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Before 'Islamic Finance': The Political and Religious Economies of Indian Muslim Capital from the Balkans to Burma, 1850-1950

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Before ‘Islamic Finance’: The Political and Religious Economies of Indian Muslim Capital from the Balkans to Burma, 1850-1950

A dissertation submitted in partial satisfaction of the requirements for the degree Doctor of Philosophy in History

by

Michael O’Sullivan

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ABSTRACT OF THE DISSERTATION

Before 'Islamic Finance': The Political and Religious Economies of Indian Muslim Capital from the Balkans to Burma, 1850-1950

by

Michael O'Sullivan

Doctor of Philosophy in History

University of California, Los Angeles, 2019

Professor Nile Spencer Green, Chair

Spanning the period from 1850 to 1950, this dissertation is a study of three processes: 1) the religious and commercial institutions created by Indian Muslims to participate in circuits of regional and global capitalism; 2) intra-Muslim debates concerning Islamic law, customary practice, and the norms and institutions of modern capitalism; 3) the rise of an anti-capitalist discourse of 'Islamic economics' which provided the framework for the postcolonial birth of the Islamic finance industry. By situating Indian Muslim economic life in a geographic frame stretching from the Balkans to Burma, and using sources in Arabic, Persian, Ottoman Turkish, and Urdu, this dissertation represents a significant empirical intervention. At the same time, rather than resorting to the normative, ahistorical categories of Islam typical in studies of 'Islam and capitalism,' this dissertation utilizes the dual frameworks of political and religious economy to zoom in on the panoply of Muslim commercial and religious 'firms' that operated in this

space. The study of these firms highlights the very real tensions - between law and custom, colonial capital and local enterprise, religious competition and appeals to Muslim unity - that modulated Indian Muslim commercial life.

Four arguments are deduced from the study of these firms. Firstly, there was substantial intra-Muslim economic disparities throughout the colonial period, which call into question the typical argument of a 'Hindu-Muslim wealth gap,' a formulation that ignores the economic links between Muslim and non-Muslims. Secondly, the success of select Indian Muslim firms was contingent upon the initial mobilization of local religious institutions needed to enter the market as a competitive player, followed by the creation of lasting relationships of trust with non-Muslims. Thirdly, there was immense internal disagreement among firms over whether the Islamic legal tradition must supply a benchmark for commerce, which spawned competing behavioral norms and institutional trajectories. Lastly, the rise of an all-India Muslim politics showcased the dissonance between different forms of Muslim capitalism. This precipitated a highly charged struggle over what an 'authentic' Muslim economic life entailed. Ultimately, these rival visions and the firms that espoused them were central to the so-called 'Great Convergence,' the process whereby the economic disparities perpetuated by nineteenth-century colonialism and globalization were negotiated and mitigated.

The dissertation of Michael O'Sullivan is approved.

Sebouh David Aslanian

James L. Gelvin

Christine Philliou

Sanjay Subrahmanyam

Nile Spencer Green, Committee Chair

University of California, Los Angeles,

2019

To Hugh and Giuseppina, who will never read a word, but left a trace on every page

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A Note on Transliteration

Given the number of languages studied in the text, my method of transliteration depends upon the primary language used in the cited source and the text's geographic origins. Throughout this dissertation I have used the *IJMES* Transliteration System,[2] which provides guidelines for the transliteration of Arabic, Persian, Ottoman Turkish, and modern Turkish. As explained below, I have used a modified version of this for the transliteration of Urdu words.

Often in this dissertation, one will find the same word *riḍā*/*riżā* (رضا) spelled with Arabic 'ḍ' in reference to the Egyptian scholar Muḥammad Rashīd Riḍā, which is the preferred method of transliteration for Arabic, and with a "ż," used for Persian/Urdu sources, when speaking of the Indian scholar Aḥmad Riżā Khān. However, when examining an Arabic work written by Aḥmad Riżā Khān I have used Arabic transliteration when quoting words directly from the text. Names of individuals of Arab or Ottoman Turkish extraction are transliterated according to the rules delineated for these languages in the *IJMES* Transliteration System. Ottoman Turkish vowel harmony has been preserved.

In English language sources Indian Muslim names are spelling in a dizzying variety of ways. I have decided to transliterate all names of individuals according to Urdu, Persian, and Arabic orthography, except in cases of direct quotes. Thus, not Mohamed Ali Jinnah, but Muḥammad ʿAlī Jinnāḥ; not Seth Abdoola Haroon, but Seth ʿAbd Allah Hārūn; not Adamjee Hajee Dawood, but Adamjī Ḥajī Dāwūd; Żiāʾ al-Ḥaqq, not Zia ul Haqq. Nevertheless, when it comes to discussing commercial firms, I have kept the original spelling in which they appear in the sources. Thus, Dawood & Sons, not Dawud & Sons; Adamjee, not Adamji.

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[2] https://ijmes.chass.ncsu.edu/docs/TransChart.pdf

For Urdu words I have followed the rules governing the transliteration of Persian as outlined in the *IJMES* Transliteration System. For letters found only in Urdu, namely the retroflex and aspirated letters, I have simplified matters. In the case of aspirated consonants like چھ I have used “ch.” For retroflex letters like ٹ I have doubled the ‘t’ so that it becomes “tt.” For the few Gujarati titles that appear in the text I have used the Urdu-equivalent consonants and vowels.

Acknowledgments

It would be lunacy to think that this tiny acknowledgments section could do justice to the people who got me to this point. Professor Nile Green has been an ideal dissertation adviser. In a way scarcely conceivable for someone so prolific, he has been unfailingly generous with his time and resources. Sympathetic to my bid to write a truly global history, he has subsidized research trips from Sarajevo to Hyderabad. His own research has set the highest of professional bars, and will always represent the gold standard to which I aspire. Like all great teachers, his intellectual rigor has been more than matched by a strong devotion to training his students. (I am still amazed at how efficient he is in returning extensive written feedback on sixty-page dissertation chapters). That trait has been pivotal in making my PhD experience a real joy, which is hardly the word most people use to describe their doctoral experiences. In terms of professional development, I owe many things to Professor Green, perhaps most of all a passion for writing histories of Islam that defy conventional expectations, find obscure connections, and chart new territories. If this dissertation reveals a fraction of what he has taught me, and teaches him something in turn, than I will consider it a success.

Professor Sanjay Subrahmanyam has been a greatly admired mentor, one who has done so much to champion my research, however unmerited. The influence of his scholarship on the entire profession speaks for itself. But those of us lucky enough to sit in his seminars, or chat with him in office hours, are more fortunate still. His great dedication to pedagogy and his students is a fitting corollary of his outsized presence in several fields. Our conversations about the historian's craft over the past years have been among my most cherished moments at UCLA. I hope he recognizes some of what he taught me in these pages.

From my first week at UCLA, Professor Sebouh Aslanian taught me how to be a historian's historian, to work with flare and passion, to leave no historiographical stone unturned, no archive unexplored. He has funded a conference trip to Lisbon, supplied archival material, introduced me to other scholars, offered several independent studies, and been a constant source of advice and direction. I will always appreciate his many professional and personal courtesies.

Professor James Gelvin has been an inspiration for me, both as a teacher and a scholar. Our first interaction in seminar involved a reference I made to a Bee Gees song in an essay on Edward Said. Fortunately for me, he found the reference mildly amusing, otherwise I'd likely still be singing the chorus to "I Started a Joke," a very different kind of Bee Gees' hit than the one I cited in the essay. Working as his teaching assistant over several quarters was a real privilege, and left me with a deep appreciation for his numerous talents.

Professor Christine Philliou has been the most wonderful addition to my committee, one that made all the difference. She agreed to become a member without knowing the slightest thing about me, drove across LA on a Friday during rush hour to attend my prospectus defense, and gave pivotal dissertation feedback that helped pull the entire thing together. This is all of a piece with her exceptional contributions to the field of Ottoman history in recent years.

Professor Fahad Bishara has been the "sixth man" of my dissertation, coming off the bench on numerous occasions to lend a helping hand, parenting advice, archival documents, or a letter of recommendation. His book sets a new standard for work on the history of capitalism in the Indian Ocean, and constantly rewards every time I revisit it. I hold him in the highest regard as both a friend and colleague.

One of the most tragicomic aspects of writing a dissertation is that most of those outside the academy - those who have had to live with the author day by day, week by week - will only

read the acknowledgments. With that said, I can only wish that those who do not continue past these acknowledgments realize that they sustained me through the remaining 400 pages and carried me across the finish line.

Perhaps the only person outside my committee or graduate cohort who has read several drafts of this dissertation is my 91-year-old grandmother, Patricia Dooley. Never the chorus of congratulation I initially expected her to be, she has been a vocal critic of my work and my proclivity to slip into unintelligible academese. She has thus kept my feet firmly planted on the ground, but has never been as brusque as one of her sisters who, after hearing I was doing a PhD, asked "whatever happened to working for the railroad?" However, it was to my grandmother and her late husband, Joseph Dooley (himself a long-time manager for Canadian Northern Railway) to whom I owe my abiding love of the human past. They never could have guessed it, but stories of trips to Reykjavík, Cyprus or Beijing, and actual trips to Promontory Point and Winnemucca proved formative.

My parents, Jim and Anne, have supported my dream to be a professional historian with an unflinching enthusiasm, whatever their initial skepticism. They have taken on a great financial burden to make it possible, and sat through endless re-runs of Simon Schama and Michael Palin documentaries and excursions to battlefields in Normandy. During the years of the PhD, they have come to the financial rescue numerous times, supplying a credit line that the entrepreneurs in this dissertation could never have imagined, and at interest rates that make me sympathetic - if only temporarily - to the utopia of an interest-free economy. In the dissertation phase, they have time and again solidified their rightful claim to be the greatest of parents and grandparents by helping out with babysitting, which gave me the ability to go on research trips and spend the occasional evening writing. The same must be said for my in-laws, Rosario and Elisabetta

Chiaramonte, who have sacrificed so much of their time and energy to make my dream a reality. They have filled my life with laughter throughout these years. Likewise, my siblings, though never pretending to care about what I do, have spared neither love nor sarcasm in those rare moments when they felt bothered enough to ask about the dissertation.

In contrast to the typical horror stories about graduate school being something of a lion's den, I am happy to say that the graduate cohort at UCLA has been the most welcoming of groups. This dissertation would have been a far more modest project without their input. Training to become a South Asianist with Sohaib Baig has been one of life's many great pleasures. He is the most generous of souls and there's no one who I'd rather have shared that journey with. I can only pray that I will always aspire to write works that match his incredible erudition and that exhibit what I have learned from him. Marjan Wardaki and Naveena Naqvi have consistently challenged me to be a better scholar, while reminding me to never take myself too seriously. They have both made me a better person. Naveen Kanalu is a gem of a human being and a scholar whose exceptional range has significant portents for the future study of early modern South Asia. Although I sadly met them in my final year, Madeline Grimm and Vipin Krishna have also been two fantastic additions to the South Asia field at UCLA.

Two departmental Ottomanists, Kaleb Herman Adney and Frederick Walter Lorenz, have heard me talk about this project to no end. They have both done so with great forbearance, offering constant encouragement and criticism. Together we have struggled through the messy universe of Ottoman paleography, sometimes to no avail. Far too often we counted the minutes - cursing all the while - until we hit "*ol bâbda emr ü ferman hazreti veliyül emrindir*," the standard phrase the marks the end of Ottoman bureaucratic documents. In retrospect, the time spent halting over every indecipherable ink smudge was an unrivaled education in what sets historians apart. I stand in constant admiration of Herman and Walter's unmatched language skills. Herman, my fellow traveler in many historiographies, has been incredibly generous in sharing material from the Ottoman Archives. I look forward to the publication of his own path-breaking work on capitalism in the late Ottoman Empire. It was Walter's comments on the second draft of the dissertation that gave me the needed confidence to share it with my committee. A true polymath, his intellectual breadth never ceases to impress.

Nana Osei Ospare and Nicole Gilhuis were the ideal dissertation writing partners, keeping me accountable and encouraging me to make my project more accessible to a non-specialist audience. This dissertation would have taken many more years to write without them. Dong Yan is the economic historian I hope one day to become, though that is an impossible task given his unmatched erudition. I admire him enormously, and will always appreciate our conversations. Meeting Roy Bar Sadeh in the second year of writing this dissertation transformed my entire intellectual direction. Without him, this dissertation would have lacked the profundity I believe it now has, thanks in large part to his magnanimity and engagement with my work. He already ranks among my favorite historians, and his ethical convictions are no less a model for my own professional and personal life.

I have been especially charmed to have worked with some of the best language teachers around, even if I've often proved a disappointing student. Sahba Shayani, a person who I could never say enough good things about, taught me Persian in both Austin and Los Angeles, and became one of my dearest friends in the process. Professor Domenico Ingenito's courses on Persian poetry and al-Ghazālī were among the highlights of my time in graduate school. His talents are limitless. By teaching Ottoman Turkish to me and an entire cohort of graduate students, Beyza Lorenz has single-handedly revived UCLA's reputation as a center of Ottoman

studies. It was her seminars alone that finally made me competent in reading Ottoman archival documents, without which this dissertation could not have been written. To her goes all the credit. Ryan Fan, the most brilliant person I know, read arcane Arabic legal texts with me and saved me from many errors of interpretation. For two summers he also endured weekly 80s nights at Barbarella in Austin, the only person kind enough to indulge my obsession for new wave. I regard him with the highest affection.

Uncounted others deserve their own shout-outs: Kate Creasey, Sona Tajiryan, Roii Ball, Pauline Lewis, Ceren Abi, Eoghan Stafford, Jonathan McCollum, Lela Gibson, Murat Yildiz, Reem Bailony, Peter Chesney, Preston McBride, Aaron Gilhuis, Scottie Buehler, Madonna Aoun Ghazal, Naveed Mansori, Renata Elena, Iris Clever, Gwyneth Talley, Gabriel Lavin, Ari Schriber, Jesse Mosqueda, Mohsin Malik Ali, Heather Hughes, Chris Prejean, Erin Morgan, Sam Anderson, Sam Keeley, Mary Momdijian, Tony Vivian, Anna Accettola. Any person in the graduate cohort at UCLA should be listed here.

Now, at long last, I thank the two people who have had to bear the burden of this dissertation like no other: Giuseppina and Hugh. Giuseppina sacrificed so much over the past six years so that I could spend the prime of our twenties doing a PhD. She worked insane hours to keep us financially afloat, shook me out of complacency and laziness, and was always the best of companions. Had she written this dissertation, it would have been finished in six months, been a far better read, and likely gone to press long ago. If her love were not enough, she also blessed me half way through the program with our son, Hugh. As a Dominican brother once put it well, "Children complicate life, but so sweetly that they should serve to give the worker fresh courage rather than to lessen his resources. The little ones take much from you, but what good would they be if they did not now and then tax and tease you? But they hearten you just as much, and

perhaps more; they can heighten your inspiration by mingling joy with it; they give you a love-lit reflection of nature and of man and thus defend you against the abstract; they bring you back to the real…”[3] Although you sometimes take me back to the real by acting like a *monello*, you always bring me the greatest happiness. I’m sorry our time together has sometimes been punctuated by audiobooks on Deng Xiaoping or the Septuagint or the soundtrack to *DDLJ*, but you’ve gotten ample recompense by forcing me to listen to the Muppet Christmas Carol soundtrack deep into May. Even if listening to Michael Caine perform a duet with Kermit the Frog is not my idea of great music, I wouldn’t have it any other way.

[3] Antonin Gilbert Sertillanges, *The Intellectual Life: Its Spirit, Conditions, Methods* (Washington D.C., Catholic University Press of America, 1987), p. 45.

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"'Little Brother of the Ottoman State': Ottoman technocrats in Kabul and visions of Afghanistan's future in the Ottoman imagination, 1908-23," *Modern Asian Studies* 50, 6 (2016) pp. 1846–1887.

"Pan-Islamic Bonds and Interest: Ottoman Bonds, Red Crescent Remittances, and the Limits of Indian Muslim Capital, 1877-1924," *Indian Economic and Social History Review*, Vol 55, Issue 2, pp. 183-220.

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Introduction

The creation of India and Pakistan in 1947 witnessed the devastating migration of commercial firms across the two nascent borders. Partition's mayhem caught many Indian businessmen unawares, with the prospect of resettlement a sudden and unwelcome prospect. The departure of Hindus, Sikhs, and Parsis to India deprived West and East Pakistan of many preeminent financial and industrial consortia with a longstanding presence in Punjab, Bengal, and Sindh. But Pakistan also became the beneficiary of reallocated mercantile capital as Muslim conglomerates left their century-old bases in Bombay, Calcutta, Rangoon, and East Africa to find new homes - and opportunities - in Karachi and Lahore. The decision to relocate was often torturous and unwanted. Many Muslim mercantile bodies, such as certain affiliates of Calcutta's Muslim Chamber of Commerce or the Sunni Memons of Bantva, wished to remain in India, though their position was rendered precarious by the horrors of communal violence. Some of those who migrated expected to maintain cross-border enterprises, and hoped that the new political entities would facilitate this. Although some Muslim concerns managed to keep a small toehold in both countries, many found transnational activity unworkable, and many of the top Muslim firms were seduced by Pakistan's apparently more liberal and speculative business climate to make the permanent move in the late 1950s.

