, April 2014
A.N. Singh, former Vice-President of Town Services, Tata Steel, Mumbai, February 2014
Jawaharlal Sharma, activist, Jamshedpur, March 2014

NEWSPAPERS AND PERIODICALS

Business Standard
The Caravan
The Economist
The Financial Times
Forbes
The Guardian
The Hindu
The New York Times
Outlook
The Telegraph (Kolkata)
Times of India

PUBLISHED PRIMARY SOURCES

Banerji, M.N. "Investigations in Industrial Psychology." *Indian Journal of Psychology* Vol. IX, Nos. 3 & 4 (July & Oct. 1934): 49-56.

------. "Reaction Time as an Indicator of onset of Fatigue." *Indian Journal of Psychology* Vol. X, Nos. 1, 2, 3 (Jan.-April-July 1935): 69-71.

Bulsara, Jal F. *Parsi Charity Relief and Communal Amelioration.* Bombay: Sanj Vartaman Press, 1935.

Burnham, James. *The Managerial Revolution: What is Happening in the World.* New York: John Day, 1941.

Elwin, Verrier. *The Agaria.* Calcutta: Oxford University Press, 1942.

------. *The Story of Tata Steel.* Bombay: Commercial Printing Press, 1958.

Darookhanavala, M.D. *The Indian Politeia.* Bombay: The Lakhani Book Depot, 1949.

Dayal, John, and Ajoy Bose. *For Reasons of State: Delhi under Emergency.* Delhi: Ess Ess Publications, 1977.

Henderson, Michael. *Ice in Every Carriage: An Extraordinary Asian Journey, 1952-53.* Caux: Caux Books, 2010.

Goyder, George. *The Future of Private Enterprise: A Study in Responsibility.* Oxford: Basil Blackwell, 1951.

Hauser, Walter, ed. *Swami Sahajanand and the Peasants of Jharkhand: A View from 1941.* Delhi: Manohar, 1995.

Janah, Sunil. *Photographing India.* Delhi: Oxford University Press, 2013.

------. "Shadowing a philanthropologist." *The Times Higher Education Supplement* No. 398 (20 Aug. 1999).

"Kaifi," Brij Mohan Dattatreya. "A Mirror for India." Translated by Christopher Shackle. In *Nationalism in the Vernacular: Hindi, Urdu, and the Literature of Indian Freedom*. Edited by Shobna Nijhawan. New Delhi: Permanent Black, 2010.

Keenan, John L. *A Steel Man in India.* New York: Duell, Sloan and Pierce, 1943.

Koenisberger, Otto. *Jamshedpur Development Plan.* Bombay: Tata Iron and Steel Company, 1945.

------. “New Towns in India,” *The Town Planning Review*, Vol. 23, No. 2 (Jul.1952): 94-132.

Lady Tata: A Book of Remembrance. Bombay: Commercial Printing Press, 1932.

Manshardt, Clifford. *Pioneering on Social Frontiers in India.* Bombay: Lalvani Publishing House, 1967.

Marsh, John. *The Road to Management and Worker Co-operation in Indian Industry.* The Third Sir Ardeshir Dalal Memorial Lecture. Jamshedpur: Proceedings of the Society for the Study of Industrial Medicine, 1953.

Masani, M.R. *Bliss Was It In That Dawn…A Political Memoir Upto Independence.* New Delhi: Arnold-Heinemann, 1977.

------. *Congress Misrule and the Swatantra Alternative.* Bombay: Manaktalas, 1966.

------. *Picture of a Plan.* Bombay: Geoffrey Cumberledge, Oxford University Press, 1945.

------. *Socialism Reconsidered.* Bombay: Padma Publications, 1944.

McMahon, Robert J., William F. Sanford, and Sherrill B. Wells, ed. *Foreign Relations of the United States*. 1955-57. Vol. X, Foreign Aid and Economic Defense Policy. Washington: Government Printing Office, 1987.

Menon, Aubrey. *Sixty Years: The Story of Tatas*. Bombay: Commercial Printing Press, 1948.

Mukarjī, Jīvancandra. *Rājā Gokuladāsajī kā jīvana-carita*. Bombay, 1929.

Mukerjee, Radhakamal. *The Foundations of Indian Economics.* London: Longmans, Green & Co., 1916.

------. *The Indian Working Class*. Third edition. Bombay: Hind Kitabs, 1951.

Noble, G. Bernard, and E. R. Perkins, ed. *Foreign Relations of the United States: Diplomatic Papers*. 1942. Vol. I, General; The British Commonwealth; The Far East. Washington: Government Printing Office, 1960.

Rahman, Ram. *Sunil Janah: Photographs 1940-1960, Vintage Prints from the Swaraj Art Archive.* Noida, UP: Vijay Kumar Aggrawal, 2014.

Ranade, M.G. “Indian Political Economy.” In *Essays on Indian Economics*. Madras: G.A. Natesan & Co., 1920.

Sarkar, Benoy Kumar. *Creative India: From Mohenjo-Daro to the Age of Rāmakṛṣṇa-Vivekānanda*. Lahore: Motilal Banarsi Dass, 1937.

------. *Economic Development: Snapshots of World-Movements in Commerce, Economic Legislation, Industrialism and Technical Education.* Madras: B.G. Paul & Co., 1926.

------. "The Making of Naren Sengupta, the Pioneer of Experimental Psychology in India." *Indian Journal of Psychology* Vol. XIX, Parts III & IV (Mar. & Jun. 1944): 125-34.

------. "Rationalization in Indian Cotton Mills, Railways, Steel Industry & other Enterprises." Economic Brochures for Young India. Calcutta: Oriental Press, 1930.

Sengupta, N.N. "Psychology, Its Present Development and Outlook." *Indian Journal of Psychology* Vol. I, No. 1 (Jan. 1926): 1-25.

Sharma, D.L. "Adjustment Problems of Industrial Workers." *Indian Journal of Psychology* Vol. XXIII, Parts I-IV (Jan.-Dec. 1948): 31-42.

------. "Psychological Mechanism of the Morale of Industrial Workers." *Indian Journal of Psychology* Vol. XXV, Parts I-IV (Jan.-Dec. 1950): 127-32.

Sharma, Tulsi Ram. *The Location of Industries in India.* Bombay: Hind Kitabs Limited, 1946.

Shroff, A.D. *Free Enterprise in India.* Bombay: Forum of Free Enterprise, 1956.

------. *Private Enterprise and Politics.* Bombay: Forum of Free Enterprise, 1962.

Shroff, A.D., Murarji Vaidya, and Prof. C.L. Gheevala. *A Survey of Socialism Today.* Bombay: Forum of Free Enterprise, 1961.

Spratt, Philip. *Blowing Up India: Reminiscences and Reflections of a former Comintern Emissary.* Calcutta: Prachi Prakashan, 1955.

------. *Hindu Culture and Personality: A Psycho-Analytic Study.* Bombay: Manaktalas, 1966.

Spratt, Philip, and M.N. Roy. *Beyond Communism*. Third edition. Delhi: M.R. Prints, 1981.

The Story of a Strike. Calcutta: Public Relations Department, The Tata Iron and Steel Company Limited, July 1958.

Tarbell, Ida M. *The History of the Standard Oil Company*. Volume One. New York: McClure, Phillips & Co., 1904.

Tata, J.R.D. *Letters.* Vol. 1. Edited by Arvind Mambro, R.M. Lala and S.A. Sabavala. New Delhi: Rupa & Co., 2004.

Temple, F.C. *Report on Town Planning.* Jamshedpur Social Welfare Series. Bombay: Commercial Press, 1919.

Thakurdas, Purshottamdas et. al., *Memorandum Outlining A Plan of Economic Development for India.* Hammondsworth: Penguin, 1944.

Wacha, D.E. *A Financial Chapter in the History of Bombay City.* Bombay: A.J. Combridge & Co., 1910.

------. *The Life and Life-Work of J.N. Tata*. Second Edition. Madras: Ganesh & Co., 1915.

Wadia, P.A., and K.T. Merchant. *The Bombay Plan: A Criticism.* Bombay: The Popular Book Depot, 1946.

Whitaker, John K., ed. *The Correspondence of Alfred Marshall, Economist, Volume Three: Towards the Close, 1903-1924*. Cambridge: Cambridge University Press, 1996.

Zinkin, Taya. *Challenges in India.* London: Chatto & Windus, 1966.

SECONDARY SOURCES

Adams, Julia. *The Familial State: Ruling Families and Merchant Capitalism in Early Modern Europe*. Ithaca, NY: Cornell University Press, 2005.

Ahuja, Ravi. *Pathways of Empire: Circulation, Public Works and Social Space in Colonial Orissa, c. 1780-1914*. New Delhi: Orient Blackswan, 2009.

Arnold, David. "The Self and the Cell: Indian Prison Narratives as Life Histories." In *Telling Lives in India: Biography, Autobiography, and Life History.* Edited by David Arnold and Stuart Blackburn. Bloomington, IN: Indiana University Press, 2004.

Bagchi, Amiya. "Multiculturalism, Governance, and the Indian Bourgeoisie." In *Capital and Labour Redefined: India and the Third World.* London: Anthem Press, 2002.

------. *Private Investment in India 1900-1939.* Cambridge: Cambridge University Press, 1972.

Bahl, Vinay. *The Making of India's Working Class: A Case of the Tata Iron and Steel Company, 1880-1946.* New Delhi: Sage Publications, 1995.

Banaji, Jairus. "Seasons of Self-Delusion: Opium, Capitalism, and the Financial Markets." *Historical Materialism* Vol. 21, No. 2 (2013): 3-19.

Barkan, Joshua. *Corporate Sovereignty: Law and Government under Capitalism.* Minneapolis: University of Minnesota Press, 2013.

Bassett, Ross. *The Technological Indian.* Cambridge, MA: Harvard University Press, 2016.

Bayly, C.A. *Recovering Liberties: Indian Thought in the Age of Liberalism and Empire.* Cambridge: Cambridge University Press, 2011.

Baweja, Vandana. "Messy Modernisms: Otto Koenigsberger's Early Work in Princely Mysore, 1939–41." *South Asian Studies* Vol. 31, No. 1 (2015): 1-26.

Beckert, Sven. *Empire of Cotton: A Global History.* New York: Alfred A. Knopf, 2014.

------. "History of American Capitalism." In *American History Now*. Edited by Eric Foner and Lisa McGirr. Philadelphia: Temple University Press, 2011.

Benton, Lauren. *A Search for Sovereignty: Law and Geography in European Empires, 1400-1900.* Cambridge: Cambridge University Press, 2010.

Bhagavan, Manu. *Sovereign Spheres: Princes, Education and Empire in Colonial India.* New Delhi: Oxford University Press, 2003.

Bhat, Harish. *Tata Log: Eight Modern Stories from a Timeless Institution.* New Delhi: Penguin, 2012.

Birla, Ritu. "Capitalist Subjects in Transition." In *From the Colonial to the Postcolonial: India and Pakistan in Transition*. Edited by Dipesh Chakrabarty, Rochona Majumdar and Andrew Sartori. Delhi: Oxford University Press, 2007.

------. *Stages of Capital: Law, Culture, and Market Governance in Late Colonial India.* Durham, NC: Duke University Press, 2009.

------. "Vernacular Capitalists and the Modern Subject in India: Law, Cultural Politics, and Market Ethics." In *Ethical Life in South Asia*. Edited by Daud Ali and Anand Pandian. Bloomington: Indiana University Press, 2010.

Block, Fred. Introduction to *The Great Transformation*, by Karl Polanyi. Boston: Beacon Press, 2001.

Blyth, Mark. *Great Transformations: Economic Ideas and Institutional Change in the Twentieth Century.* Cambridge: Cambridge University Press, 2002.

Bockman, Johanna. *Markets in the Name of Socialism: The Left-Wing Origins of Neoliberalism.* Stanford: Stanford University Press, 2011.

Bose, Purnima, and Laura E. Lyons. "Introduction: Toward a Critical Corporate Studies." In Cultural Critique and the Global Corporation. Edited by Purnima Bose and Laura E. Lyons. Bloomington: Indiana University Press, 2010.