Until the 1970s, before the secession of Bangladesh, the nationalization of the economy, and Islamization diminished their grip, twenty 'Big Houses' held the commanding heights over the Pakistani business and industrial sectors. Some of these houses emerged in the vacuum after 1947, but all hailed from those constituencies that established the leading Muslim firms in the colonial period. In their ranks were two Sunni communities - the Memons and Punjabi Sheikhs (largely from the town of Chiniot); and two Shīʿa subgroupings: the Ismāʿīlīs - Khojas and Bohras; and Twelver Shīʿīs - the Khoja Ithnā ʿAsharīs.[1] The exceptional contributions of these five communities to Muslim economic life in the colonial period and to the precocious growth of the early Pakistani economy has perplexed commentators over the decades. For that reason, competing theories have been advanced for why they - as opposed to other Sunni and Shīʿī Indian Muslim communities - were disproportionately successful in forging modern, multi-generation businesses.

While all commentators rightly highlight the comparative advantage granted by their historic status as trading communities, scholars disagree over what other factors facilitated their rise to economic preeminence, sometimes appealing to vague culturalist explanations lacking any real historical content. Many existing analyses look only at the interwar period, and the role played by merchant princes, such as the Memons Adamjī Ḥajī Dāwūd and Sir ʿAbd Allah Hārūn, or the Twelver Shīʿī M.A. Ispāhānī, in mobilizing support for the Pakistan movement. As it happened, only a fraction of these trading communities cast their lot with the Muslim League before Partition, and only between 1943-1946 at that.[2] It was a great paradox then that families from these five communities gained an almost oligopolistic control over the Pakistani economy from 1947 to 1974, although their legacy of commercial successes before 1947, and preferential government contacts after, greatly consolidated their hold.

[1] Gustav F. Papanek, *Pakistan's Development: Social Goals and Private Incentives* (Cambridge: Harvard University Press, 1967), pp. 41-42.

[2] Hanna Papanek, "Pakistan's Big Businessmen: Muslim Separatism, Entrepreneurship, and Partial Modernization," *Economic Development and Cultural Change*, Vol. 21, No. 1 (Oct., 1972), p. 29.

However, with Pakistan's transition to a so-called "Islamic economy" under the military rule of General Żiāʾ al-Ḥaqq (d. 1988) - a moved sealed with the help of his allies in the *Jamāʿat-i Islami*, an Islamist political party under the leadership of Mawlānā Mawdūdī (d. 1979) - new Muslim economic and religious entrepreneurs in the country and beyond it have aspired to render Pakistan's economy more commensurable with what they regard as 'true' Islam.[3] (A byproduct of this has been the intensification of the Pakistani military's bloated and malignant presence in the country's economy).[4] Part of the pretext for this turn was the erroneous assumption that 'Hindu' elements persisted in the economy, not least in the pernicious form of *'ribā*,' a term found in the Islamic foundational sources that is usually translated as interest/usury, but that literally refers to a surplus on a loan. This belief that the economy was not yet 'Islamic' was a corollary of the assertion made by many Muslim commentators immediately before and long after 1947 that the colonial economy was under the stranglehold of a Hindu-British business alliance. That was part of the justification for the creation of Pakistan in the first place. But the rise of Saudi Arabia as an economic heavyweight, thanks to the post-1950s oil boom and the global ascent of the petro-dollar, was far more pivotal in turning diffuse ideas of an Islamic economy into an institutional reality. The birth of 'Islamic finance' as an alternative model to 'conventional banking' from the 1960s has been a strongly Saudi-driven enterprise, although the industry has become a trillion-dollar global powerhouse partly because of the

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[3] Feisal Khan, *Islamic Banking in Pakistan: Shariah Compliant Finance and the Quest to Make Pakistan More Islamic* (London: Routledge, 2015), p. 7.

[4] Ayesha Siddiqa, *Military Inc.: Inside Pakistan's Military Economy*, Second Edition (London, Pluto Press: 2017).

support of European financial houses like Deutsche Bank and HSBC that offer 'Islamic' financial services to their clientele.

Of course, the irony is that South Asian Muslim theorists and economists were the chief protagonists in the articulation of a distinct form of Islamic banking from the 1930s through the 1970s. This was then exported to various channels in the Middle East from the 1950s, where it was first institutionalized in Egypt and Saudi Arabia, before being exported back to Pakistan in the 1970s. Even so, the top Muslim commercial firms had little interest in the ideas propagated by the initial architects of the Islamic finance industry. None of that meant that they were not committed to the notion of an economy commensurate with Islamic principles, only that their ideas of what an Islamic economy entailed differed markedly from those of Żiāʾ al-Ḥaqq, Mawlānā Mawdūdī, and their cronies. The emergence of Pakistan made the contest over Muslim economic practice much more localized, and - given the debate about Islam and the identity of the nation from its inception - all the more intractable in subsequent decades. However, Saudi links with Pakistan during the Soviet war in Afghanistan only intensified the demands of Pakistani actors who had sought the creation of an Islamic economy in previous decades, some of whom had been ministers of finance in Riyadh, or on the Middle East Desk at the IMF. By 'converting' the country to an Islamic financial system, the Pakistani state itself has enforced what it and its allies have selectively defined as authentically Islamic commercial norms.

The diverse modes of commercial practice - and the religious interpretations that sustained them - that South Asian Muslims have espoused over the past two centuries have been drowned out by the language of religious authenticity that the state and is clients have appropriated. In many cases, dynamic forms of capitalism rooted in variant conceptions of Islamic law and custom, and undergirded by fusions of both Islamic and European commercial institutions, have been supplanted by a top-heavy, rigidly identitarian, and convoluted model of Islamic banking rooted in state and corporate power of staggering proportions. The valorization of interest-free banking as a byword of Islamic finance, and the refashioning of the latest financial instruments in the guise of medieval Islamic profit-and-loss instruments by "*sharīʿa* boards" employed by multinational banking conglomerates, has been criticized by Muslim commentators as nothing less than euphemism that hollows out the sacred law for ignoble purposes, while failing to supply a substantial financial alternative to 'conventional' banking institutions.

The Islamic finance industry's self-portrayal would matter little to the historian if it remained confined to the legion of specialist texts on Islamic finance produced in recent decades. However, its assumption of the banner of Islamic 'authenticity' has slowly crept into the scholarly imagination, and some historians have uncritically assimilated many of these claims.[5] One study, which argues that interest bans in the Islamic world were a key factor in economic divergence with Europe, holds that the Islamic finance industry is proof positive that banking "can thrive" in a Muslim-majority societies, despite historical barriers.[6] Elsewhere, although rightly critical of the Islamic finance industry's proclivity for self-congratulation, Timur Kuran oversimplifies the complex plurality of Islamic commercial activity from the nineteenth century by casting Islamic economics merely as a reaction to 'Westernization,' a framing that assumes

[5] On the study of religion and the problem of authenticity see Russell T. McCutcheon, "The Jargon of Authenticity and the Study of Religion," *Religion and Theology*, Vol. 8, No. 3-4 (2001), pp. 229-252.

[6] Jared Rubin, *Rulers, Religion, and Riches: Why the West Got Rich and the Middle East Did Not* (Cambridge: Cambridge University Press, 2017), pp. 75-76.

the same paradigm of the leading ideologues of Islamic finance.[7] In studies of Islamic commercial law in the modern period, meanwhile, the writings of mid-twentieth century architects of Islamic finance are given pride of place, while a range of commercial texts by Sunni and Shīʿa scholars who readily came to terms with the institutions and instruments of modern capitalism are completely ignored.[8]

For example, in the recently published *Oxford Handbook of Islamic Law*, an unrivaled work of scholarship on the subject, Anver Emon's excellent study of Islamic law and the contemporary Islamic finance industry is the only contribution to deal at any length with Islamic commercial law, but accords all the terrain to the Islamist ideological exponents of Islamic finance. This comes at the risk of giving the false impression that they are the indispensable 'industry leaders' with enough wherewithal to formulate a synthesis that reconciles Islam and capitalism. The fact that Pakistan's Muslim Commercial Bank - founded in 1947 by the Memon industrialist Adamjī Ḥajī Dāwūd, a figure whose own business empire was dependent upon close ties with non-Muslims - only opened an Islamic banking division in the year 2000 suggests a disconnect between two alternative versions of Muslim capitalism that demands further interrogation.

Attention to the historicity of the Islamic finance industry helps to better contextualize how the architects of Islamic finance - including Sayyid Abū al-Aʿlā Mawdūdī (d. 1979), Sayyid Quṭb (d. 1966), and Muḥammad Bāqir al-Ṣadr (d. 1980) - were engaged in a polemical contest

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[7] Timur Kuran, *Islam and Mammon: The Economic Predicaments of Islamism* (Princeton, NJ: Princeton University Press, 2004) pp. 2, 83-85.

[8] Chibli Mallat, *The Renewal of Islamic Law: Muhammad Baqer As-Sadr, Najaf and the Shi'i International* (Cambridge: Cambridge University Press, 1993).

with other Muslims over the contours of Islamic commercial law and practice.[9] In ceding them the discursive heights, scholars have unduly elevated their Manichean views of Islam and capitalism to the apex of a supposed transhistorical Muslim economic perspective. From that vantage point, both critics and supporters of Islamic economics have made categorical judgments on the historical relationship between Islam and capitalism. Even such critical voices as Abdullah Saeed, who has made a significant effort to historicize the study of Islamic finance, has accorded the rostrum to the aforementioned writers and their 'modernist' opponents.[10] Neither the Indian Muslim entrepreneurs - nor even the religious scholars - studied in this dissertation were advocating anything as ambitious as an 'Islamic' economic system until the interwar period, and their ideas were derived more from the anti-capitalist writings of British, American, and Soviet economists than anything in the Islamic tradition. This fact risks being lost in the unwarranted focus on the writers mentioned above.

Contrary to the notion that the contemporary Islamic finance industry represents the return of some pristine form of Islamic economic enterprise temporarily subsumed by modern capitalism, or that there was even "a repertoire of distinctively Islamic responses" to capitalism,[11] this dissertation argues that it was instead the contingent outcome of extensive intra-Muslim contestations about the institutions of modern capitalism, the Islamic foundational sources, and the contours of Islam itself. These clashing perspectives owed both to the febrile series of intellectual debates, institutional developments, and political mobilizations undertaken

[9] Kuran, *Islam and Mammon*, pp. 2, 83-85.

[10] Abdullah Saeed, "Sharia and Finance," in Rudolph Peeters and Peri Bearman eds., *The Ashgate Research Companion to Islamic Law* (Routledge: London, 2016).

[11] Charles Tripp, *Islam and the moral economy: the challenge of capitalism* (Cambridge: Cambridge University Press, 2007), p. 11.

by Indian Muslims during the colonial period, all of which produced highly variegated economic histories among individual Muslim constituencies. These struggles were given added urgency by the need to articulate the proper economic response to colonialism, the path to achieving self-sustaining growth, and the religious implications of capitalism. Yet even if it became a discursive trope in the writings of certain Muslim commentators in the late colonial period, Muslim business activity in the high colonial era shows no inclination for the creation of an Islamic economy, even if Muslim entrepreneurs were deeply committed to fostering and propagating Islamic commercial ethics among the general public. For that reason, although 'Islamic finance' eventually won the backing of governments in Saudi Arabia, Iran, and Pakistan, the specious historical claims of the Islamic finance industry demand greater circumspection, as all national or religious mythmaking does.

What is evident is that in the century 1850-1950 both the leading Indian Muslim commercial firms and humbler Muslim entrepreneurs and consumers followed disparate norms of Muslim financial enterprise, and had a more intricate, if tense, relationship with normative Islamic legal tenets, than the static neo-traditionalism advanced by the Islamic finance industry from the 1960s onwards. Ultimately, the determined, if uneven, expansion of Islamic finance in Pakistan and other parts of the Islamic world over the past four decades begs the following questions: what other modes of Muslim economic activity has Islamic finance supplanted or sought to supplant? What institutions had South Asian Muslims created in the century prior to Islamic finance to participate in markets as far flung as Cairo and Bangkok? Were the organizational forms adopted by the twenty big houses that rose to prominence in Pakistan's first decade so atypical relative to other Muslim communities? How were competing forms of Muslim religious life sustained by merchant capital in this period? How did the birth of Islamic finance transpire, and why has its expansion remained so controversial, even in the eyes of many Muslims?[12]

Answering these questions is a difficult prospect, not least because we lack dedicated studies of the economic history of Muslim communities in the age of colonial rule. Unlike the series of works written on Marwaris, Parsis, and Chettiars, only small case studies have been published on Indian Muslim commercial networks, and no wider study that incorporates diverse Muslim economic histories into a single narrative has so far been undertaken. To be sure, the precise role of 'community' in the history of Indian capitalism is a much-debated subject. For example, David Rudner's work on the Nattukottai Chettiars represents an admirable effort to reconstruct the cultural and mercantile life of a Hindu mercantile community that had long-standing financial connections throughout south India and Southeast Asia, but it stands the risk of ignoring how Chettiar economic activity by necessity transcended caste, and, as shown in chapters of this dissertation, on occasion relied on links with Muslim entrepreneurs.[13] Moreover, as Tirthankar Roy has noted, using "caste or community as a principal business resource was prominent only in certain times and places," and that caste and community names "never fit perfectly with a core set of shared norms or values."[14] Likewise, although the long-running focus on the community-based 'family firm' has generated essential models for studying Indian

[12] Khan, *Islamic Banking in Pakistan*, p. 2.

[13] Heiko Schrader, "Chettiar Finance in Colonial Asia," *Zeitschrift für Ethnologie* (1996), pp. 101-26.

[14] Tirthankar Roy, *A Business History of India: Enterprise and the Emergence of Capitalism from 1700* (Cambridge: Cambridge University Press, 2018), p. 7.

mercantile activity, it has likely obfuscated the variety of other organizational forms in which the family firm was indelibly linked.[15]

Those existing studies of Muslim communities, such as Omar Khalidi's abbreviated, but pioneering, monograph of Indian Muslim economic history from the colonial period until the present day, have been criticized for privileging government data to the exclusion of vernacular sources produced by Muslims themselves.[16] More telling is the critique that Khalidi concentrated solely on 'externally induced factors' - colonialism, Hindu comparative advantage, government hiring policies - to the exclusion of 'internal factors.' Internal factors does not refer simply to the apologetic writings of Muslim commentators, although these are important sources in their own right and examined throughout this dissertation. Instead, the study of internal factors demands greater attention to phenomena as varied as credit access, literacy and numeracy rates, educational achievements, social associations, and legal structures within Muslim communities that shaped economic activity.[17] What the examination of these factors entails therefore is greater sensitivity to intra-Muslim divergences, something which has been completely lost in recent work that seeks to trace correlations between religious affiliation and economic outcomes in today's India.[18]

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[15] Thomas Timberg, "Three Types of the Marwari Firm," *Indian Economic and Social History Review*, Vol. 10 (1973), pp. 3-36; Karen I. Leonard, "Family Firms in Hyderabad: Gujarati, Goswami, and Marwari Patterns of Adoption, Marriage, and Inheritance," *Comparative Studies in Society and History*, 2011, pp. 827-54.

[16] Omar Khalidi, *Muslims in the Indian Economy* (Gurgaon: Three Essays Collective, 2006).

[17] M. S. Bhatt. "Review of Khalidi, Omar, Muslims in Indian Economy," *H-Asia, H-Net Reviews* (November, 2008). http://www.h-net.org/reviews/showrev.php?id=22842

[18] Sriya Iyer, *The Economics of Religion in India* (Cambridge: Harvard University Press, 2018).

In differentiating among Muslim communities it is imperative to examine what role community-based institutions played in supplying comparative advantage to select groups. But this can only be the starting point for a wider study. For example, although community institutions helped the five dominant merchant groups of Memons, Chiniotis, Bohras, Khoja Ismāʿīlīs, and Khoja Ithnā ʿAsharīs became the most conspicuous merchant communities during the colonial period and after Partition, their stories are unintelligible without reference to the wider economic histories of various Muslim and non-Muslim communities in this epoch. These Muslim communities had disproportionate economic success because they possessed higher rates of numeracy, were multilingual, had better access to credit, boasted diverse portfolios that made them viable players in the market, had a presence in key urban centers throughout the Indian Ocean, worked as managing agents for European firms, and blended both indigenous and European organizational forms.

This permitted them to move up the hierarchy linking the subcontinent's informal and formal economies, and to achieve what Tirthankar Roy has argued is a key determinant of commercial fortune: the ability to transcend immediate networks of trust and to build sustained relationships with other communities.[19] Their economic histories were inextricably bound up with their non-Muslim neighbors, which makes the event of Partition that much more appalling in retrospect. Even so, as this dissertation argues, their religious institutions also gave them a distinct edge in commercial life, not least by mitigating problems associated with the capital scarcities and market fluctuations that were a hallmark of the colonial economy.

[19] Tirthankar Roy, *The East India Company: The World's Most Powerful Corporation* (New Delhi: Penguin Books India, 2012).

Theories of Muslim Economic Performance and Some Rejoinders

The study of intra-Muslim debates, institution-building, and commercial activity permits us to challenge two stereotypes about Indian Muslim economic performance in the colonial era and to offer two positive arguments in their stead. These stereotypes were advanced by European officials, Islamic modernists, and Muslim businessmen in the colonial period, and subsequently by economic historians. The first is the conviction that by 1947 Hindu and Muslim economic status in the subcontinent had diverged substantially. Numerous theories have been offered for this, some more sophisticated than others. Had it not been repeated so frequently, one would not have to entertain the assertion that Muslims were simply "indifferent' to business or industry.[20] This assumption, however, is propounded widely, and relies on untested culturalist notions about Islam as a normative religion.

It is essential to note from the start that the argument of a Hindu-Muslim wealth gap relies on a specious model of two self-contained parallel economies. As argued here, its most glaring weakness is that it ignores substantial intra-Muslim (not to mention non-Muslim) diversity. In fact, Indian Muslim constituencies had widely dissimilar economic histories. Treating them as a monolith only obscures this, and takes the propagandists of an organization like the Muslim League too much at their word in seeing Muslims as constituting a single *qawm* (nation). Unsurprisingly, it would have been impossible for Muslims to do business only with other Muslims in thousands of geographic settings, and the success of many Muslim firms was dependent upon capital and personnel supplied by non-Muslims, whether Indian or European,

[20] Harish Damodaran, *India's New Capitalists: Caste, Business, and Industry in a Modern Nation* (New York: Palgrave Macmillan, 2008), p. 300.

just as these firms relied in turn on Muslim capital and personnel. What is more, although in certain localities Muslims had a tendency towards specialization in certain sectors, Muslims and non-Muslims were involved in all sectors of the economy, from moneylending to leather tanning and cotton milling, and many larger firms held portfolios in both trade and industry.

Furthermore, despite their names, it was not uncommon for Muslim owned-firms, like the Muslim Match Factory in Rangoon or the Muslim Bank of Lahore, to employ Hindus, Jains, Parsis, Christians, Jews, or Buddhists as works-managers, clerks, and laborers. Added to this is the fact that Muslims were proprietors of businesses with no explicitly 'Islamic' nomenclature, such as the Elphinstone Mills or the Veraval Match Works. This makes it harder still to identify any general wealth disparity between Muslim and non-Muslim communities, even if Muslim commentators and the Muslim League made this declaration time and again between the 1910s and 1940s. Phrased another way, the analytical burden of the present study is not to identify a Hindu-Muslim disparity, but rather to explain why select Muslim communities were more successful entrepreneurs than others.

Moreover, as one moves from a normative model of religion to particular case studies, it soon becomes clear that Islamic law, and religious institutions generally, possessed a variety of economic functions within Muslim constituencies that belies any general pattern of stagnation. The zooming in on particular communities also shows the limitations of approaching Indian Muslim economic history through the frameworks of a numerical minority,[21] political

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[21] In many ways it is incumbent to keep the economic history of Muslims in independent India distinct from the earlier processes studied here, especially because of the economic marginalization many Muslims have faced in Indian cities in recent decades. To read back from contemporary conditions would give the impression that Indian Muslims were a besieged economic minority, and obfuscate the contingency of the discrimination many Indian Muslims face today. Laurent Gayer and Christophe

separatism, or religious sectarianism, or the 'bazaar,' by which is meant the parallel indigenous economy in colonial India as opposed to the formal, European one.[22] Tracing these economic histories of these groups demands not only highlighting the marked differences in Muslim economic life in princely states like Hyderabad, Mysore, Patiala and Baroda, on the one hand, and British India, on the other, but also moving outside the subcontinent proper to those regions of the globe where Indian Muslim commercial firms had an important presence.

The second assumption challenged here is a corollary of the first. It holds that only those 'heterodox' Muslims who had earlier converted from Hinduism and mobilized 'Hindu custom' achieved a level of economic success that purportedly 'orthodox' Muslims never did. This argument stems largely from a thread of scholarship associated with the 'New Institutional Economics' (NIE) whose genesis usually is dated to the work of Douglass North.[23] In its most recent incarnations, scholars associated with NIE have argued that Islamic legal and commercial institutions failed to evolve the key institutions of modern capitalism such as the joint-stock enterprise and the corporation. Integral to that narrative is the conviction that, over time, the early success of Islamic economic and legal institutions - specifically pious endowments, partnerships, inheritance, and courts - between the seventh and thirteenth centuries became increasingly hidebound, and a contributing factor to decline by the end of the early modern

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Jaffrelot eds., *Muslims in Indian Cities: Trajectories of Marginalisation* (New York: Columbia University Press, 2012).

[22] Rajat Kanta Ray, "The bazaar: changing structural characteristics of the indigenous section of the Indian economy before and after the Great Depression," *The Indian Economic & Social History Review*, Vol. 25, No. 3 (1988), pp. 263-318.

[23] An excellent survey of this literature is found in the introduction to Sanjay Subrahmanyam and Burton Stein ed., *Institutions and Economic Change in South Asia* (Delhi: Oxford University Press, 1996).

period.[24] While India is seen in this literature as distinct from the central Islamic lands, Islamic institutions there are also seen as suffering from the same debilitating handicaps, which translated into lackluster economic performance in the modern period.[25]

In particular, in the Indian case Islamic inheritance laws are said to have prevented Muslims from creating 'modern' economic firms at the same rate as Hindus, who simply had better institutions for sustaining capital across generations, including the exclusion of women from inheritance and the institution of the joint-family. Tackling this argument demands sustained attention throughout this dissertation, but suspicion can immediately be thrown on the assertion that Islamic inheritance rules prevented capital pooling by their very nature. Even those 'non-conforming' Muslim groups, who are sometimes regarded as having universally adopted 'Hindu' inheritance practices and therefore had better success in sustaining commercial enterprises, subscribed to a spectrum of inheritance practices - some Islamic, others customary - that neither correlate to economic success, nor support the notion that Islamic inheritance rules were singularly unfavorable for capitalist enterprise.

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[24] Wael Hallaq, *The Impossible State: Islam, Politics, and Modernity's Moral Predicament* (New York: Columbia University Press, 2014). See in particular the remarks on the incompatibility of capitalism and Islamic legal tenets, pp. 153-154. Hallaq also tends to make capitalism synonymous with 'Euro-American' domination in his *Restating Orientalism: A Critique of Modern Knowledge* (New York: Columbia University Press, 2018).

[25] The most compact expression of this assumption, which suffuses many accounts of Muslim history in the colonial period, is Timur Kuran and Anantdeep Singh, "Economic Modernization in Late British India: Hindu-Muslim Differences," *Economic Research Initiatives at Duke* (ERID) Working Paper 53 (2010), pp. 1–50; Anantdeep Singh, "The Divergence of the Economic Fortunes of Hindus and Muslims in British India: A Comparative Institutional Analysis," (Unpublished PhD Dissertation, University of Southern California, 2008).

No doubt, there were moments when Islamic legal institutions could lead to disadvantageous economic outcomes for Indian Muslims, particularly those regarding interest, partnership law, and pious endowments. Indian Muslim entrepreneurs were alive to many of these problems and sought to course correct. Nevertheless, evidence for Islamic law's detrimental influence on commercial practice as a whole is either highly ambiguous, or baldly contradicted, by the new materials studied here. To be sure, drawing inferences about economic behavior from Islamic legal texts alone would fail to convey the spectrum of Muslim commercial activity in any given context. For example, one would completely miss the irony that the Calcutta-based Muslim firm of Hajee Ismail Sait & Sons both generously funded the construction of mosques throughout Mysore and donated to the Khilafat Fund, while also operating a successful distillery for five crown whiskey. Such contradictions were rife in the history examined here.

Moreover, because it is often impossible to track how Muslim petitioners implemented normative Islamic legal rulings in everyday life, there is a certain degree of conjecture involved in interpreting them as artifacts of religious practice. Despite this limitation, much is lost in the story of Muslim economic enterprise by ignoring Islamic legal materials. In fact, one of the singular advantages of these works is that they show a fuller scale of Muslim engagement with the institutions and instruments of modern capitalism, and a surprising degree of literacy in Islamic legal tenets among Muslim merchants, shopkeepers, and cultivators. Of course, what constituted 'Islamic law' among these groups was - as it was everywhere else in colonial India - constantly under renegotiation. Islamic law in these communities can only be understood to be, as Fahad Bishara persuasively argues in another contemporary context, a "constellation of discourses, concepts, instruments, and practices" that intersected with a dizzying array of other communal structures and legal frameworks.[26] Muslim commentators were alive to these contradictions, and showed no hesitation in challenging what they saw as the flawed hermeneutics of rival scholars or communities. These interpretations were ultimately irreconcilable, and in being so, are the more compelling for writing the economic history of Indian Muslims.

Instead of understanding the most successful Muslim commercial communities as closet Hindus - a tenuous notion in light of their prodigious investment made by these groups in a multitude of Islamic institutions and campaigns - it is best to see them as a phenomenon common in many capitalist economies, whereby certain groups tend to dominate business. Whether one looks at Germans communities in Tsarist Russia, Sephardic Jews and Armenian and Greek Christian communities in the Ottoman Empire, the Chinese in Southeast Asia, and Indians in East Africa, select constituencies (and even only a minority from within these larger groups) have a tendency to corner the market in a burgeoning capitalist economy. Rather than seeing this success in terms of primordial cultural qualities, other institutional and structural factors have to be considered.

In the end, a wider empirical base, one reliant on materials other than the colonial state, has to be assembled before any projections can be made about Indian Muslim economic performance in in the colonial and post-colonial era. This dissertation situates Indian Muslim economic life in a wider geographic frame encompassing the territories from the Balkans to Burma, while also attesting to the diversity of Muslim economic and legal histories in that space. Using Persian, Arabic, Urdu, and Ottoman Turkish materials produced by Muslim constituencies

[26] Fahad Bishara, *A Sea of Debt: Law and Economic Life in the Western Indian Ocean, 1780-1950* (Cambridge: Cambridge University Press, 2017), p. 248.

in western, northern, and eastern India, this dissertation builds a foundation for future narratives of South Asian Muslim economic activity over the past two centuries.

To best appreciate this, each chapter reconstructs how various Muslim communities wrestled with the inequalities and possibilities of global capitalism by mobilizing competing interpretations of Islamic practice as well as a host of communitarian institutions such as charitable funds, educational establishments, and public trusts. Rather than giving a normative doxography of how Muslims conceived the market and "responded to capitalism" by creating an 'Islamic moral economy',[27] this dissertation moves freely between religious treatises, *fatāwā* collections, banking records, accounting reports, and colonial legislation to construct an archive of Muslim commercial and religious practice. Although its primary attention falls upon Indian Muslims, their far-flung commercial and religious activities in this period encompass a much wider geographic ambit stretching from Mecca to Hong Kong, Istanbul to Durban.

That reality demands bringing Indian Muslim developments into conversation with not only the economic histories of other contemporary Muslim communities in the Ottoman Empire, Qajār Iran, and Afghānistān, but also their non-Muslim neighbors with whom they lived and traded, to borrow Tony Judt's moving description of the late Ottoman Balkans, "in familiar juxtaposition."[28] Within this space, the panoply of competing Muslim firms, scholars, and economic ventures displayed no unitary form of Muslim capitalism. Very rarely does one find anything resembling a Muslim consensus on whether believers could, for example, establish a bank or take interest from a Hindu merchant. This was the consequence both of customary, legal,

[27] Charles Tripp, *Islam and the Moral Economy*

[28] Tony Judt, *Postwar: A History of Europe Since 1945* (New York: Penguin, 2006), p. 9.

and institutional differences among Muslim communities, and contestations over the interpretation of the Islamic foundational sources themselves.

Re-Conceiving Muslim Economic Enterprise

In demonstrating the case for these hypotheses, this dissertation elaborates two main arguments: one quantitative and one qualitative. In terms of the former, this dissertation demonstrates that there were far more Muslim-owned companies (or companies with a substantial Muslim management or workforce), than has hitherto been acknowledged. Although, in keeping with business activity in the colonial period, there were identifiable areas where companies clustered, there was substantial dispersal across both the subcontinent and the Indian Ocean. A key attribute of several regional economies throughout the entire colonial period in South Asia was the prohibitively high cost of capital that militated against the growth of native enterprise, inflated interest rates, and led to insolvency waves that plagued European and Indian businesses.[29]

This reality reveals the intense obstacles faced by Indian Muslim entrepreneurs in sustaining firms and select financial institutions for more than one generation. With the rise of *swadeshi* and other forms of economic nationalism in the beginning of the twentieth century, the number of such firms grew. Contrary to the notion that Muslim company creation stalled or declined in the interwar period, one sees not a contraction in the business cycle, but an acceleration in many areas. However, the one sector where the number of Muslim managers

[29] Roy, *A Business History of India*, pp. 7-9.

remained small, but by no means absent, was formal banking, with consequences for the later appeal of Islamic finance.

The qualitative argument elaborated here is that Indian Muslim merchant and religious networks were central to the construction of an infrastructure of pan-Islamic commercial exchange that was inseparable from the broader fabric of regional and global capitalism, and subjected to its many vicissitudes. This is in keeping with the argument made by several authors in recent years that Indian Muslims were central to the globalization of various strands of Islam. To be sure, the sinews of that infrastructure was an amalgam of the administrative machinery of competing imperial powers, international financial markets, European and Indian exchange banks, indigenous social associations, commercial firms, and "the world of steam and print" more generally. It was substantively unequal, often exploitative, and unjust to many Muslim and non-Muslims, but Indian Muslims also utilized, strengthened, and benefited from it. Along with particular organizational capacities - whether in terms of numeracy, business structure, and investment - this ensured that Muslim communities from the subcontinent played an outsized role in the economic life in several territories of the Indian Ocean, many of which were outside the British Empire. Whether one looks at Baghdad, Colombo or Rangoon at select points of time, Indian Muslim concerns were the only Muslim-owned companies registered in formal gazetteers alongside European and non-Muslim indigenous firms.

In light of this wide geographic presence, mobilizations around hot-button issues such as the Ottoman Red Crescent relief campaign, the Khilafat movement, and the bid for Pakistan would have been inconceivable without the Indian Muslim merchant capital that greased the wheels of Muslim public life in the Indian Ocean. But they were only the most ambitious of countless smaller funds and subscription campaigns that were a constituent organizational feature of nearly every Muslim association founded from the mid-nineteenth century. Such schemes were advertised widely in the Muslim press, and donors' contributions were minutely cataloged. Whether at the Chisti shrines in Taunsa Sharif in Panjab, or in Karbala and Najaf in Iraq, where Khoja and Bohra companies and *anjumans* supported the construction of pilgrim houses and refurbished sacred sites, the capital of both wealthier Muslim businessmen and legions of smaller donors made this all possible.

A heavy dose of economic and intra-Muslim competition fueled this, and the birth of an All-India Muslim political imaginary in the first decade of the twentieth century only exacerbated intra-Muslim divisions over Islamic causes and the expenditure of economic resources. As this dissertation argues, the birth of Indian Muslim political movements from this period demanded the collaboration of diverse Muslim actors who had never before interacted on such a closely demarcated institutional setting. In turn, collaboration turned the spotlight onto the character of Muslim economic activity. It did so by providing concentrated fora for debating not only how Muslim capital might be mobilized for these political ends, but what role Islamic law and religious custom should play in underpinning Muslim economic life, how perceived wealth gaps among Muslims and between Muslims and non-Muslims might be closed, and how Muslim-owned economic entities might become regionally and globally competitive.