Bose, Sugata. "Instruments and Idioms of Colonial and National Development: India's Historical Experience in Comparative Perspective." In *International Development and the Social*

Sciences. Edited by Frederick Cooper and Randall Packard. Berkeley: University of California Press, 1998.

Bourdieu, Pierre. "Symbolic capital." In *The Logic of Practice.* Translated by Richard Nice. Stanford: Stanford University Press, 1990.

Bourg, Julien. *From Revolution to Ethics: May 1968 and Contemporary French Thought.* Montréal: McGill University Press, 2007.

Burgin, Angus. *The Great Persuasion: Reinventing Free Markets since the Depression.* Cambridge, MA: Harvard University Press, 2012.

Brown, Rebecca M. *Art for a Modern India, 1947-1980.* Durham: Duke University Press, 2009.

Cain, P.J., and A.G. Hopkins. "Gentlemanly Capitalism and British Expansion Overseas II: New Imperialism, 1850-1945." *The Economic History Review*, New Series, Vol. 40, No. 1 (Feb. 1987): 1-26.

Casey, Peter. *The Greatest Company in the World? The Story of Tata.* New Delhi: Penguin, 2014.

Chacko, Philip, and Christabelle Noronha. *Salt of the Earth: The Story of Tata Chemicals*. Chennai: Westland Ltd., 2014.

Chakrabarty, Bidyut. *Corporate Social Responsibility in India.* Abingdon, Oxon: Routledge, 2011.

Chakrabarty, Dipesh. *Rethinking Working-Class History: Bengal 1890 to 1940.* Princeton: Princeton University Press, 1989.

Chakrabarti, Manali. "Why Did Indian Big Business Pursue a Policy of Economic Nationalism in the Interwar Years? A New Window to an Old Debate." *Modern Asian Studies* Vol. 43, No. 4 (2009): 979-1038.

Chakravarti, Sudip. *Clear.Hold.Build: Hard Lessons of Business and Human Rights in India.* Noida, UP: Collins Business, 2014.

Chandavarkar, Rajnarayan. *The Origins of Industrial Capitalism in India: Business Strategies and the Working Classes in Bombay, 1900-1940.* Cambridge: Cambridge University Press, 1994.

Chandler, Jr., Alfred D., and Takashi Hikino. "The large industrial enterprise and the dynamics of modern economic growth." In *Big Business and the Wealth of Nations.* Edited by Alfred D. Chandler, Jr., Franco Amatori, and Takashi Hikino. Cambridge: Cambridge University Press, 1997.

Chaudhry, Faisal. "A Rule of Proprietary Right for British India: From revenue settlement to tenant right in the age of classical legal thought," *Modern Asian Studies* Vol. 50, No. 1 (2016): 345-84.

Chibber, Vivek. *Locked in Place: State-Building and Late Industrialization in India.* Princeton: Princeton University Press, 2003.

------. *Postcolonial Theory and the Specter of Capital.* London: Verso, 2013.

------. "Reviving the Developmental State? The Myth of the 'National Bourgeoisie,'" *Socialist Register* Vol. 41 (2005): 226-46.

Chopra, Preeti. *A Joint Enterprise: Indian Elites and the Making of British Bombay.* Minneapolis: University of Minnesota Press, 2011.

Chowdhury, Indira. "Fundamental Research, Self-Reliance, and Internationalism: The Evolution of the Tata Institute of Fundamental Research, 1945-47." In *Science and Modern India: An Institutional History, c. 1784-1947*. Edited by Uma Das Gupta. History of Science, Philosophy and Culture in Indian Civilization, Vol. XV, Part 4. Delhi: Pearson Longman, 2011.

Clymer, Kenton J. *Quest For Freedom: The United States and India's Independence.* New York: Columbia University Press, 1995.

Coleman, Peter. *The Liberal Conspiracy: The Congress for Cultural Freedom and the Struggle for the Mind of Postwar Europe.* New York: The Free Press, 1989.

Coll, Steve. *Private Empire: ExxonMobil and American Power.* New York: Penguin Books, 2012.

Connelly, Matthew. *Fatal Misconception: The Struggle to Control World Population.* Cambridge, MA: The Belknap Press of Harvard University Press, 2008.

Crawford, Margaret. *Building the Workingman's Paradise: The Design of American Company Towns*. London: Verso, 1995.

Cullather, Nick. *The Hungry World: America's Cold War Battle against Poverty in Asia.* Cambridge, MA: Harvard University Press, 2013.

Dahrendorf, Ralf. *LSE: A History of the London School of Economics and Political Science, 1895-1995.* Oxford: Oxford University Press, 1995.

Dalal, Sucheta. *A.D. Shroff: Titan of Finance and Free Enterprise.* Delhi: Viking, 2000.

Damodaran, Vinita. "Indigenous Agency: Customary Rights and Tribal Protection in Eastern India, 1830-1930," *History Workshop Journal* No. 76 (August 2013): 85-110.

Dasgupta, Ajit K. *Gandhi's Economic Thought.* London: Routledge, 1996.

Datta, Satya Brata. *Capital Accumulation and Workers' Struggle in Indian Industrialisation: The Case of the Tata Iron and Steel Company, 1910-1970.* Stockholm: Almqvist & Wiksell International, 1986.

De, Rohit. "'Commodities must be controlled': economic crimes and market discipline in India (1939-1955)," *International Journal of Law in Context,* Vol. 10, No. 3 (September 2014): 277-94.

Dewey, Clive. "The Government of India's 'New Industrial Policy,' 1900-1925: Formation and Failure." In *Economy and Society: Essays in Indian Economic and Social History*. Edited by K.N. Chaudhuri and Clive Dewey. Delhi: Oxford University Press, 1979.

Dobbin, Christine. *Urban Leadership in Western India: Politics and Communities in Bombay City, 1840-1885.* Oxford: Oxford University Press, 1972.

Dutta, Maya. *Jamshedpur*: *The Growth of the City and its Regions.* Calcutta: The Asiatic Society, 1977.

Eaton, Richard. *The Rise of Islam and the Bengal Frontier, 1204-1760.* Berkeley: University of California Press, 1993.

Eckert, Carter J. *Offspring of Empire: The Koch'ang Kims and the Colonial Origins of Korean Capitalism, 1876-1945.* Seattle: University of Washington Press, 2014.

Engerman, David C. Foreword to *The God that Failed,* edited by Richard H. Crossman. New York: Columbia University Press, 2001.

------. "Learning from the East: Soviet Experts and India in the Era of Competitive Coexistence." *Comparative Studies of South Asia, Africa, and the Middle East* Vol. 33, No. 2 (2013): 227-38.

Erdman, Howard L. *The Swatantra Party and Indian Conservatism.* Cambridge: Cambridge University Press, 1967.

Fear, Jeffrey R. "Constructing big business: The cultural concept of the firm." In *Big Business and the Wealth of Nations.* Edited by Alfred D. Chandler, Jr., Franco Amatori, and Takashi Hikino. Cambridge: Cambridge University Press, 1999.

Ferguson, James. *Expectations of Modernity: Myths and Meanings of Urban Life on the Zambian Copperbelt.* Berkeley: University of California Press, 1999.

------. “Seeing Like an Oil Company: Space, Security and Global Capital in Neoliberal Africa,” *American Anthropologist* Vol. 107, No. 3 (September 2005): 377-82.

Floor, Willem. “Bushehr: Southern Gateway to Iran.” In *The Persian Gulf in Modern Times: People, Ports, and History*. Edited by Lawrence G. Potter. New York: Palgrave Macmillan, 2014.

Fox, Richard G. *Gandhian Utopia: Experiments with Culture.* Boston: Beacon Press, 1989.

Gallagher, John, and Ronald Robinson. “The Imperialism of Free Trade.” *The Economic History Review*, New Series, Vol. 6, No. 1 (1953): 1-15.

Ghosh, Suresh Chandra. “The Genesis of Curzon’s University Reforms, 1899-1905.” In *New Perspectives in the History of Indian Education.* Edited by Parimala Rao. New Delhi: Orient Blackswan, 2014.

Glover, William J. “The troubled passage from ‘village communities’ to planned new town developments in mid-twentieth-century South Asia.” *Urban History* Vol. 39, No. 1 (February 2012): 108-27.

Gordon, A.D.D. *Businessmen and Politics: Rising Nationalism and a Modernising Economy in Bombay, 1918-1933*. Australian National University Monographs on South Asia No. 3. Delhi: Manohar, 1978.

Goswami, Manu. “Imaginary Futures and Colonial Internationalisms,” *American Historical Review* Vol. 117, No. 5 (2012): 1461-85.

------. *Producing India: From Colonial Economy to National Space*. Chicago: University of Chicago Press, 2004.

Goswami, Omkar. *Goras and Desis: Managing Agencies and the Making of Corporate India.* The Story of Indian Business Series. Gurgaon: Penguin Random House, 2016.

Gould, William. *Bureaucracy, Community and Influence in India: Society and the state, 1930s-1960s.* Abingdon, Oxon: Routledge, 2011.

Grandin, Greg. *Fordlandia: The Rise and Fall of Henry Ford’s Forgotten Jungle City.* New York: Picador, 2010.

Grace, Richard J. *Opium and Empire: The Lives and Careers of William Jardine and James Matheson.* Montréal: McGill-Queen’s University Press, 2014.

Gramsci, Antonio. “Americanism and Fordism.” In *Selections from the Prison Notebooks*. Edited by Quintin Hoare and Geoffrey Nowell Smith. New York: International Publishers Co., 1971.

Guha, Ramachandra. *Savaging the Civilized: Verrier Elwin, His Tribals, and India.* Chicago: University of Chicago Press, 1999.

------. "The Other Side of the Raj: Mira, Spratt, Elwin and Haldane." In *An Anthropologist Among the Marxists and Other Essays.* Delhi: Permanent Black, 2001.

Gupta, Partha Sarathi. "Notes on the Origin and Structuring of the Industrial Labour Force in India, 1880-1900." In *Power, Politics and the People: Studies in British Imperialism and Indian Nationalism*. Edited by Sabayasachi Bhattacharya. London: Anthem Press, 2002.

------. "State and Business in India in the Age of Discriminatory Protection, 1916-1939." In *Power, Politics and the People: Studies in British Imperialism and Indian Nationalism*. Edited by Sabayasachi Bhattacharya. London: Anthem Press, 2002.

Halperin, Sandra. "Nationalism Reconsidered: The Local/Trans-local Nexus of Globalisation." *Studies in Ethnicity and Nationalism,* Vol. 9, No. 3 (2009): 465-80.

Halperin, Sandra. *War and Social Change in Modern Europe: The Great Transformation Revisited*. Cambridge: Cambridge University Press, 2004.

Hardiman, David. *Gandhi in His Time and Ours: The Global Legacy of His Ideas.* New York: Columbia University Press, 2004.

Harris, José. "The Webbs, the Charity Organisation Society and the Ratan Tata Foundation: social policy from the perspective of 1912." In *The Goals of Social Policy*. Edited by Martin Bulmer, Jane Lewis, and David Piachaud. London: Unwin Hyman, 1989.

Harris, F.R. *Jamsetji Nusserwanji Tata: A Chronicle of His Life.* Second edition. London: Blackie & Son, 1958.

Hart, Keith. "Karl Polanyi's Legacy." *Development and Change* Vol. 39, No. 6 (2008): 1135-43.

Hazari, R.K. *The Structure of the Corporate Private Sector: A Study of Concentration, Ownership and Control*. Bombay: Asia Publishing House, 1966.

Hiltzik, Michael. *Big Science: Ernest Lawrence and the Invention That Launched the Military-Industrial Complex.* New York: Simon & Schuster, 2015.

Hinnells, John. "The Flowering of Zoroastrian Benevolence: Parsi Charities in the 19th and 20th Centuries." In *Papers in Honour of Professor Mary Boyce*. Edited by Harold Walter Bailey, Adrian David H. Bivar, Jacques Duchesne-Guillemin, and John R. Hinnells. Leiden: Brill, 1985.