The upshot of this was a drawn-out struggle between various Muslim groups over these issues. One facet of it was the resistance launched by members of the leading Muslim commercial communities to subordinate their religious-cum-mercantile institutions to Muslim political parties. Another was the intensification of previously diffuse debates about the religious legitimacy of taking interest on loans, using a European bank, or joining a commercial institution with non-Muslim members. By 1947, these struggles had not been definitively settled in favor of any one constituency or another. But with the dawn of the post-imperial age, when state developmentalism became the creed of the hour, and in Pakistan and Saudi Arabia the state took on the trappings of an interventionist religious actor in its own right, the possible combinations of religious interpretation and economic enterprise were severely restrained. There the scuffles have continued, but they have been constrained by a discursive framework dictated by the language of Islam and economics in the political sphere.

Methodology

The diffuse nature of the materials studied here, and the large series of actors and geographies involved, demands a succinct analytical model. In order to move beyond a fixed, normative model of Islam, conceived in opposition to some equally mythic and miasmic notion of capitalism, the Muslim actors studied here are divided up into a range of constituent 'firms'. This dissertation blends two distinct notions of the firm together into a single framework, one borrowed from economics, the other from the discipline of religious studies.

In economics the 'theory of the firm' is most strongly associated with Ronald Coase, who in 1937 identified the crucial role played by firms in reducing the high transaction costs associated with market activity.[30] But Coase's transaction-cost conception of the firm was too static in its conception of how firms are governed, and failed to account for firm innovation, diversification, and learning over time. It also too closely resembled a key weakness of the new

[30] Ronald H. Coase, "The Nature of the Firm," *Economica* 4, 16 (1937), pp. 386–405. A very succinct survey of Coase's intervention is "Why do firms exist?: Ronald Coase, the author of "The Nature of the Firm" (1937), turns 100 on December 29th," *The Economist* (16 December 2010).

institutional economics: in tracing the effects of 'transaction costs' on economic activity, institutions were regarded more or less as obstructions, but rarely enablers of economic activity.[31] In the wake of Coase's paper, the literature related to the conception of the firm has multiplied to a staggering degree. In the work of neo-Schumpeterian economists, who take their sobriquet from the Austro-American economist Joseph Schumpeter (d. 1950), debates over the economic function of the modern commercial firm has been a source of prolific output.

For present purposes, the idea of the commercial firm propounded by H.A. Simon - who has criticized the new institutional economics for its failure to understand organizational behavior - has been found the most advantageous. This is because it prioritizes in true Schumpeterian fashion the importance of entrepreneurs in sustaining firm success, and accords a critical place to consumers, who are not simply the passive objects of entrepreneurial strategy, but active players in their own right, whose capital, tastes, and consumption reorient the decisions taken by commercial ventures. This is encapsulated best by Simon's following comment:

> "Especially in the case of new or expanding firms, the entrepreneur does not face an abstract capital market. He or she exerts much effort to induce potential investors to share the company's views (often optimistic) about its prospects….Whether the firm expands or contracts is determined not just by how its customers respond to it, but by how insightful, sanguine, and energetic its owners and managers are about its opportunities."[32]

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[31] Ha-Joon Chang, *Economics: The User's Guide* (London: Pelican Books, 2014), pp. 154-156.

[32] This quote is taken from Mie Augier and David J. Teece, "Competencies, capabilities and the neo-Schumpeterian tradition," Horst Hanusch and Andreas Pyka eds., *Elgar Companion to Neo-Schumpeterian Economics* (Cheltenham: Edward Elgar, 2007), p. 278. However, I have checked the edition of Simon's work for the original quotation and have not been able to find it.

The benefit of this conception of the commercial firm is that it not only allows space for tracking intra-firm diversity, but it also preserves the inextricable links between commercial firms and various Muslim publics, whose capital Muslim commercial entrepreneurs always sought to cultivate. From the mid-nineteenth century, Muslim commercial firms were pivotal intermediaries between Muslim publics and the wider economy both because trust in new economic institutions was low, and because capital and labor markets in the colonial period were highly inefficient and variegated, conditioned by geographic and climatic conditions, not to mention volatile capital fluctuations.[33]

Particular accent is put on the study of commercial firms in chapters 1 and 5. Each of these chapters constructs a novel narrative of Muslim commercial activity by situating Muslim actors in the political economy of contemporary global capitalism. The first examines the period from 1850 to 1914, a period when Muslim commercial firms operated within a framework of free trade, though one interpolated by colonial rule and inter-power rivalries. Despite its inherently unequal character, Muslim firms were able to exploit the market interstices that existed within this world, even if they were largely "replicative" rather than "innovative"

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[33] As the aforementioned piece from *The Economist* points out: "Mr Coase's theory continues to explain some of the most puzzling problems in modern business. Take the rise of vast and highly diversified business groups in the emerging world, such as India's Tata group and Turkey's Koc Holding. Many Western observers dismiss these as relics of a primitive form of capitalism. But they make perfect sense when you consider the transaction costs of going to the market. Where trust in established institutions is scarce, it makes sense for companies to stretch their brands over many industries. And where capital and labour markets are inefficient, it makes equal sense for companies to allocate their own capital and train their own loyalists." "Why do firms exist?," *The Economist* (16 December 2010).

entrepreneurs, to borrow from the terminology of neo-Schumpeterian economists.[34] Meanwhile, chapter 5 analyzes Muslim commercial activity during the interwar period, an age of much heavier regulation, tariff barriers, and anti-colonial nationalism. These factors, along with the collapse of leading Muslim business houses and the rise of new commercial and religious entrepreneurs, stimulated novel notions of Muslim capitalism, rooted increasingly in nascent ideas of an 'Islamic economy,' that bore little connection with pre-1914 economic enterprise.

The two chapters dedicated to commercial firms serve as the anchors for the remaining chapters, which are concerned with the multitude of religious 'firms' that modulated Indian Muslim economic activity. In these chapters, the methodology of religious economy is followed. Religious economy is a model that conceives of religious actors as akin to commercial firms insofar as they are locked in competition with one another for 'market share,' that is the allegiance of the religious public to their particular 'brand'. As Nile Green has noted, the model of the religious economy maintains that religious activities resemble commercial activities in the sense that they depend upon the interaction of producers, consumers, firms, goods, and services.[35] At heart it is an anti-essentialist framework for the study of religion that avoids the

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[34] Originally introduced by William J. Baumol, the distinction between "replicative" and "innovative" entrepreneurs was a modification of Joseph Schumpeter's unitary notion of the entrepreneur. As Baumol has argued, Schumpeter in his study of large firms focused primarily on the latter category, but "replicative" entrepreneurship - "those producing or selling a good or service already available through other sources" - are important to the study of capitalism because it represents "a route out of poverty, a means by which people with little capital, education, or experience can earn a living." By contrast, "innovative" entrepreneurs are essential in producing sustained long-term growth by means of inventions, investments, and diverse portfolios. William J. Baumol, Robert E. Litan, Carl J. Schramm, *Good Capitalism, Bad Capitalism, and the Economics of Growth and Prosperity* (New Haven: Yale University Press, 2007), p. 3.

[35] Nile Green, *Bombay Islam: The Religious Economy of the West Indian Ocean, 1840–1915* (Cambridge:

pitfalls of such red herrings as popular religion, syncretism, and the like by focusing on religion as a concrete social phenomenon. As Green has succinctly put it, "the recognition that religion is constructed and disseminated by different 'firms' allows us to recognize the variable means of organizing, institutionalizing and deploying religion in the pursuit of social power."[36]

There remains a certain reluctance in the social sciences to mix the study of 'God and Mammon.' But even if modern historians tend to blush when economics and religion are blurred, as Peter Brown reminds us, "Perhaps it is we who are strange. Why is that [modern persons] have such inhibitions in approaching the subject of the joining of God and gold?"[37] Indeed, it is no exaggeration to say that religious economy is a methodology that many of the actors examined in these pages would have well understood.[38] With the help of this model, the historian can remain attentive to the various purveyors of customary, communitarian, and competing Muslim firms that utilized the instruments of the global market economy to propagate their teachings and expand their outreach.[39] Moreover, religious economy's anti-Weberian pretensions facilitates a greater appreciation for the spatial differentiation of religious practice, and permit

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Cambridge University Press, 2011), p. 9.

[36] Nile Green, *Terrains of Exchange: Religious Economies of Global Islam* (New York: Oxford University Press, 2015), p. 2.

[37] Peter Brown, *The Ransom of the Soul: Afterlife and Wealth in Early Western Christianity* (Cambridge: Harvard University Press, 2015), p. 29.

[38] Benjamin Soares has made this argument in his study of the religious economy of contemporary Mali, "'Structural Adjustment Islam' and the Religious Economy in Neoliberal Mali," Daromir Rudnyckyj and Filippo Osella eds., *Religion and the Morality of the Market* (Cambridge: Cambridge University Press, 2017), pp. 138-159. However, contrary to the tendency to date these developments to the onset of a peculiar form of 'neo-liberal' religion, they have a much longer history among Muslim communities.

[39] Ibid., pp. 9-12.

one to transcend problems of primordialism and endogeneity.[40] Against the oft-made assertion that it is rooted in rational choice theory, religious economy can draw advantageously from the most recent interventions in behavioral economics. Finally, religious economy supplies the analytical language needed to appreciate the competing institutional forms undergirding Indian Muslim economic enterprise and religious life in the colonial period.

Many studies of religious economy tend to draw an analogy between religious suppliers/consumers and economic entrepreneurs. However, here an effort is made here to study both Muslim commercial firms as overt religious players (through such activities as the patronage of shrines, religious publications, or devotees of saints), and to appreciate the economic function of religious firms in satisfying so-called "institutional voids" that are a hallmark of emerging markets.[41] In light of this dissertation's primary preoccupation with how Muslim actors unified economic activity and religious initiatives, it offers a slightly modified version of Green's schema. For one, it preserves an analytical distinction between commercial firms and religious firms. This is done to preserve Muslims' identity as commercial actors working at the thresholds of the formal and informal economies, while remaining mindful of their simultaneous status as direct religious entrepreneurs or patrons of religious activity.

More specifically, this dissertation responds to an intriguing proposition made by Green: "In this respect, it may be appropriate to link such increasing religious productivity and diversification with the rising numbers of entrepreneurs who, as in Schumpeterian models of

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[40] Ibid., p. 8.

[41] Tarun Khanna and Krishna G. Palepu, *Winning in Emerging Markets: A Road Map for Strategy and Execution* (Cambridge: Harvard Business School Press, 2010), pp. 13-26.

business economics, seem to characterize the modern era."[42] The evidence presented here consistently confirms this link between the growth of commercial firms and the concrete expansion of Muslim religious organizations, texts, and buildings into new geographies. Analytically, the correlation drawn between political economy and religious economy helps to bridge the gap between the commercial and religious firms studied here.

Green has adopted a four-fold model of the religious firm that comprises competing Customary, Reformist, and Counter-Reformist brands: *anjuman*, *jamāʿat*, brotherhood and shrine.[43] The benefit of this approach is that it sharpens the organizational differences characteristic of each firm and underscores the competing religious forms espoused by their members. In the modified version studied here there are also four types of religious firm studied: the modern voluntary society (*anjuman*); the endogamous religious sect with its tightly-regulated subsidiary institutions (*jamāʿat*), Muslim educational institutions (*madrasa* is used as a shorthand, but Muslim universities are also studied); and the religious leader, scholar, or saint (*shaikh*). These religious firms inflected Muslim economic enterprise in innumerable ways, and variant combinations of all four operated within Muslim constituencies, where they performed divergent economic functions. Rivalries among these constituent religious firms were most acute when they combined for purposes of pan-Islamic support or all-India politics into what is called here a supra-firm, that is an umbrella firm that temporarily married competing religious firms into a single organizational framework.

By framing the story in these terms the argument certainly is not that Islam determined all mercantile activity, or that Islam changed according to the mutations of the material world.

[42] Green, *Terrains of Exchange*, p. 13.

[43] Green, *Bombay Islam*, p. 16.

Rather it is that Islam as a lived, social phenomenon in the period of high colonialism was inseparable from the commercial activities that gave it an institutional life. To that one might add that in no sense were particular forms of Islam more economically productive in a normative sense than others, any more than one can say certain forms of Islam were more 'modern' than others.[44] For example, a disenchanted, 'modernist' version of religion was no guarantee of economic success. As a matter of fact, many of those associated with most successful Muslim commercial firms were not disenchanted Islamic modernists, but utilized the religious services offered by the purveyors of enchanted religion, most typically Sufi saints. Others were more 'legalistic' and consulted the opinion of ulama associated with the rival religious orientations (*masālik*) that appeared from the mid-nineteenth century. Rather than exceptions to a rule, one finds global parallels to these Muslim commercial entrepreneurs, whether in a singular figure like the New York-based Ashkenazi banker, Sender Jarmulowsky, a scholar of the Talmud who used his wealth to help Russian Jews emigrate to America and to build an infrastructure of Jewish life in Brooklyn, or among the French industrial bourgeoisie of late nineteenth-century Normandy and Brittany (not least the family of Charles de Gaulle) who combined 'social Catholicism' and business activity.[45] It is high time that Muslim entrepreneurs are conceived in a similar way, not in the way of hagiography, but rather as an antidote to caricature.

In this way, a focus on the practices of Muslim commercial and religious firms historicizes the analysis of Islam and economic activity far better than most existing studies of

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[44] Ibid., p. 11.

[45] Annie Polland, *Landmark of the Spirit: The Eldridge Street Synagogue* (New Haven: Yale University Press, 2009), pp. 91-100; Caroline Ford, *Creating the Nation in Provincial France: Religion and Political Identity in Brittany* (Princeton: Princeton University Press, 2003); Julian Jackson, *De Gaulle* (Cambridge: Harvard University Press, 2018), p. 14.

religion and economics, which draw unwarranted dichotomies between Islam and capitalism. In many instances, an essentialist or undifferentiated picture of Islam is assumed and conclusions drawn from it. When coupled with an awareness of broader global economic history, the framework of firms also adds a crucial missing piece to the study of the Great Divergence and Convergence. One historian of the Great Convergence, Geoffrey Jones, has rightly criticized historians like Joel Mokyr and Niall Ferguson, who in stressing the importance of culture, fail to show "how exactly culture impacts firm formation and quality of business decision-making."[46] In similar fashion, Sriya Iyer has intriguingly noted that "the fact that religious organizations innovate in the face of pressures is not in question; what is in question is how they might do this as a business strategy."[47] As K.D. Miller has argued in turn, just like with commercial firms, marketing undertaken by commercial firms demands a rich portfolio strategy, including credible commitments, social legitimacy, market segmentation, and price discrimination.[48] In line with what economists have argued about environments of weak state control and high economic inequality, Muslim commercial and religious firms supplied a range of services to their clientele, and filled the "institutional voids."

As several authors have acknowledged, one aspect that Schumpeter's study of business cycles overlooked was the centrality of legislative change.[49] For that reason, this study grapples

[46] Geoffrey Jones, "Business History, the Great Divergence and the Great Convergence," *Working Paper: Harvard Business School* (2017), p. 5.

[47] Iyer, *Economics of Religion in India*, p. 224.

[48] K. D. Miller, "Competitive Strategies of Religious Organizations," *Strategic Management Journal* 23, 5 (2002), pp. 435–456. Cited in Iyer, p. 224.

[49] See the discussion in Alin Croitoru, "Schumpeter, Joseph Alois, 1939, Business Cycles: A Theoretical,

with the various legal hierarchies that Muslim commercial and religious firms navigated, whether customary, ‘Islamic,’ or ‘colonial.’ If colonial legislation eschewed overt intervention in the religious sphere following 1863, it continued to play a preeminent role in defining the structures of indigenous economic activity, with crucial consequences for the geographic spread of Muslim business interests. Colonial monetary policy, revenue demands, land tenure systems, industrial investment, and capital distribution all impinged on the economic activity of Muslims, but this was no static system, and colonial rule was certainly not synonymous with capitalism as many have claimed.[50]

Moreover, there were discrepancies between Muslim communities and the colonial courts over the heuristics of interpreting Islamic commercial rules, and the sheer number of Islamic texts considered admissible in the colonial court were a tiny fraction of those glimpsed in contemporary Persian, Urdu, and Arabic sources. While Muslim religious scholars continually subjected debates about commercial practice to a plethora of Islamic legal texts, new and old, the colonial state dramatically restricted the number of texts deemed canonical. This drawing-down, partly out of judicial expediency, did have desultory effects on Muslim financial enterprise.

The late Irish poet Seamus Heaney once labelled the ‘contest between Derry and Derrida’ as the central tension in the professional study of religion.[51] As Heaney himself noted, this phrase neatly encapsulates the binaries too often drawn between religion as ‘theory speak’ and

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Historical, and Statistical Analysis of the Capitalist Process, New York and London, McGraw – Hill Book Company Inc.,” *Journal of Comparative Research in Anthropology and Sociology*, Vol. 8, No. 1, Summer 2017, p. 77.

[50] For an early critique of this view see David Washbrook, “Law, State, and Agrarian Society in Colonial India,” *Modern Asian Studies* 15, no. 3 (1981), pp. 649-721.

[51] Dennis O’Driscoll, *Stepping Stones: Interviews with Seamus Heaney* (MacMillan: 2008), p. 287.

religion as 'the real thing.' Of course, those binaries are ultimately irresolvable, and not of much utility to the historian. Rather than reproducing such dichotomies, the methods of political economy and religious economy create an interpretive field conducive to tracing any number of potential historical outcomes, and allow the researcher to better historicize the plurality of Indian Muslim histories, be they religious or economic.

Even if it is ultimately insurmountable, this is a tension that dates back to the point in which the sociology of religion emerged as a field of study. German social theorists from Weber, Simmel, and Sombart were among the first to grapple with the relationship between capitalism and religion, using the language of the latter to describe everything from the inter-workings of trust to money. However, they disagreed quite starkly about capitalism's transformative possibilities. Whereas Simmel was ambivalent about the "cultural effects of the spread of the market," Werner Sombart was far more paranoid of its potentially destructive features, infamously seeing capitalism as a Jewish conspiracy against "traditional" Christian values and a threat to established religion.[52] These debates suggest that, for all the fixation with rationalism and materialism, conversations concerning the character of capitalism have often been filtered through the spectrum of religion, even as scholars have sought to displace it.

Islam/Muslims/Islamicate: A Note on Terminology

Given that this dissertation disputes any attempt to frame Islam in an essentialized way and shows how interlinked Muslim businesses were with non-Muslim capital, readers might ask

[52] Jerry Z. Muller, *The Mind and the Market: Capitalism in Western Thought* (New York: Anchor Books, 2002), 229-56.

whether framing these firms as 'Muslim/Islamic' is merited at all. Why, critics could say, not just use bankers, merchants, or cultivators? This is a fair point, but the preservation of these commercial and religious firms' primary identities as Muslims, which certainly does not preclude other identity markers, is justified for several reasons. Recently, scholars have shown how the articulation of a well-defined idea of the 'Muslim world' from the late nineteenth century was as much a contingent byproduct of geopolitical factors as it was of Muslim apologetic literature and transnational activism.[53] Thus, one must remain wary of any attempt to frame Muslims as a homogeneous community. To use the term is therefore to not imply primordialism in matters of religious identity. A religious economy framework, in seeing religious identity as a product of context-specific social interactions, precludes this anyway. As used here, the categories of 'Muslim' commercial and religious firm implies that there was well-defined series of boundaries that demarcated Muslim constituencies from both Muslim and non-Muslim 'others.' These boundaries were rooted - not in some metaphysical, indeterminate religious system - but rather in everyday institutions and discursive structures that produced discrete articulations of Islam as lived experience. Even if they were never monolithic, Indian Muslims shared several basic institutions (*jamāʿat*, *waqf*, *madrasa* being among them) not found in non-Muslim communities, all of which performed distinct economic functions and were inseparable from the legacies of the Islamic legal tradition.

Secondly, competition among the Muslim religious firms examined here were always predicated on the notion that other rival firms were errant Muslims, not that they were non-Muslims. In other words, polemics over the legitimacy of paper currency or court battles over

[53] Cemil Aydin, *The Idea of the Muslim World: A Global Intellectual History* (Cambridge: Harvard University Press, 2017).

control of *waqf*, were regarded as primarily religious quarrels that had, as the actors acknowledged themselves, a subsidiary economic dimension. Likewise, cooperation among various Muslim firms - during the Ottoman relief campaigns or Khilafat movement - was in part predicated on the notion that there was, in the most basic sense, religious commonalities common to all Indian Muslims, whether they believed in the twelve *imāms* or not, whether they visited saints' tombs or not, or whether they celebrated the Prophet's birthday.

The third factor justifying the use of the Muslim/Islam category is that the colonial state consistently used religion to define these groups, whatever the manifold differences among them. Among other things, that determined the personal laws they were governed by, as well as how they were counted by the census. In turn, that informed the birth of a particular brand of Muslim politics based on demographic arithmetic, which had a bearing on the character of Indian Muslim religious and commercial life, particularly in the later chapters of this dissertation. Finally, in light of the numerous misunderstandings surrounding Muslim 'underperformance' in South Asia's colonial and postcolonial economies, especially those explanations that appeal to cultural variables, it is imperative to preserve the identity of these figures as Muslims, not least for purposes of analytical clarity.

To best defend against the language of religious essentialism, while still conserving the centrality of Islamic religious structures, one might easily define the character of Muslim economic life in the period from 1850 to 1950 as 'Islamicate' in outline. First coined by Marshall Hodgson, the term Islamicate (though subject to criticism)[54] acts in this dissertation as a foil to the language of religious authenticity that the purveyors of Islamic finance have appropriated.

[54] See the criticism in Shahab Ahmed, *What Is Islam?: The Importance of Being Islamic* (Princeton: Princeton University Press, 2015), pp. 159-175.

More than this, Islamicate encapsulates how the economic history of South Asian Muslims is inseparable from that of non-Muslim communities in South Asia, who themselves utilized into the twentieth century many of these same commercial institutions (such as the partnership) that originated in medieval Islamic law. Islamicate is not a sentimental category, but one capacious enough to situate Islam as lived religion in a constellation of other factors inflecting the tenor of commercial enterprise, while not displacing it entirely.

Chapter Breakdown

This dissertation comprises seven body chapters divided into three chronological periods (1850-1918, 1918-1947, and 1947-1977). Chapter 1 reconstructs the political economy of emerging markets in which Indian Muslim commercial firms operated between 1850 and 1918. This is a substantial intervention for the simple reason that so little is known about the breadth of Muslim company creation in these decades. Instead of staying within the confines of the Indian subcontinent, it traces the activities of Indian Muslim firms from South Africa to Japan, and therefore examines how Indian Muslim commercial firms operated in variant imperial settings. Initially, many of these firms were owned by 'replicative' entrepreneurs, but before the First World War a fair number of 'innovative' entrepreneurs emerged among Indian Muslims, especially in industries like petrochemicals and silk. The most successful among them had relationships of trust with non-Muslim entrepreneurs, but were able to transcend their initial status as traders acting as managing agents for European firms, a source of modest profit for many Muslim firms no doubt, yet hardly the means for long-term economic success. All the same, the high cost of capital in colonial India was a factor that consistently plagued all firms, even the seemingly invincible. The chapter ends with the start of the First World War not least because the war's onset ushered in several decades of financial de-globalization and an utterly transformed political and economic climate with which Indian Muslim firms had to come to terms in the interwar period.

Chapters 2 through 5 move to the study of the various Muslim religious firms that filled not only the many "institutional voids" created by the political economy of emerging markets traced in chapter 1, but also attempted to inculcate their special brand of Islamic religiosity among the Muslim *pablik*. Chapter 2 studies the religious firms at work among the Muslim mercantile castes of western India. These religious firms supplied not only economic resources to Muslim commercial firms from these populations, but also became key vehicles for the articulation of sectarian 'interpretive communities' that demarcated select groups from both other members of these commercial castes and Muslims who were not of commercial caste origin. Between their preponderant commercial success, and the dense infrastructural capacities of their religious firms, the Muslim commercial castes played an outsized role in the globalization of diverse articulations of Sunni and Shīʿī Islam before the First World War, one far more impressive given their small demographic numbers.

Chapter 3 looks at Sunni religious firms and Muslim constituencies in upland agricultural areas. Rather than seeing these regions as separated from wider regional and global developments examined in chapters 1 and 2, this chapter attempts to situate these actors in a world of trans-imperial economic and religious competition, while simultaneously appreciating what made their histories distinct from the Muslim commercial castes in mercantile areas. The Sunni religious firms that appeared after 1857 advanced antithetical conceptions of Islamic practice and developed a variety of institutions that would allow them to compete with one another for the hearts, minds, and capital of the Muslim *pablik*. These incompatible readings of Islamic law, custom, and trade supplied Muslim constituencies with diverse pathways for structuring their economic and religious lives. The effect of all this was the formulation of a dense, sinewy infrastructure of religious mobilization that not only mitigated the disastrous economic conditions in these areas fostered in part by colonial policy, but also made possible the pan-Islamic and all-India Muslim politics studied in later chapters.

Chapter 4 constitutes the 'hinge' of the entire dissertation, marking a point of transition between the histories of Muslim firms covered in Chs. 1-3 and those in Chs. 5-7. It concerns several pan-Islamic charitable campaigns that Indian Muslims participated between 1877 and 1924. The core argument of this chapter is that these campaigns first integrated competeing Muslim religious and commercial firms under a single institutional umbrella. Whereas before these campaigns, Indian Muslim firms pursued their commercial and religious goals in a scattered fashion, dissected by geography and sect, the architects of these pan-Islamic campaigns sought to bring these strands together, to marshall Indian Muslim capital for the benefit of Islam and Muslims in the subcontinent and beyond. This prompted intense contests about modernity, Islam, and economics, and in many ways, 'politicized' Muslim economic activity, insofar as it projected these matters into the heart of the new all-India Muslim politics then emerging. This had great implications for the structures in which Muslim commercial and religious firms operated in the period 1918-1947.

Chapter 5 once again picks up the political economy story, but paints a much modified picture from chapter 1. Instead of a world of free trade and imperial globalization driven by emerging markets, the interwar period was one of intense financial depression, protectionism, and anti-colonial nationalism. Combined with the rise of new Muslim religious firms in the subcontinent and beyond, this had the effect of intensifying intra-Muslim contests over the relationship between 'authentic' Islam and capitalist enterprise. As never before, Muslim commercial firms had to negotiate the line between imperial loyalism and anti-colonial nationalism, and that between Muslim separatism and corporate nationalism.

Through the study of intra-Muslim struggles over charitable funds, pious endowments, and the meaning of interest/usury in the Islamic foundational sources, Chapter 6 examines how religious firms propagated widely variant notions of 'Islamic economics' and Muslim banking before Partition. These skirmishes occurred in a context in which Muslim political organizations of various stripes sought to unite Muslim constituencies under a single banner. For a supra-firm like the Muslim League, the primary means of achieving this was through sponsoring legislative reforms that reduced legally-recognized differences among Muslim constituencies in the eyes of the colonial court. One pillar of that strategy was undermining the legitimacy of custom as a source of Islamic law, which would render Muslim communities governed by a cosmos of different laws in matters of inheritance, endowments, and trusts subservient to a streamlined *sharīʿat* that its purveyors held up as the only true form of Islamic law.

This move was opposed by a range of smaller religious firms who clung to their own structures and readings of custom and law. But whatever their perspectives on custom and law, nearly all Muslim religious firms were agreed that Muslims had to devise a form of Muslim economic enterprise that would allow them to close the wealth gap with non-Muslims and make them globally competitive. The assortment of recommendations inspired by this imperative led to a unshakeable preoccupation with the relationship between modern financial interest and the ban on interest/usury in the Islamic foundational sources. The dearth of Muslim-owned banks gave this subject an added urgency. While in the beginning of the period under review some

Muslim religious firms had tried to make a distinction between the kind of interest that God and the Prophet had banned in the foundational texts of Islam and the species prevalent in a modern economy, by the end of the period under review nearly all religious firms agreed that the two were co-terminus. This became the basis for a new type of Islamic economics that would become institutionalized in the postcolonial period.

Chapter 7, intended as an epilogue to the previous six chapters, takes up the story of Muslim commercial and religious firms in Pakistan between 1947 and 1977. Three themes form the focus of the chapter. The first is the dominant commercial firms and their relationship to the state between 1947 and 1972. The socialist and Islamist reaction against these firms, followed by the nationalization of their assets, constitutes the second theme. The creation of a system of Islamic finance in Saudi Arabia and Pakistan through the auspices of Pakistani development economists and Islamist religious firms makes up the third theme explored in this chapter. This development completely rewrote the rules of the game in Pakistan (and the Islamic world more generally) regarding religion, state power, and commerce, and served as a departure from the styles of Muslim entrepreneurship studied in earlier chapters.

Ch. 1 - The Globalization of Indian Muslim Business Firms, 1850-1918

This chapter examines the leading commercial firms operated by Indian Muslims from 1850 until the outbreak of the First World War. Rather than remaining in the Indian subcontinent, it moves across the map - from colonial South Africa to Ottoman Arabia, British Burma to Meiji Japan - to construct both a fuller profile of Indian Muslim business in these decades and a political economy framework for the next three chapters. Several economic sectors are studied. Through the study of diverse materials, this chapter shows that, partly as a consequence of the financial globalization of these decades, select Muslim commercial firms were able to perpetuate their enterprises beyond several generations, to build up portfolios in several sectors in the subcontinent and far beyond, and to move into the formal 'sector' at the top of the economic ladder whose lower rungs included the 'informal' bazaar and temporary local markets.

Although the age of what has been called 'portfolio capitalism' had ended by 1830, and with it the intermediate space that allowed Indian commercial entrepreneurs to penetrate into political structures, after this period Indian Muslim firms were able to utilize particular colonial institutions to their benefit, even if they remained excluded from the making of economic and political policy by dint of racial difference.[55] Those merchants who rose to prominence after 1850 constituted, as C.A. Bayly argued forty years ago, a constellation of "intermediate groups"

[55] Sanjay Subrahmanyam and C.A. Bayly, "Portfolio capitalists and the political economy of early modern India," *Indian Economic and Social History Review*, Vol. 25, No. 4 (1988), pp. 401-424.

that were interposed between the state and the peasantry.[56] Yet, unlike in Bayly's pioneering study, here the Muslims from this intermediate group are not merely the service gentry who would later dominate Muslim politics, but rather a coterie of Muslim capitalists who were key players in the region's economic life and whose ascent was a consequence of a complex interplay of pre-colonial and colonial-era processes of monetization, trade, and commercialization.[57]

Over the period covered here the proportion of Muslim commercial firms transitioned from an overwhelming predominance of Memons, Bohras, and Khojas to a wider canvas encompassing select Muslim constituencies of artisanal background in Punjab, United Provinces, and Hyderabad. These firms operated in dissimilar economic environments, and were presented by unique market conditions from one region to the next. Speculators in sugar, furniture makers, shipowners, oil prospectors, mill owners, they traversed the hierarchy between the 'informal' economy of the temporary market and bazaar to the 'formal' economy of global finance and trade first by obtaining roles as managing agents and later by forming their own enterprises. To use William J. Baumol's neo-Schumpeterian terminology, while the vast majority were "replicative" entrepreneurs as a consequence of their weak capitalization, some became "innovative" in their own right by building connections with a multitude of Indian and non-Indian firms and diversifying their portfolios over the long term.[58] To be sure, small business

[56] C.A. Bayly, *Rulers, Townsmen and Bazaars: North Indian Society in the Age of British Expansion, 1780-1870* (Cambridge: Cambridge University Press, 1983).

[57] In sections of his work, Bayly, despite his own evidence showing distinctly otherwise, seemed reticent to describe indigenous enterprise as capitalist. Here the label is used without reservation.

[58] William J. Baumol, Robert E. Litan, and Carl J. Schramm, *Good Capitalism, Bad Capitalism, and the Economics of Growth and Prosperity* (New Haven: Yale University Press, 2007), p. 3.

activity is no sign of entrepreneurialism in its own right,[59] but Indian Muslim firms were able to adapt successfully to market opportunities and, as the next chapter shows, were not prevented from doing so by Islamic institutions of partnership and inheritance. Many leveraged their wealth to become contributors to Muslim and Indian national causes, absent of which both Indian Muslim religious and political life in this period would be inconceivable. In turn, their capital facilitated the birth of an all-India Muslim political infrastructure and attendant imaginary by the turn of the century.

As they did in all other parts of the subcontinent, Muslims were bound in a series of institutional relationships with Parsis, Jains, Jews, Christians, Hindus and Sikhs. Without a doubt, there were telling economic disparities between non-Muslims and Muslims in particular localities and among Muslim communities. These will be dealt with in due course. But the general claim that Muslims were "indifferent" to founding modern commercial concerns is an indefensible position, not least when one moves outside India proper to take stock of leading commercial centers in the Indian Ocean. As argued in the introduction, attention to intra-Muslim diversity is vital, and reflects patterns of economic activity visible in other contemporary capitalist economies. Also worth repeating is that Muslims were either proprietors or shareholders - albeit typically minority ones - in various enterprises that do not bear identifiably 'Islamic' names.[60] Given this paucity of indigenous firm material, the task of determining the full extent of Muslim business participation is obstructed by insurmountable ambiguities.

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[59] M. Henrekson and T. Sanandaji, "Small business activity does not measure entrepreneurship," *Proceedings of the National Academy of Sciences*, Vol. 111, No. 5 (2014), pp. 1760-1765.