Hiro, Dilip. *The Age of Aspiration: Power, Wealth, and Conflict in Globalizing India*. New York: The New Press, 2015.

Hoe, Susanna. *The Man Who Gave his Company Away: A biography of Ernest Bader, Founder of the Scott Bader Commonwealth.* London: Heinemann, 1978.

Hofmeyr, Isabel. *Gandhi's Printing Press: Experiments in Slow Reading.* Cambridge, MA: Harvard University Press, 2013.

Hull, Matthew. "Communities of Place, Not Kind: American Technologies of Neighborhood in Postcolonial Delhi," *Comparative Studies in Society and History* Vol. 53, No. 4 (2011): 757-90.

------. *Government of Paper: The Materiality of Bureaucracy in Urban Pakistan.* Berkeley: University of California Press, 2012.

Immerwahr, Daniel. "Polanyi in the United States: Peter Drucker, Karl Polanyi, and the Midcentury Critique of Economic Society." *Journal of the History of Ideas,* Vol. 70, No. 3 (July 2009): 445-66.

------. *Thinking Small: The United States and the Lure of Community Development.* Cambridge, MA: Harvard University Press, 2015.

Jacoby, Sanford M. *Modern Manors: Welfare Capitalism since the New Deal.* Princeton: Princeton University Press, 1997.

Jacoby, Susan. *Strange Gods: A Secular History of Conversion.* New York: Pantheon Books, 2016.

Jenkins, Matthew. "Anna Hazare, Liberalisation and the Careers of Corruption in Modern India, 1974-2011." *Economic and Political Weekly* Vol. XLIX, No. 33 (16 August 2014): 41-49.

Jones, Charles A. *International Business in the Nineteenth Century: The Rise and Fall of a Cosmopolitan Bourgeoisie.* Brighton, Sussex: Wheatsheaf Books, 1987.

Kalshian, Rakesh, ed. *The Caterpillar and the Mahua Flower: Tremors in India's Mining Fields.* New Delhi: Panos South Asia, 2007.

Kaur, Ravinder, and Thomas Blom Hansen. "Aesthetics of Arrival: spectacle, capital, novelty in post-reform India," *Identities: Global Studies in Culture and Power* Vol. 23, No. 3 (2016): 1-11.

Khan, Yasmin. *The Raj at War: A People's History of India's Second World War.* London: The Bodley Head, 2015.

Kidambi, Prashant. "From 'Social Reform' to 'Social Service': Indian Civic Activism and the Civilizing Mission in Colonial Bombay c. 1900-1920." In *Civilizing Missions in Colonial and Postcolonial South Asia*. Edited by Carey A. Watt and Michael Mann. London: Anthem Press, 2011.

Kidron, Michael. *Foreign Investments in India.* London: Oxford University Press, 1965.

Kling, Blair. "The Origins of the Managing Agency System in India." In *Entrepreneurship and Industry in India, 1800-1947*. Edited by Rajat Kanta Ray. Delhi: Oxford University Press, 1992.

------. "Paternalism in Indian Labor." *International Labor and Working-Class History* No. 53 (Spring 1998): 69-87.

Kochanek, Stanley. *Business and Politics in India.* Berkeley: University of California Press, 1974.

Kohli, Atul. "Politics of Economic Growth in India, 1980-2005, Part I: The 1980s." *Economic and Political Weekly,* Vol. XLI, No. 13 (1 April 2006): 1251-59.

Kosambi, Meera, ed. *Unsettling the Past: Unknown Aspects and Scholarly Assessments of D.D. Kosambi*. New Delhi: Permanent Black, 2012.

Koven, Seth. *Slumming: Sexual and Social Politics in Victorian London.* Princeton: Princeton University Press, 2006.

Krishnan, Eesvan. "Private Speculations and the Public Interest: N. C. Kelkar's Land Acquisition Bill." *Socio-Legal Review*, Vol. 8, No. 2 (2012): 78-105.

Kumar, Arun. Review of Pushpa Sundar, *Business and Community*. *Management Learning* Vol. 44, No. 5 (2013): 563-66.

Lahiri, Nayanjot. *Finding Forgotten Cities: How the Indus Civilization Was Discovered.* New Delhi: Permanent Black, 2005.

Lala, R.M. *Beyond the Last Blue Mountain: A Life of J.R.D. Tata*. New Delhi: Penguin, 2003.

------. *The Creation of Wealth: The Tatas from the 19th to the 21st century*. New Delhi: Penguin, 2006.

------. *For the Love of India: The Life and Times of Jamsetji Tata.* New Delhi: Penguin, 2004.

------. *The Romance of Tata Steel*. New Delhi: Penguin, 2007.

Lee, Rachel. "Constructing a Shared Vision: Otto Koenigsberger and Tata & Sons." *ABE Journal: Architecture Beyond Europe*, No. 2 (2012). <http://abe.revues.org/356>

Levy, Jonathan. *Freaks of Fortune: The Emerging World of Capitalism and Risk in America.* Cambridge, MA: Harvard University Press, 2012.

Linstrum, Erik. *Ruling Minds: Psychology in the British Empire.* Cambridge, MA: Harvard University Press, 2016.

Lockwood, David. *The Indian Bourgeoisie: A Political History of the Indian Capitalist Class in the Early Twentieth Century.* London: I.B. Tauris, 2012.

Madar, Daniel. *Big Steel: Technology, Trade, and Survival in a Global Market.* Vancouver: University of British Columbia Press, 2010.

Maier, Charles S. "Society as factory." In *In Search of Stability: Explorations in Historical Political Economy.* Cambridge: Cambridge University Press, 1987.

Manjapra, Kris. *Age of Entanglement: German and Indian Intellectuals across Empire.* Cambridge, MA: Harvard University Press, 2014.

------. *M.N. Roy: Marxism and Colonial Cosmopolitanism.* New Delhi: Routledge, 2010.

Marchand, Roland. *Creating the Corporate Soul: The Rise of Public Relations and Corporate Imagery in American Big Business.* Berkeley: University of California Press, 1998.

Markovits, Claude. *Indian Business and Nationalist Politics 1931-1939: The Indigenous Capitalist Class and the Rise of the Congress Party.* Cambridge: Cambridge University Press, 1985.