[60] This point seems lost on Kuran and Singh who appear to calculate Muslim business creation on this basis. See "Economic Modernization in Late British India."

Typically, when historians have constructed the scale of Indian Muslim business activity in the colonial period they have relied on records like the *India Investor's Yearbook* (which only began publication in the late 1920s) that contain small entries for companies, sometimes accompanied by a list of board of directors. However, this data is by no means comprehensive, and the general spottiness of information about indigenous firms undermines any effort to construct consistent, longitudinal data sets from year to year. What is more, Muslim commercial concerns are not easily identified by their name alone. For example, does the name of an entity like Mysore's Hassan Native Life Insurance Company, Ltd. - founded in 1884 with a capital of Rs 25,000 - allude to a Muslim proprietor named Hassan? Or rather to the Hassan district of Mysore State?[61] Moreover, an enterprise like Elphinstone Mills might suggest European ownership, or Fujii Co. Japanese proprietors, but although these two enterprises started off as British and Japanese affairs, Indian Muslims had acquired them by 1900.[62] Ultimately, disentangling the multiple histories of Muslim capital from non-Muslim others is an impossible task, and to account for a higher measure of Muslim corporate participation it is necessary to build a more capacious source base.

Even with the evidence examined by other scholars to date, some points are indisputable. In the subcontinent proper, nowhere were Muslim-owned companies more pronounced than in western India, where a series of both Sunni and Shīʿa Muslim mercantile communities - the Memons, Konkanīs, Navāyaṭs, Khojas, and Bohras - adopted the novel financial institutions

[61] *Statistical Tables for British India* (Calcutta: Superintendent of Government Printing, 1886), p. 89

[62] A small number of Muslims had also been among the shareholders and directors for the Elphinstone Land & Press Company in the 1860s. *Report of the Directors of the Elphinstone Land & Press Company Limited to the Shareholders at the First Annual General Meeting* (Bombay: Education Society's Press, Byculla, 1865), pp. 1, 19-21. Subsequent reports continue to show Muslim shareholders.

ushered in by the heady dalliance between indigenous and colonial capital at the beginning of the century. These communities in turn were responsible for spearheading the expansion of Muslim businesses to South Africa, Ceylon, Burma, and Japan before 1914. All of these Muslim communities of western India have often been given short shrift in typical accounts of Islamic reform in the nineteenth-century subcontinent, which has reinforced the mistaken notion that they were divorced from the religious currents that shaped purportedly 'orthodox' Muslim communities. This oversight has given additional force to the argument that these so-called 'heterodox' Muslims possessed a commercial acumen lacking in their 'orthodox' co-religionists, a thesis that several economic historians have put forward in recent years.

That notion has a long genealogy extending into the colonial period. One telling example rings out from a lecture given in 1891 on "the decline of Indian Muslims" by the Hyderabad minister and Islamic modernist, Nawab Muḥsin ul-Mulk, who will be discussed in the next chapter. In that speech he begrudgingly drew a contrast between the commercial energy of Indian Muslims "not of pure blood" - by which he meant converted "descendants of Hindus" - and those like himself of "pure descent and ancestry" hailing from storied Arab, Afghan, and Mughal lineages who lacked the business savvy of the more recent converts.[63] A decade later, however, Islamic modernists like the globe-trotting Tatar scholar, ʿAbd al-Reşīd İbrāhīm, would herald such communities (who he met while in Bombay) as archetypes of what a Muslim capitalist should be - pious, frugal, and resourceful.[64] In these same years, these groups would

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[63] Mohsin ul-Mulk, *Causes of the Decline of the Mahomedan Nation* (Bombay: Bombay Gazette, 1891), pp. 78-79.

[64] ʿAbd al-Reşid İbrahim, *ʿĀlem-i Islām ve Jāponyā'da Islām Intişār-ı Islāmiyyet*, Vol. 2 (Istānbul, 1328-29 [1913]), p. 14.

become some of the leading fundraisers of the nascent Muslim League, helping to make it into a "non-sectarian [and] country-wide party during its early history."[65] From 1907, the presence of figures from western India's Muslim mercantile castes in the League's upper echelon was resented by some north Indian Muslim landed gentry. However, it was one of India's only Muslim owned-banks, Bombay's Habib Bank - whose proprietor was a Khojā Ithnā ʿAsharī - that became the League's official banker in 1941, and the cornerstone of the State Bank of Pakistan in 1948. They will thus assume pride of place in many sections of this dissertation.

Scholars often draw a contrast between the thriving business climate of India's maritime trade during the colonial period, where colonial and indigenous capital spurred the cyclical booms and busts endemic to modern capitalism, and the de-industrialization of its internal regions. These regions - Punjab, Northwest Frontier Province, Delhi, United Provinces, Assam, Hyderabad - tend to be seen as, if not outright economic dead-zones, specimens of a failed capitalist take-off. (Because Bengal is usually seen as lacking the commercial vibrancy of western India, and represents a region where Muslims were especially underrepresented in key economic sectors, this chapter considers the region in the same company). Many Muslim gentry parroted this line throughout the period of colonial rule. To be sure, British India was characterized by sharp economic decline in the countryside, which repeatedly took a sinister human toll in the form of rampant famine and crushing interest-rates. This was exacerbated by colonial revenue demands, which subsequent colonial reform efforts did little to mitigate. As David Hall-Matthews has described it, in the countryside "the most critical factor of production,

[65] Faisal Devji, *Muslim Zion: Pakistan as a Political Idea* (Cambridge: Harvard University Press, 2013), p. 64.

capital – which was always scarce – was expropriated by the moneylenders and also by the state itself, through a tax system which many within it believed to be unreasonable and inflexible."[66]

Undoubtedly, the emphasis on the supposedly predatory activities of moneylenders and their role as grinders of the peasantry has to be greeted with greater suspicion than it has by scholars in the past. While the matter of 'usurious' moneylending was at the forefront of many analyses, Muslim authors approached the problem of agricultural decline in a host of ways indicative of the wider institutional paths open to Muslim constituencies across the subcontinent. Significantly, in addressing these matters, Muslim commentators repeatedly returned to the theme of how to reduce rates of interest, contributing in turn to the formulation of a broad-based Muslim preoccupation with the amelioration of this predicament. With that said, it is vital to acknowledge the business cycles in inland regions of the subcontinent, where far more Muslim registered firms operated than has hitherto been acknowledged (by both Muslim commentators and later historians), but who were undermined by weak access to capital, seasonal credit constraints, and high-rates of institutional failure.

As in coastal areas, Muslim economic performance in the interior regions differed from one geography and community to another. Commercial firms tended to cluster in certain areas, while remaining absent in others. The internal migration of many of the Muslim commercial castes from western India was a contributor to the creation of new firms in upland territories, but there was also a fair share of individuals from 'local' Muslim constituencies who established companies in upland areas. Chief among these were Muslim artisans who, despite facing the pressures of what has sometimes been called 'de-industrialization', were able to re-direct labor

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[66] David Hall-Matthews, *Peasants, Famine, and the State in Western India* (London: Palgrave Macmillan, 2005), p. 212.

and capital into the formation of modern commercial enterprises. Meanwhile, more ambitious native sons from Amritsar and Lahore even expanded their operations as far as America and Europe before the start of the First World War. This owed in fair measure to the birth of *swadeshi*, a campaign of economic nationalism that began with the Partition of Bengal in 1905, led to a febrile expansion of industry and joint stock-companies in these territories, a process which Muslims participated in widely.

Still, it has to be admitted that before the First World War, these inland territories paled in comparison to Bombay and Madras in terms of sheer number of registered Muslim companies. All the same, they were not marked by a singular experience, with Punjab and Hyderabad displaying very dissimilar outcomes, from one another and neighboring regions, that need to be taken into account. Indeed, by 1915 there were more banking and loan firms in Punjab, Delhi, and the Northwest Frontier Provinces than in Bombay, and it was in Punjab that the first self-identified 'Muslim' banks emerged as a future chapter shows. Yet the number of Muslim trading companies and mills in these territories held no candle to the great western Indian metropolis, and were on occasion even outshone by Madras, Travancore, and Rangoon thanks to the concentrated presence of the Muslim mercantile castes.

Why the Muslim Mercantile Castes?

The tendency to frame the Muslim commercial castes of western India as commercial and religious outliers rests in part on an ingrained assumption that their economic activities shared little with mainstream Muslims, a reflection both of the exclusion of these communities from narratives of Islamic reformism, and of numerous ingrained, if untested, assumptions about

Muslim economic life in the colonial period. While the religious firms active among the mercantile castes are taken up in the next chapter, here the concern is explaining the institutional factors that gave their commercial firms such disproportionate success.

The most sophisticated, if still flawed, explanation of their success is the recent work of Kuran and Singh cited above. To re-capitulate their thesis: the underrepresentation of Muslims on corporate bodies in postcolonial India is a continuation of a historical underperformance of Muslims in key economic sectors in the century from 1857 to 1947. From jute to cotton and banking, Muslims were simply outclassed by their non-Muslims neighbors who were better able, by virtue of the institutions available to them, to pool capital and create sustainable business enterprises. For Kuran and Singh, the culprit was not Islam itself, but rather rules governing Islamic inheritance, partnership, and *awqāf*, all of which acted as a barrier to Muslim entry into economic sectors that necessitated the establishment of capital-intensive corporate bodies.

This was a general phenomenon, they say, of Muslim enterprise from Istanbul to Dhaka. Unlike the Ottoman/Middle Eastern case, however, Muslims in India were able to take advantage of the fact that the institutions of Muslim rule - such as *sharia* courts - were not as numerical in the subcontinent, that there was greater ability among heterodox groups to follow "Hindu" practices, and that the division of castes into hereditary occupation groups gave some Muslims more flexibility in wealth management. There definitely is much to recommend this argument, and the study of both commercial and religious firms in this dissertation will show myriad combinations of custom and 'local' interpretations of Islamic law without parallel in the Ottoman case. Where Kuran and Singh's argument begins to fall apart is in their assumption that Muslims' continued use of "premodern" commercial institutions - principally the partnership and the joint-family enterprise - acted as a break on economic modernization because it preempted capital pooling, long-term business alliances, and collective ownership that were central to nineteenth-century capitalism. Hindus, by contrast, were better able to forestall capital fragmentation, both by depriving females of inheritance and ensuring that there was a single successor to joint-family enterprises.

At first glance, the argument that inheritance may have led to disparate institutional outcomes among Indian Muslims hold some water. It is persuasive to a point, but not to the same degree as Singh and Kuran maintain. For one, Karen Leonard has rightfully pointed out that more research is needed on the possible effects of Muslim cousin marriage.[67] Even so, Kuran and Singh's case studies from Bombay do undeniably show that there were instances in which successful Muslim enterprises were dissolved by inheritance disputes. (More recent studies of inheritance has shown how crucial it is in perpetuating wealth gaps across generations). These disputes were usually claims put forward by family members of the deceased - in very many cases disinherited women - who were eager to collect their rightful shares as outlined in the Qurʾān. Because inheritance and succession was one of the few arenas of Muslim personal law preserved by the colonial state, the courts were fastidious in assuring the dispensation of shares. To prevent this and keep capital within the family, some Muslim families tended to rely on the family *waqf*, but this institution, Kuran and Singh assert, was marred by its own inefficiencies in light of the fact that Islamic law barred individuals from using a *waqf*'s assets to finance a new business venture. (We shall see below that many Muslim religious firms tried to gain control over pious endowments for this very purpose).

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[67] Karen I. Leonard, "Family Firms in Hyderabad: Gujarati, Goswami, and Marwari Patterns of Adoption, Marriage, and Inheritance," *Comparative Studies in Society and History*, Vol. 53, No. 4 (2011), pp. 827-54.

Kuran and Singh are right to criticize those who find reasons for Muslim underperformance in British hiring policies or a general malaise brought on by Mughal decline. They also emphasize the plurality of different Muslim customary practices that often took precedence over Islamic inheritance rules, and how British courts were more forceful than their Mughal predecessors in implementing Islamic inheritance laws. Moreover, they are right to stress that Anglo-Indian Law was crucial in creating new institutional trajectories for indigenous business. With the birth in the mid-nineteenth century of "managing agencies" - which funneled the existing capital of the companies under its control into new enterprises - indigenous merchants were better able to share risks and obtain credit. The managing agencies were not governed by Anglo-Muhammadan or Hindu Law, but rather by Anglo-Indian law, and thus permitted Muslims, Hindus, Parsis and others to benefit from new technologies and economic organizational models.[68] It was precisely in response to this opportunity, Kuran and Singh maintain, that Hindu and Muslim fortunes diverged. Taking data from several British Indian high courts Kuran and Singh show that between 1900-1923 Hindus and Muslims utilized corporations in roughly equal measure, but that from 1924-1947 the Hindus eclipsed Muslims. Muslims, they claim, were also more reluctant to engage in partnerships that required impersonal contact or trust. Finally, they conclude that:

> Collectively, these results suggest that in late British India, and especially in 1924–47, the sectoral choices of Indians reflected their institutional capabilities. Hindus tended to use the corporation more readily because they operated disproportionately in those sectors in

[68] Kuran and Singh, "Economic Modernization in Late British India,", p. 518.

> which its use was becoming efficient, and they entered those sectors in the first place because they were institutionally prepared to do so. For their part, Muslims tended to stay out of sectors in which traditional partnerships were becoming increasingly disadvantageous. Both sides acted rationally, it appears, given their respective institutional capabilities.[69]

The only exceptions are those ‘non-conforming’ Muslim communities - Memons, Bohras, and Khojas - who gained recognition for certain customary practices which were understood by the colonial courts as “Hindu customs of inheritance” dating back to their pre-conversion days. In that sense, by the decisions of the colonial courts, these communities were legally differentiated from other Muslims. These Hindu inheritance customs reputedly permitted better pooling of capital by depriving females of their rightful share and preserving the institution of the joint-family, which did not exist in Islamic law.

Both their chronology for the Hindu-Muslim disparity, and their description of inheritance practices among different groups of Memons, Bohras, and Khojas, are mistaken, as this and the next chapter demonstrate. Beyond this, Kuran and Singh’s thesis is premised on certain assumptions that are disproven by the empirical record. For one, their argument is built upon a flimsy time-frame, for when the assumed institutional divergence purportedly begins in 1902 “Hindu customary practices” or “Islamic inheritance rules” were by no means followed by all Memon, Khoja, and Bohras and other commercial castes in a uniform fashion. When one focuses on the sub-groupings within these communities it is plain that, if Islamic and Hindu rules

[69] Ibid., p. 529

were placed at two opposite ends of a spectrum, these constituencies were scattered all along the line. In other words, Cutchi, Surti, and Halai Memons observed different formulas of custom and law, but they nonetheless all feature among the leading Muslim business firms. Therefore, it is nearly impossible to draw inferences among economic performance based on legal classification alone.

Furthermore, the argument that there was a normative superiority of Hindu over Islamic inheritance institutions faces several problems. For one, it ignores the high proportion of Muslims who from the latter half of the nineteenth century, and with increasing frequency in later decades, participated in managing agency arrangements, and those who used institutions other than the traditional partnership. Secondly, it overlooks the numerous nineteenth-century instances in which Muslim commercial castes created diverse portfolios and lasting, multi-religious partnerships in a variety of industries. Lastly, it overstates the extent to which the options presented to Muslim communities was a simple either/or - a choice between whether to follow indigenous law codes or Anglo-Indian law in their commercial affairs. Muslim constituencies, as later chapters show, were adept at fusing the new institutions of nineteenth-century capitalism - associations, trusts, cooperatives - onto existing religious firms. The next section finds the cause for their success in alternative factors.

Numeracy, Diversification, and Institutional Hybridity

This section argues that the key to the commercial success of the Muslim mercantile castes of western India lay in three comparative advantages, which their geographic proximity to Bombay at the beginning of the nineteenth century, and their historic status as trading communities, further facilitated: high rates of numeracy and literacy, diversification (in the form of possessing portfolios in several sectors), and institutional hybridity. It is possible that these communities possessed a comparative advantage by virtue of their being inhabitants of Mughal Gujarat, one of the most heavily monetized regions of pre-colonial India, but such an assertion will have to await future research.

From the early decades of the nineteenth century Muslim commercial actors fanned out from Kathiawar and Junagadh to Bombay, and later Karachi, Durban and Hong Kong, where their initial stints as humble stall owners morphed into transimperial commercial enterprises intimately linked with religious patronage and communal philanthropy. Significant internal migration in the subcontinent occurred too, so that it was not uncommon for a Muslim entrepreneur of Memon or Khoja extraction to get their start in Kachchh or Kathiawar, before moving to Madras, Colombo, or Calcutta. With European and non-Muslim Indian firms alike, they were, however, plagued by the general dearth of capital endemic to the colonial economy and often subjected to intensive scrutiny by colonial banking institutions, which closely monitored their capital commitments. Beyond this, these Muslim commercial firms were bound in various modern commercial partnerships with Muslim and non-Muslim entrepreneurs, and were shareholders in numerous enterprises. Inevitably, extensive legal battles were a byproduct of such linkages. But long-running commercial success was always dependent upon this capacity to transcend one's immediate community, to build up a wide consumer base, and to fill the "institutional voids" at the interstices of several increasingly interlinked regional economies.

Muslim mercantile communities throughout India were also key participants in a culture of commercial numeracy that also transcended religion and that was a prerequisite for participation in complex business schemes with those outside one's immediate community.

Numeracy here connotes the ability to perform a range of workaday calculations intrinsic to commercial life, but also the capacity to produce and decipher financial reports, bank statements, *hundi* charts and accounting ledgers. As opposed to the view that literacy and numeracy rates among Indian Muslims were singularly low compared to Hindus, there was in actuality significant regional variation in numeracy rates both within British India and the princely states, and the evidence suggests that many Indian Muslim constituencies kept pace with their non-Muslim neighbors. Further work will have to be done on this question using methods of age-heaping, whereby numeracy rates are determined by an individual's capacity to state their exact age, rather than to estimate at indeterminate decade-long rates.

Although most of the accounting education a Muslim merchant received seems to have been on-the-job training, some accounting knowledge was acquired in formal *madrasa* settings. For example, young boys from the Nawāyaṭ community, an Arabic-speaking group divided among the Shāfiʿī and Ḥanafī *madhhabs* and with a long history of settlement in portions of Karnataka and Bhatkal and the subjects of a history written by the aforementioned Nawāb ʿAzīz Jang, acquired a high level of mathematical instruction in primary school. This followed a thorough grounding in *ḥadīth* and Qurʾān, the study of Urdu treatises on *fiqh* and *ʿaqāʾid*, and Persian and Arabic grammatical texts.[70] Even Nawāyaṭ girls, whose education was otherwise restricted to the study of only a few religious texts, were said to be able to solve rather complex arithmetical operations without the benefit of pen and paper, and this despite the poor quality of

[70] Nawwāb ʿAzīz Jang, *Tārīkh al-Nawāyaṭ: jis mai<u>n</u> khandān-i Nāʾiṭ ke nisb, wāqiʿāt-i hijrat, ma<u>z</u>habī khayālāt wa khuṣūṣiyāt, rasm wa rivāj wa alqāb-i maʿrūfa aur alqāb kā ta<u>z</u>kira hai* (Ḥaidarābād Dakan: ʿAzīz al-Maṭābiʿ, 1322 [1904 or 5]), pp. 50-51.

mathematical instruction they received.[71] Nawāyaṭs - like a certain Mawlwī Hākim Shāraf al-Dīn Naiʾṭī - became from the third quarter of the century an important stratum of bureaucrats in Hyderabad, combining their prodigious religious knowledge with portfolios in financial, legal, and land revenue administration, spawning a series of novel fiscal institutions that led the princely state on a developmental path quite distinct from, and in certain sectors, far more successful than, British India.[72]

Yet when it came to the actual production of new mercantile accounting norms, and its dissemination through the medium of print, no region saw a greater saturation of such texts than the portions of western India comprising Kachchh, Kathiawar, and Bombay Presidency. Some of the sources for Gujarati arithmetical texts were the same as the Islamicate texts long known to Muslim mathematicians in the subcontinent. Furthermore, Chhaya Goswami has alluded to how accounting practices among merchants of Gujarati origin often transcended the religious divide.[73] From the 1860s, however, a number of singular Gujarati works on *vyāj* (calculations or interest), hundis, and logarithms began to appear in print. A conspicuous contribution was *Vilāyat Nī Hundī Nā Hisāb Ganavanī Chopādī*.[74] There were even portable manuals on hundi rates in regional areas, like *Kachchhnī hundīnā ḥisāb*, a Gujarati reference book by Śivanji Purushottama

[71] Ibid., p. 51. Still, Nawāb ʿAzīz Jang was not universal in linking Nawāyaṭ mercantile success with intelligence. Of Rukn al-Dīn Ḥassan Naiʾṭī, one of the most prosperous Nawāyaṭ merchants in contemporary Bombay, he wrote: "his mental faculties are very limited, but he has obtained a high degree of experience in practical knowledge." See p. 307.

[72] Ibid., pp. 314-315.

[73] Chhaya Goswami, *Globalization before Its Time: The Gujarati Merchants from Kachchh* (Gurgaon: Portfolio/Penguin, 2016).

[74] *Vilāyat Nī Hundī Nā Hisāb Ganavanī Chopādī* (Bombay: 1865).

Jośi containing voluminous tables for calculating *hundi* rates within Kachchh.[75] In light of the dramatic seasonal fluctuation of *hundi* rates - "which determined the cost of credit for inland merchants and commission agents" - such works were central to mercantile activity, and the fragmentation of the hundi *market* throughout the Indian Ocean meant that such regional texts were important for the networks of exchange in the subcontinent and beyond.[76]

Muslims from western India were undoubtedly familiar with many Gujarati mathematical texts, and produced some of their own. Confirmation of this comes from the works of Muslim authors, especially the *Mizān-i paimāyish* completed in 1873 by Munshī ʿAbd al-Karīm, headmaster of Bombay's government school.[77] Professing to be a "tables of coins, weights, measures, numbers, time, etc.", *Mizan-i paimāyish* provided in Urdu and Gujarati an introduction to the terminology of mathematics (*ʿilm-i ḥisāb*) from English, Arabic, and Sanskrit. By his own admission, ʿAbd al-Karīm was inspired to compile this work given the sorry state of Urdu schools in Bombay presidency when compared to their Gujarati and Marathi counterparts. The benefit of his work, as he acknowledged, was its low price which would afford even the poorest of boys to purchase it with ease, while still serving as a useful work for the great and the good.[78] ʿAbd al-Karīm clearly saw his undertaking as in league with that of his father, Ghulām Muḥammad, who had done so much, as his son beamed, to advance the educational needs of Muslims through a variety of equally low-cost writings. Beyond its cheap price, ʿAbd al-Karīm's

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[75] Sivanji Purushottama Josi, *Kachchhnī hundīnā ḥisāb*

[76] Rajat Ray, "The bazaar: Changing structural characteristics of the indigenous section of the Indian economy before and after the Great Depression," *Indian Economic and Social History Review*, Vol. 25 (1988) pp. 277, 308.

[77] Munshī ʿAbd al-Karīm, *Mizān-i paimāʾish* (Bombay: H. Lingoo Press, 1873).

[78] Ibid, p. 16.

text is remarkable inasmuch as it is an expression of a mixed repertoire of Muslim accounting mores. One finds tables demonstrating accounting notation in Arabic, Persian, Marathi, English, Gujarati, and even Roman numerals, no doubt a useful reference tool for any merchant doing business in western India.[79] There are also instructions given for converting mercantile weights and measures from Bombay to Ahmadnagar, Bharuch to Travancore.[80]

This accent on numeracy among the Muslim commercial castes had distinct institutional repercussions. One of the best windows into the world of Muslim mercantile accounting is a Gujarati account-book printed by a certain Ḥasan Raḥmat Allah in 1883 with *Qāsid Bombay* Press (a leading Gujarati-Muslim newspaper[81]).[82] Extending over three-hundred pages, the account-book records in sumptuous detail "the rent of the houses, the purchase of property, repair work, the bills, taxes, and expenditure, etc." in the environs of the Halai Memon mosque in Bombay between 1851 and 1881 (or more precisely the Samwat (a Hindu calendar) years 1909 to 1934). The use of Samwat months is itself indicative of a shared repertoire of keeping accounts. Even so, one wonders why Raḥmat Allah felt compelled to print the mosque's accounts over a thirty year period. As seen in a later chapter, legislative disputes among Muslim associations in this period often were centered on a confrontation over accounting, and requests

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[79] Ibid., p. 73.

[80] Ibid., pp. 76-77.

[81] The circulation was around 900 issues in 1882. H.P. Hubbard ed., *Hubbard's Newspaper and Bank Directory of the World: With Gazetteer and Atlas Combined. Containing the Names and Descriptions of Over Thirty-three Thousand Newspapers and Fifteen Thousand Banks*, Vol. 2 (London, Truebner & Co., 1882), p. 1929.

[82] Seth Mian̲ Ḥasan Raḥmat Allah, *Masjid fas Halā'i Memon Mohallanī ḥisāb: Shamwat 1909 thī 1934 sudhī, gharona bhara, tatha milkatnī kharīdī, rīpera kam, masjidno khāraj, taks, bīlah wa-ghaira jama tatha khāraj* (Seth Mian̲ Ḥasan Raḥmat Allah Trustee: Qāsid Bombay Press, 1297 [1881]).

were regularly made by plaintiffs to inspect an organization's books. This may have been the reason.

Whatever the motive, Raḥmat Allah's account book offers the historian an unparalleled glimpse into how Memon fortunes changed the city's religious economy, and how the concentration of communal wealth, coupled with a knowledge of novel accounting practices, paid numerous dividends in expanding Muslim religious infrastructure in the city. In any given accounting entry made in the work, one finds a fascinating portfolio of exchange underpinning the wealth of the mosque: funds, warehouses, spinning factories. Each page of the text is littered with references to the account (*khate*) of Halai Memons who were likely members of the mosque's congregation, or at least renters: Memon ʿAbd Allah Raḥīm Nūr Muḥammad, Memon Ismāʿīl Yaʿqūb, Memon Suleiman Musa. Entry after entry reveals how the mosque's central fund acted as a loan provided for its congregants. The names of these individuals are recorded scrupulously in monthly entries that clearly demarcate the loan recipients' liability. The proper recording of the mosque's debits (*udhār*) was central to the financial monitoring needed to protect its long-term assets.[83] The next chapter will show in detail how institutions such as this, and the bookkeeping needed to keep them functioning, became a source of legal challenges from other Muslims.

Native accounting knowledge, in all its diverse forms, moved freely among various religious communities, and fostered a precocious culture of wider numeracy along with it. The larger question remains whether, as a consequence of some of these findings, one can still make

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[83] Ibid., 105. Gujarati dictionaries differ as to how to define *udhār*. I have gone with the nineteenth-century use of *udhār pasum* as the "debit of an account book." Shapurji Edalji, *A Dictionary, Gujarati and English. Second Edition* (Bombay: Union Press, 1868), p. 67.

arguments about disparate literacy rates among Hindus and Muslims in the colonial period. A good deal of this argument has been constructed on the assumption that Hindu groups held an inordinate oligopoly over banking and finance, and that Muslims were barred from entry into the accounting trade. Of course, this was a line adopted by later Islamic modernists eager to close what they saw as the wealth gap between Muslims and non-Muslims, but this severely understates the extent to which Muslims were active participants in numeracy, and supporters of non-Muslim and Muslim business ventures.

Partnerships between Muslims and non-Muslims was also a common phenomena, whether among leading merchants or humble traders. The question remains whether these were more than just temporary expedients based on small circles of acquaintances. For example, a partnership struck up between two well-established merchants, the Parsi Cowasji Dhunjishaw and the Cutchi Memon Ḥajī Sulaimān ʿAbd al-Wāhīd, for managing stables at Belassis Road in Bombay lasted little more than a year, before ʿAbd al-Wāhīd bought out Cowasji's stake.[84] More sustained were those partnerships that were linked to a larger mercantile firm complete with a board of directors. One early example was Ḥajī Jāsūb Bilādinā (Hadjee Joosub Bolodina) - a one-time director of the Bombay Steam Navigation Company, which included Parsi and European management[85] - who invested heavily in various concerns. Another was that of Ḥajī Ismāʿīl Ḥajī Ḥabīb was, along with David Sassoon, on the Bombay Committee for the Bank of Hindustan, China, and Japan.[86] Employee transfer between firms was likely common too, with

[84] Dissolution of partnership identure in author's personal collection. Will be presented upon request.

[85] *The Indian News and Chronicle of Eastern Affaires: 1851*, p. 447.

[86] See the advertisement printed in *The Economist* (6 February 1864), p. 190.

Gulābbhāʾī Dahyabhāʾī Rawāl perhaps one of many clerks who offered his services to Muslim firms.[87]

Financing of Muslim mercantile firms was likewise dependent upon various resources, a necessity in a capital-starved environment where the colonial banks were selective in the provision of credit to native merchants. Muslim firms were dependant upon the colonial financial superstructure for credit, but this was exceedingly difficult to come by in light of the stringent lending policies of the Banks of Bengal, Madras, and Calcutta. To ascertain the credit status of indigenous merchants these banks relied on an extensive surveillance network. At the Bank of Bengal's Rangoon branch, for example, a consortium of well-established Cutchi Memon traders grouped under the name "Hajee Valley Mahomed Hajee Abba" were flagged as having precariously imbalanced bill ledgers and were investigated by a local agent.[88] Even the most prominent Muslim firms were blacklisted and starved of capital on the pretext that they were overcommitting themselves or selling fake demand drafts tied to no mercantile transactions.[89]

Under such conditions, sources other than the colonial banks were necessary for credit acquisition. Moneylenders from other religious groups was one ready resource used by Muslim firms. Moreover, partnerships between Muslim and non-Muslim firms were another common way of pooling capital, although as Kuran and Singh have argued these tended to be temporary affairs. Insolvency was an omnipresent problem, but if the *London Gazette*'s near-encyclopedic

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[87] See his 1908 letter to Messrs. Ahmed, Mahmod, & Coy reproduced in the Gujarati letter-writing manual, *Hamēśno patra vyavahāra* (Everyday written correspondence) (1917), p. 64. By the time he wrote the letter Gulābbhāʾī had been working for the firm for several years, and petitioned for promotion to the firm's clerk position on the pretext that he he was the best qualified of all the candidates.

[88] "Bill Ledger Extract," SBI, Bank of Bengal Reports, 1742/BR/Rgoon/Cor/006.

[89] "Calcutta, 30 June 1910, No. 84," SBI, Bank of Bengal Reports, 1742/BR/Rgoon/Cor/006.

survey of declared insolvents in Bombay is any indication, European, Parsi, and Hindus were just as likely to declare bankruptcy as Muslims.[90] The almost constant string of bankruptcies experienced by all manner of indigenous and European firms once again gives pause to any narrative that sets Muslim economic institutions apart from non-Muslim ones. The problem was one of capital, and the lack of institutions for its adequate and cheap provision, owing to a mixture of restrictive colonial financial policy and seasonal constraints endemic to trade in the subcontinent.

The need for concentrated amounts of capital ensured that Bombay and its environs became the most conspicuous site for Muslim firm creation before the First World War.[91] Many businesses that began their institutional life elsewhere later migrated to the great metropolis. One example of an Indian Muslim business that migrated to Bombay was the Jafer Alee Spinning and Weaving Company, which survived some four decades after getting its start in Surat. As an 1870 article in *The Economist* showed, the company's dividends (calculated while it was still based in Surat) were not auspicious[92] Despite the initially low returns, it was around this time that Muslim factors made a steady push into the mill industry, where by the turn of the century they began acquiring formerly Parsi and European-owned mills.

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[90] See the case of 'Abdoola Esmail, Vydina Mahomed, and Hajee Rahimtoola Goolam Hossein' who were declared insolvent in March 1866 after a period in a partnership with a Portuguese trader which comprised two commercial firms Mahomed and Noor Mahmed and Co. and Mahomed, Pereira, and Co. "Petitions filed praying for relief: Date of Gazette containing Notice, March 22, 1866," *The London Gazette* (27 April 1866), p. 2644.

[91] *Financial and Commercial Statistics of British India*, Vol. 6 (1899).

[92] "Cotton Factories in India," *The Economist* (4 June 1870), p. 695. This article states that the company began operation in 1866, as opposed to the 1862 listed in the *Statistical Tables for British India, 1886* report. Another Surat-based Muslim mill in later decades was Baig Mahomed Mill.

Besides the brief, if unsuccessful forays, of the Khoja Sunni Dharamshī Pūnjābhāʾī into the mill industry in 1865 (which included sending his son to England in 1872 and the import of personnel and machinery from Lancashire), the ascent of Muslim mill owners began in earnest in the late 1880s when the Khoja Ismāʿīlī Currimbhoy Ebrahim (Karīmbhāʾī Ibrāhīm) led the first foray into the industry.[93] Until 1914, the proportion of Muslim mill proprietors grew steadily, so that by the end of the First World War Muslims were second only to Parsis and Hindus in mill ownership. It is worth noting that although Hindu-owned mills were far greater number, Muslim mills had greater volume of capital both in relative and real terms at their disposal. Khoja, Bohra, and Memons all owned significant mills. The leading Memon mill-owners included Mian Muḥammad Ḥajī Jān Muḥammad Chhotanī, a Halai Memon, and Ḥajī Muḥammad Ḥajī Ismāʿīl Shobānī, a Cutchi Memon, both of whom later developed close ties with Gandhi, and put the resources of their mills at the Mahatma's disposal (examined in chapter 5). The elder Shobānī not only funded the construction of Bombay's *Anjuman-i Islām*, but also supported a school for Muslim girls and a scholarship for a Muslim student at St. Xavier's in Bombay. He was the proprietor of the Elphinstone Mills from 1903, but he and his brother had operated a business for some forty years before this.[94] The sons took over the concern shortly thereafter and the firm managed to survive another two decades before speculation drove it into the ground.