------. "The Tata Paradox." In *Merchants, Traders, Entrepreneurs: Indian Business in the Colonial Era.* Basingstoke: Palgrave Macmillan, 2008.

Mauss, Marcel. *The Gift: The Form and Reason for Exchange in Archaic Societies*. Translated by W.D. Hall. New York: W.W. Norton & Company, 2000.

McEldowney, Philip. "Colonial Administration and Social Developments in Middle India: The Central Provinces, 1861-1921." PhD dissertation, University of Virginia, 1980.

McMahon, Robert J. *The Cold War on the Periphery: The United States, India, and Pakistan.* New York: Columbia University Press, 1995.

Misra, Maria. *Business, Race and Politics in British India*. Oxford: Clarendon Press, 1999.

Mithas, Sunil. *Dancing Elephants and Leaping Jaguars: How to Excel, Innovate, and Transform Your Organization the Tata Way***.** North Potomac, MD: Finerplanet, 2014.

Mitra, Meera. *It's Only Business! India's Corporate Social Responsiveness in a Globalized World.* Delhi: Oxford University Press, 2007.

Mohapatra, Prabhu. "Coolies and Colliers: A Study of the Agrarian Context of Labour Migration from Chotanagpur, 1880-1920." *Studies in History* Vol. 1, No. 2 (1985): 247-303.

Morris, Morris D. “Order and Disorder in the Labour Force: The Jamshedpur Crisis of 1958.” *The Economic Weekly* (November 1, 1958): 1387-95.

Mukherjee, Aditya. *Imperialism, Nationalism and the Making of the Indian Capitalist Class, 1920-1947.* Delhi: Sage Publications, 2002.

Mukherjee, Rudrangshu. *A Century of Trust: The Story of Tata Steel.* New Delhi: Penguin, 2008.

Mukherjee, Siddhartha. *The Emperor of all Maladies: A Biography of Cancer.* New York: Scribner, 2010.

Mukherjee, Sraman. “New province, old capital: Making Patna Pataliputra.” *Indian Economic and Social History Review* Vol. 46, No. 2 (2009): 241-79.

Nair, Janaki. *The Promise of the Metropolis: Bangalore’s Twentieth Century.* Delhi: Oxford University Press, 2005.

Nomura, Chikayoshi. “Selling steel in the 1920s: TISCO in a period of transition.” *Indian Economic and Social History Review* Vol. 48, No. 1 (2011): 83-116.

------. “TISCO’s Strikes in 1927-29: An Initial Step Towards a Shopfloor Democracy.” NIHU Program Contemporary India Area Studies (INDAS) Working Paper No. 11 (March 2013).

Nyland, Chris, and Kyle Bruce. “Democracy or Seduction? The Demonization of Scientific Management and the Deification of Human Relations.” In *The Right and Labor in America: Politics, Ideology, and Imagination*. Edited by Nelson Lichtenstein and Elizabeth Tandy Shermer. Philadelphia, University of Pennsylvania Press, 2012.

Ogborn, Miles. *Indian Ink: Script and Print in the Making of the English East India Company.* Chicago: University of Chicago Press, 2007.

Oonk, Gijsbert. “Motor or millstone? The managing agency system in Bombay and Ahmedabad, 1850-1930.” *The Indian Economic and Social History Review* Vol. 38, No. 4 (2001): 419-52.

Overy, Richard. *The Twilight Years: The Paradox of Britain Between the Wars.* New York: Penguin, 2009.

Owen, Nicholas. “British Progressives and Civil Society in India.” In *Civil Society in British History: Ideas, Identities, Institutions.* Edited by José Harris. Oxford: Oxford University Press, 2003.

Padel, Felix, and Samarendra Das. *Out of This Earth: East India Adivasis and the Aluminium Cartel.* Hyderabad: Orient Blackswan, 2010.

Palsetia, Jesse. "Merchant Charity and Public Identity Formation in Colonial India: The Case of Jamsetjee Jeejeebhoy." *Journal of Asian and African Studies* Vol. 40, No. 3 (2005): 197-217.

------. *The Parsis of India: Preservation of Identity in Bombay City*. Leiden: Brill, 2001.

Parry, Jonathan, and Christian Struempell. "On the Desecration of Nehru's 'Temples': Bhilai and Rourkela Compared." *Economic and Political Weekly* Vol. 43, No. 19 (May 10-16, 2008): 47-57.

Parthasarathy, D. "Planning and the Fate of Democracy: State, Capital, and Governance in Post-independence India." In *State Capitalism, Contentious Politics and Large-Scale Social Change.* Edited by Vincent Kelly Pollard. Leiden: Brill, 2011.

Pati, Biswamoy. "The order of legitimacy: Princely Orissa, 1850-1947." In *India's Princely States: People, princes and colonialism.* Edited by Waltraud Ernst and Biswamoy Pati. Abingdon, Oxon: Routledge, 2007.

Phalkey, Jahnavi. *Atomic State: Big Science in Twentieth-Century India.* New Delhi: Permanent Black, 2013.

Plys, Kristin. "Worker self-management in the Third World, 1952-1979." *International Journal of Comparative Sociology* Vol. 57, No. 1 (2016): 1-28.

Polanyi, Karl. *The Great Transformation: The Political and Economic Origins of Our Time.* Boston: Beacon Press, 1957.

Prasad, Archana. *Against ecological romanticism: Verrier Elwin and the making of an anti-modern tribal identity.* Gurgaon: Three Essays Collective, 2003.

Press, Steven. *Rogue Empires: Contracts and Conmen in Europe's Scramble for Africa.* Cambridge, MA: Harvard University Press, 2017.

Rabinbach, Anson. *The Human Motor: Energy, Fatigue, and the Origins of Modernity.* Berkeley: University of California Press, 1992.

Raghavan, Srinath. *India's War: World War II and the Making of Modern South Asia.* New York: Basic Books, 2016.

Rajagopal, Arvind. "The Emergency as Prehistory of the Indian Middle Class." *Modern Asian Studies* Vol. 45, No. 5 (2011): 1003-49.

Rajak, Dinah. *In Good Company: An Anatomy of Corporate Social Responsibility.* Stanford: Stanford University Press, 2011.

Ramnath, Aparajith. "Engineers in India: Industrialisation, Indianisation and the State, 1900-47." PhD dissertation, Imperial College London, 2012.

Ray, Rajat Kanta. *Industrialization in India: Growth and Conflict in the Private Corporate Sector, 1914-47.* Delhi: Oxford University Press, 1979.

Renold, Leah. "Gandhi, Patron Saint of the Industrialist." *Sagar: South Asia Graduate Research Journal,* Vol. 1, No. 1 (Spring 1994): 16-38.

Rose, Nikolas. *Governing the Soul: The Shaping of the Private Self.* London: Routledge, 1990.

Rothermund, Dietmar. "Tenancy Legislation for Chota Nagpur: The Emphasis on Executive Protection." In *Zamindars, Mines and Peasants.* Edited by Dietmar Rothermund and D.C. Wadhwa. Delhi: Manohar, 1978.

Rothschild, Emma. "Arcs of Ideas: International History and Intellectual History." In *Transnationale Geschichte: Themen, Tendenzen und Theorien.* Edited by Gunilla Budde, Sebastian Conrad and Oliver Janz. Göttingen: Vandenhoeck & Ruprecht, 2006.

Rotter, Andrew. *Comrades at Odds: The United States and India, 1947-64.* Ithaca: Cornell University Press, 2000.

Roy, Tirthankar. *Company of Kinsmen: Enterprise and Community in South Asian History, 1700-1940.* Delhi: Oxford University Press, 2010.

------. "Embracing the World: Parsis after the China Trade." In *Across Oceans and Flowing Silks: From Canton to Bombay 18th-20th Centuries*. Edited by Pheroza J. Godrej and Firoza Phuntakey Mistree with Sudha Seshadri. Mumbai: Spenta Multimedia, 2013.

------. *India in the World Economy: From Antiquity to Present.* Cambridge: Cambridge University Press, 2012.

------. "Trading Firms in Colonial India," *Business History Review* 88 (Spring 2014): 9-42.

Roy, Tirthankar, and Anand V. Swamy. *Law and the Economy in Colonial India.* Chicago: The University of Chicago Press, 2016.

Sabin, Margery. "The Politics of Cultural Freedom: India in the 1950s." In *Dissenters and Mavericks: Writings about India in English, 1765-2000.* New York: Oxford University Press, 2002.

Sack, Daniel. *Moral Re-Armament: The Reinventions of an American Religious Movement.* New York: Palgrave Macmillan, 2009.

Sanchez, Andrew. "Deadwood and Paternalism: Rationalizing Casual Labour in an Indian Company Town," *Journal of the Royal Anthropological Institute* Vol. 18, No. 4 (2012): 808-27.

Sanchez, Andrew, and Christian Strümpell. "Sons of Soil, Sons of Steel: Autochtony, Descent and the Class Concept in Industrial India." *Modern Asian Studies,* Vol. 48, No. 5 (2014): 1276-1301.

Saran, Mishi. "A House for Mr. Tata." In *Traveling In, Traveling Out: A Book of Unexpected Journeys*. Edited by Namita Gokhale. Noida: HarperCollins India, 2014.

Sartori, Andrew. "Global Intellectual History and the History of Political Economy." In *Global Intellectual History*. Edited by Samuel Moyn and Andrew Sartori. New York: Columbia University Press, 2013.

Schwerin, Detlef. "The Control of Land and Labour in Chota Nagpur, 1858-1908." In *Zamindars, Mines and Peasants.* Edited by Dietmar Rothermund and D.C. Wadhwa. Delhi: Manohar, 1978.

Searle, G.R. *The Quest for National Efficiency: A Study in British Politics and Political Thought, 1899-1914.* Berkeley: University of California Press, 1971.

Sebaly, Kim P. "The Tatas and university reform in India, 1898-1914." *History of Education: Journal of the History of Education Society* Vol. 14, No. 2 (1985): 117-36.

------. "Tata Steel and higher technical education in India: The Padshah Plan, 1916–21," *History of Education: Journal of the History of Education Society* Vol. 17, No. 4 (1988): 309-20.

Seikaly, Sherene. *Men of Capital: Scarcity and Economy in Mandate Palestine.* Stanford: Stanford University Press, 2016.

Sen, Amartya. "The Pattern of British Enterprise in India 1854-1914: A Causal Analysis." In *Entrepreneurship and Industry in India, 1800-1947*. Edited by Rajat Kanta Ray. Delhi: Oxford University Press, 1992.

Sen, Sudipta. "Unfinished Conquest: Residual Sovereignty and the Legal Foundations of the British Empire in India." *Law, Culture and the Humanities* Vol. 9, No. 2 (June 2013): 227–242.

Sen, Sunil Kumar. *The House of Tata, 1839-1939.* Calcutta: Progressive Publishers, 1975.

Shah, Shashank. "Corporate Social Responsibility: A Way of Life at the Tata Group." *Journal of Human Values* Vol. 20, No. 1 (2014): 59-74.

Sharafi, Mitra. "South Asian Legal History." *The Annual Review of Law and Social Science* Vol. 11 (2015): 309-36.

Sheehan, Brett. *Industrial Eden: A Chinese Capitalist Vision.* Cambridge, MA: Harvard University Press, 2015.

Sherman, Taylor C. "A Gandhian answer to the threat of communism? Sarvodaya and postcolonial nationalism in India." *The Indian Economic and Social History Review*, Vol. 53, No. 2 (2016): 249-70.

Shimizu, Hiroshi. "The Indian merchants of Kobe and Japan's trade expansion into Southeast Asia before the Asian-Pacific War." *Japan Forum* Vol. 17, No. 1 (2005): 25-48.

Siddiqi, Asiya. "The Business World of Jamsetjee Jeejeebhoy." *Indian Economic and Social History Review* Vol. 19, Nos. 3 & 4 (1982): 301-24.

Simeon, Dilip. *The Politics of Labour under Late Colonialism: Workers, Unions and the State in Chota Nagpur, 1928-1939.* New Delhi: Manohar, 1995.

Singh, Jittu. "Tight Rope Walk at Tata Steel: Balancing Profits and CSR." *South Asian Journal of Management* Vol. 15, No. 1 (Jan.-Mar. 2008): 118-36.

Sinha, Amita, and Jatinder Singh. "Jamshedpur: Planning an Ideal Steel City in India." *Journal of Planning History* Vol. 10, No. 4 (2011): 263-81.

Sivaramakrishnan, K. *Modern Forests: Statemaking and Environmental Change in Colonial Eastern India.* Stanford: Stanford University Press, 1999.

Subbarayappa, B.V. *In Pursuit of Excellence: A History of the Indian Institute of Science.* New Delhi: Tata McGraw-Hill, 1992.

Subramanian, Lakshmi. *Three Merchants of Bombay: Doing Business in Times of Change.* The Story of Indian Business Series. New Delhi: Penguin/Allen Lane, 2012.

Stedman Jones, Daniel. *Masters of the Universe: Hayek, Friedman, and the Birth of Neoliberal Politics.* Princeton: Princeton University Press, 2012.

Stedman Jones, Gareth. "Rethinking Chartism." In *Languages of Class: Studies in English Working-Class History, 1832-1982.* Cambridge: Cambridge University Press, 1983.

Stern, Philip J. *The Company-State: Corporate Sovereignty and the Early Modern Foundations of the British Empire in India.* New York: Oxford University Press, 2011.

Stilgoe, John. "Moulding the Industrial Zone Aesthetic: 1880-1929." *Journal of American Studies*, Vol. 16, No. 1 (April 1982): 5-24.

Stoler, Ann. *Along the Archival Grain: Epistemic Anxieties and Colonial Common Sense.* Princeton: Princeton University Press, 2009.

Subrahmanyam, Sanjay, and C.A. Bayly. "Portfolio capitalists and the political economy of early modern India." In *Merchants, Markets, and the State in Early Modern India*. Edited by Sanjay Subrahmanyam. Delhi: Oxford University Press, 1990.

Sundar, Pushpa. *Business and Community: The Story of Corporate Social Responsibility in India.* New Delhi: SAGE Publications, 2013.

Tarlo, Emma. *Unsettling Memories: Narratives of the Emergency in Delhi.* Berkeley: University of California Press, 2003.

Thampi, Madhavi, and Shalini Saksena. *China and the Making of Bombay.* Mumbai: K.R. Cama Institute, 2009.

Timberg, Thomas A. *The Marwaris: From Jagat Seth to the Birlas.* The Story of Indian Business Series. New Delhi: Penguin/Allen Lane, 2014.

------. "Three Types of the Marwari Firm." *Indian Economic and Social History Review* Vol. 10, No. 1 (January 1973): 3-36.

Tooze, Adam. *The Deluge: The Great War, America and the Remaking of the Global Order, 1916-1931.* New York: Viking, 2014.

Tyabji, Nasir. *Forging Capitalism in Nehru's India: Neocolonialism and the State, c. 1940-1970.* Delhi: Oxford University Press, 2015.

Ussishkin, Daniel. "Morale and the Postwar Politics of Consensus," *Journal of British Studies* Vol. 52, No. 3 (July 2013): 722-43.

------. "The "Will to Work': industrial management and the question of conduct in interwar Britain." In *Brave New World: Imperial and Democratic Nation-Building in Britain between the Wars.* Edited by Laura Beers and Geraint Thomas. London: Institute of Historical Research, 2011.

Varma, Rashmi. "Prior to erasure: Looking for adivasis in photographs." In *Political Aesthetics: Culture, Critique and the Everyday*. Edited by Arundhati Virmani. London: Routledge, 2015.

Vidyarthi, Sanjeev. "Inappropriately Appropriated or Innovatively Indigenized?: Neighborhood Unit Concept in Post-independence India." *Journal of Planning History* Vol. 9, No. 4 (2010): 260-76.

Vishwakarma, Y.B. *Industrialization and Tribal Ecology: Jamshedpur and its Environs.* Jaipur: Rawat Publications, 1991.

Vitalis, Robert. *When Capitalists Collide: Business Conflict and the End of Empire in Egypt.* Berkeley: University of California Press, 1995.

Wadhwa, D.C. "Zamindars in Debt." In *Zamindars, Mines and Peasants.* Edited by Dietmar Rothermund and D.C. Wadhwa. Delhi: Manohar, 1978.

Wadia, Rusheed R. “Bombay Parsi Merchants in the Eighteenth and Nineteenth Centuries.” In *Parsis in India and the Diaspora*. Edited by John R. Hinnells and Alan Williams. Abingdon, Oxon: Routledge, 2008.

Wakeman, Rosemary. *Practicing Utopia: An Intellectual History of the New Town Movement.* Chicago: University of Chicago Press, 2016.

Watt, Carey A. “Philanthropy and Civilizing Missions in India c. 1820-1960.” In *Civilizing Missions in Colonial and Postcolonial South Asia*. Edited by Carey A. Watt and Michael Mann. London: Anthem Press, 2011.

Weatherburn, Michael R. “Scientific Management at Work: the Bedaux System, Management Consulting, and Worker Efficiency in British Industry, 1914-48.” PhD diss., Imperial College London, 2014.

Weinstein, Barbara. *For Social Peace in Brazil: Industrialists and the Remaking of the Working Class in São Paulo, 1920-1964*. Chapel Hill: University of North Carolina Press, 1997.

Willoughby-Herard, Tiffany. *Waste of a White Skin: The Carnegie Corporation and the Racial Logic of White Vulnerability.* Berkeley: University of California Press, 2015.

Witzel, Morgen. *Tata: The Evolution of a Corporate Brand.* New Delhi: Penguin, 2010.

Wray, William D. “Nodes in the Global Webs of Japanese Shipping.” *Business History* Vol. 47, No. 1 (January 2005): 1-22.

Zachariah, Benjamin. *Developing India: An Intellectual and Social History.* Delhi: Oxford University Press, 2005.

Zunz, Olivier. *Philanthropy in America: A History.* Princeton: Princeton University Press, 2011.