By the interwar period, however, Khoja firms - both Ismāʿīlī and Ithnā ʿAsharī - dominated the mill industry. A table can be found on the next page (Figure 1). This information shows that many Muslims were among the directors of mills owned by non-Muslims, such as

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[93] S.M. Ratnugar, *Bombay Industries: The Cotton Mills* (Bombay: Indian Textile Journal Ltd., 1927), pp. 27, 75.

[94] *The Cyclopedia of India*, *Vol. 2* (1911), pp. 324-325.

Jubilee, Victoria, and Kastoorchand.[95] Among the leading Khoja Ismāʿīlī-owned firms of the 1880s was the Mahomedan Mills at French Street, owned by Heptoola Shaik Adam & Co.[96] The firm's paper mill at Girgaon employed about 20 men and 30 women, although the neighbors living in the factory's vicinity complained about the horrendous environmental conditions engendered by the exposed rags and boiler steam.[97] Judging from an advertisement in Indian Punch in 1904, it too diversified into iron, brass, and even explosives, operating all the while as managing agents for John Tillis and Son's.[98] Despite this prodigious success, Heptoola's firm was eclipsed by the even larger Peroo Mahomed Manufacturing Co., Ltd, which had European and Parsi employees, 32,880 spindles, and a paid-up capital of Rs. 798,300 split into 799 shares of Rs. 100.

The links between Khoja and Parsi firms facilitated the former's movement into the mill industry by the late nineteenth century, and there were numerous instances in which Khojas purchased mills from Parsi proprietors. One example was Jivraj Bullo Mills, which was acquired by a Khoja Ithnā ʿAsharī firm with links to Aden, Hajibhai Laljee & Co., from its original Parsi owners in the 1900s. (Figure 2 shows the original sale indenture).[99] Although all the leading partners of Hajibhai Laljee & Co. were Twelver Shīʿīs, it was the firm's established relationship of trust with the Parsi firm of Sir Jewsasji Jehangir that made the sale possible. As the original sale indenture demonstrates, the deal was overseen by the successful Khoja legal firm, Mulla &

[95] Ratnugar, *Bombay Mills*, pp. 274-275.

[96] *Thacker's Indian Directory for 1897* (Calcutta: Thacker, Spink & Co., 1897), p. 1434.

[97] *Report and Proceedings of the Commission Appointed to Consider the Working of Factories in the Bombay Presidency* (Bombay: Government Central Press, 1885), pp. 204-205.

[98] *Cartoons from the 'Hindi Punch', 1904* (Bombay: Hindi Punch Office, Bombay, 1904), n.p.

[99] From author's private collection. Shared upon request.

Mulla, whose services were utilized by a range of Bombay's leading entrepreneurs in the late nineteenth and early twentieth centuries. Despite this auspicious acquisition, Jivraj Baloo was one of many mills, including the New Islam and Noor Mill, that went into liquidation between 1905-1915 as a consequence of Japan's competition with Indian yarn in the China market.[100]

Among the leading Khoja Ismāʿīlī firms in this period was run by Viśrām Ibrāhīm. He had made a massive fortune in the 1860s and 70s through trade and work as a commission agent. He and his fellow managers in Visram Ebrahim Co. were not only involved with the Star Mills in Bombay, but also had a formal partnership with the Bengal Spinning and Weaving Co. as managing agents.[101] The firm also had ties to various colonial institutions. In the 1890s, Viśrām Ibrāhīm's brother and co-partner, Fāżl al-Bhāʾī Viśrām, was one of many Indian merchants who demanded a swift transition to the gold standard on the pretext that Indian exchange with Europe had suffered dramatically with silver's slide.[102] It was such connections that paved the way for Fāżl al-Bhāʾī's extended stay in Australia in 1885, claiming to have been the first Muslim to visit the colony. In a subsequent travelogue, he spoke at length about the great commercial potential Australia presented to Indian traders.[103] For the keen Khoja Ismāʿīlī entrepreneur, Australia was as logical an area of expansion as anywhere in the Indian Ocean.

From the 1880s, many Khoja Ismāʿīlī firms made their fortune through shipping between

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[100] Ratnugar, *Bombay Mills*, p. 54.

[101] *Thacker's* Directory (1897), p. 1431; As Visram Ebrahim name suggests, Khoja ancestral names in this period retained traces of their Lohana and Bhatia origins, but Arabo-Persian ones became more common from the early twentieth century. Farhad Daftary, *A Modern History of the Ismailis: Continuity and Change in a Muslim Community* (London: I.B. Tauris, 2011), p. 112

[102] *Papers Relating to Changes in the Indian Currency System* (Simla: Government Central Printing Office, 1893), p. 89.

[103] Fazulbhoy Visram, *A Khoja's Tour in Australia* (Bombay: Times of India Steam Press, 1885).

East Africa and western India. The foremost was Ibrāhīm Jiwānjī (Ebrahim Jeewanjee), who began operating in Karachi in 1891 and moved swiftly into the East Africa trade, entering into an agency agreement with Smith Mackenzie & Co. in Mombasa.[104] (A bill of sale for one of his steamships, *Nawab*, is found in figure 3). Jiwānjī was pivotal in the foundation of a branch of the Indian National Congress in Mombasa in 1914, one of the many Indian Muslim businessmen who moved into the political sphere after building a reputation in business. The family of Muḥammad ʿAlī Jinnāh was another instance of a Karachi-based Khoja family that acquired substantial social mobility by forming a modern company. Jinnāh's grandfather, Pūnja Meghjī, was a humble shopkeeper who migrated to Karachi from Kathiawar in 1861.[105] In time he created a firm registered in the name of his son, Valjī Pūnjābhāʾī, who in turn, much aided by his knowledge of English, entered into partnership with Graham's Shipping and Trading Co. in Karachi, and exported gum-arabic to England and Hong Kong.[106] It was a three-year apprenticeship with the company that first brought Jinnāh to London in 1893.[107]

For the Dāwūdī Bohras, the shipping industry role was an outgrowth of their pre-colonial participation in the trade and their newer status as commission agents for European firms. Earlier in the century Bohras in Ujjain and Indore had strengthened market connections among Bombay, Surat, and the interior of central India. There they gained a crucial intermediary position as

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[104] Zarina Patel, *Alibhai Mulla Jeevanjee* (Nairobi: East African Publishers, 2002), pp. 4-5.

[105] Shireen Mirza, "Travelling Leaders and Connecting Print Cultures: Two conceptions of Twelver Shiʿi reformism in the Indian Ocean," *Journal of the Royal Asiatic Society*, Vol. 24, No. 3 (2014), pp. 455-475.

[106] Ziauddin Ahmad Suleri, *Muhammad Ali Jinnah: The Architect of Pakistan* (Royal Book Co., 2000), p. 164; A fuller discussion of Pūnjābhāʾī's business activities is found in Sharif Mujahid, *Quaid-i-Azam Jinnah: studies in interpretation* (Karachi : Quaid-i-Azam Academy, 1981), pp. 35-37.

[107] Ibid., p. 78.

hawkers of a dizzying array of goods. As *Maclean's Guide to Bombay* put it,

> Many of these men are wealthy, and have large stocks to trade with. Jewellery from Trichinopoly and Delhi, London, and Paris; shawls from Cashmere and Umritsur, Rampore chudders, Dacca muslins; Cutch and Cashmere silver and gold work, silks and satins from China and Europe, all the stores of the milliners', hosiers', and haberdashers' shops, Bombay workboxes, cornelians, agates, carbuncles, pearls, rubies, and diamonds - the catalogue might be extended indefinitely without exhausting the list of the goods brought to the door in one day by a constant succession of indefatigable and often invaluable Borahs.[108]

Bohra firms multiplied rapidly in this period as a consequence of this position in the carrying trade, although most remained small in size. Even so, there was one Dāwūdī Bohra merchant prince who had no rival: Adamjī Pīrbhāʾī (Peerbhoy). Pīrbhāʾī was a fixture of Bombay social and political life from the 1870s. His Parsi friend, Shetjī Ṣāhibjī, drew a sympathetic, if perplexed, portrait of Pīrbhāʾī's religious devotionalism in *Vanity Fair*:

> Adamjee is not afraid of the life beyond the grave. He has always been true to his faith as he has been true to his duty. Every Friday he has attended at the mosque and on one occasion he subscribed liberally towards the expenses of the marriage of the Kazi's son. The Kazi is the Pope of the Bohra and like His Holiness of Rome he too deals in

[108] James Maclean, *Guide to Bombay: Historical, Statistical, and Descriptive* (Bombay: Bombay Gazette Steam Press, 1875), p. 326.

dispensations. When the Bohra dies he carries with him to the grave a passport enjoining the Angel Gabriel to admit the bearer to heaven. Dear *Vanity*, there are many strange things in this world and one of the strangest is that the shrewd Adamjee should allow himself to be fleeced periodically for the shriving of his sins - what these sins may be the Kazi and he alone know.[109]

According to Ṣāhibjī, the Bohras' future was the Parsis' present, by which he meant that the Bohras would one day come to rival the commercial success of their fellow Gujarati-speakers usually taken by contemporary commentators and later historians to be a commercial minority distinct from the Hindus and Muslims around them. Pīrbhāʾī's philanthropic activities were a natural offshoot of his business empire, which quickly became embedded in larger structures of capital circulation linking London to east Africa and southern China. In 1887 he inaugurated a mechanized tannery that exported goods to Europe and Africa, and employed around 1,000 laborers who were paid Rs. 12 to Rs. 80 per day.[110] Whatever his many successes, Pīrbhāʾī's portfolio was not impervious to the typical booms and busts of the market.

One such victim was the Shah Steam Navigation Co. of India, which appeared on the scene in 1906 after the shipping enterprise of another Bohra, Essajee Tajbhoy, ran aground. As Ashin Das Gupta has shown, the Bohras had a sustained presence in the shipping industry during

[109] Shetjee Sahibjee, "A Day with my Indian Cousins, VII - The Bohra" *Vanity Fair: A Weekly Show,* Vol. 28 (7 October 1882), pp. 207-208.

[110] *The Gazetteer of Bombay City and Island*, *Vol. 1* (Bombay: Times Press, 1909), pp. 499-500.

the eighteenth century, but with Surat's decline this seems to have temporarily receded.[111] By the 1880s, they were back in the shipowning business. The initial prospectus of Shah Steam Navigation Co. shows a capital of Rs. 3,000,000 divided into 12,000 shares of Rs. 250 each.[112] Its directors were, besides Pīrbhāʾī and Tajibhāʾī, a number of other leading Bohra business leaders. Registered as a limited liability company, its aim was to supply Indian merchants with cargo carriers and to break into the pilgrimage market and had a fleet of nine ships, with *Clan Mackenzie* becoming *Shah Ameer* and *Chusan*, *Shah Najaf*. Despite the auspicious beginnings, the company's lifespan was not a happy one. It was unable to compete with industry mainstays like the Mogul Company and the B.I., but not for lack of trying. In the wake of repeated losses, Pīrbhāʾī withdrew from the firm, and after suffering its death blows, the remnants of the fleet was broken up and funneled into new Dāwūdī Bohra-led enterprises like the Bombay and Hedjaz Steam Navigation Co.[113]

The Memon entry into the shipowning trade slightly preceded the Bohras, coming fast on the heels of the introduction of limited liability and the wild speculation it ushered in.[114] Earlier in the century there were Bombay Memons with a heavy presence in the export trade, and some of the ships they owned were commanded by Europeans.[115] But only in the last quarter of the

[111] Ashin Das Gupta, "The Merchants of Surat, c. 1700-1750," Uma Das Gupta ed., *The World of the Indian Ocean Merchant, 1500-1800: Collected Essays of Ashin Das Gupta* (Delhi: Oxford University Press, 2001), pp. 314-341.
[112] William Herbert Coates, *The Old 'Country Trade' of the East Indies* (London: Imray, Laurie, Norie & Wilson, 1911), p. 199.
[113] Ibid., p. 202.
[114] Ibid., p. 191.
[115] See "A list of Merchant Ships belonging to, or sailing out of, the Port of Bombay," *The Bombay Almanac, Directory and Register for the year 1842* (Bombay: Times Press, 1842), pp. 59-60.

century did Memons begin to move rapidly into the market. The most prominent Memon shipowner of this epoch was Ḥajī Qāsim Jāsūb, whose portfolio consisted of several successful business which made him, at his retirement in 1905, one of Bombay's wealthiest merchant princes. Ḥajī Qāsim was involved in regular transactions with European steamship companies, initially P. and O. Company from whom he purchased his first steamer, *Columbian*, whose lifespan ran from 1855 to 1889. His ships, such as the *Taif*, the *Ajmere*, the *Afghan*, and the *Cashmere* plied the waters from the Red Sea to Mauritius, all kept under the watchful eye of their owner who "possessed the gift of being able to forecast traditions of trade, and his advice was much sought in Bombay."[116] By the 1910s the Memons would later undertake efforts to expand the Indian merchant marine by founding companies like the Khandawani Steamship Line and Hedjaz Steam Navigation Company.[117] Unfortunately, the latter, despite the ambition of its founders to attract Muslim capital, build ships in England, and provide Muslim pilgrims with sufficient facilities for religious devotion and a dysentery-free voyage, had trouble acquiring a fleet and inducing the Muslim public to fully subscribe to the scheme.[118]

Although the Arabian Sea was one avenue of expansion for the Muslim mercantile castes, it is important to examine their activities in other parts of the Indian subcontinent. Various portions of southern India offer a crucial supplement to the picture of Muslim business activity in

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[116] Coates, *The Old 'Country Trade'*, p. 194; Oishi Takeshi, "Friction and Rivalry over Pious Mobility: British Colonial Management of the Hajj and Reaction to it by Indian Muslims, 1870-1920," in Kuroki Hidemitsu ed., *The Influence of Human Mobility In Muslim Societie*s (Routledge: Abingdon, 2009), pp. 151-178.

[117] *India Mercantile Marine Committee Minutes of The Evidence* (No publisher data available, 1924), p. 264.

[118] "Witness No. 26: Mian Mahomed Buksh of the Hedjaz Steam Navigation Company, Ltd., Karachi," *Minutes of the Evidence Recording by the India Mercantile Marine Committee*, pp. 267-268.

Bombay Presidency. Whether in Madras, Mysore, or Travancore, one finds many Muslim firms in operation as commission agents, distributors, and merchants specializing in piece goods, mundy, cement, and hardware. Here too Memons (with a good measure of other local Muslims from the Marakayyar and Nawāyaṭ mercantile castes) were the leading Muslim merchants. As elsewhere, banking and finance was clearly underrepresented. For one, other than the Madras Mahomedan Nidhy Oopacaura Nidhy Ltd. (starting capital Rs. 8,000), Muslims do not seem to have participated in the creation in the many savings and loans companies (*nidhis*) founded by Hindus from the 1870s.[119] Somewhat later there was the Sagul Hameed Meersaib Andarvgal Janopkara Ela Nidhi, but this too had a low authorized capital, with even less of it paid up.[120] In fact, in partial confirmation of Kuran and Singh's emphasis on the negative effects of Islamic inheritance rules, Hindu *nidhis* did not admit Muslims, not as a consequence of simple religious prejudice, but "because of the difficulties arising out of the Mahomedan law of inheritance."[121] Even if Islamic inheritance law prevented Muslims' admittance into *nidhis*, it did not entirely prevent their rise to commercial prominence in the region, nor did it keep Hindu merchants from sharing firm management with Muslims. Petai Sugar Refining Co., Ltd. had both Chettiars and Muslims on its board of directors, which hardly made it exceptional.[122]

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[119] *Manual of the Administration of the Madras Presidency* (Madras: E. Keys, 1885), pp. 492-497.

[120] "Names and Capital of the Companies Registered in Each Presidency and Province in British India during the Year 1897-1898," *Financial and Commercial Statistics of British India, Vol. 6* (Calcutta: Government Printing, 1899), p. 528.

[121] S.C. Ray, *Agricultural indebtedness in India and its remedies, being selections from official documents* (Calcutta: Calcutta University, 1915), p. 355.

[122] *Thacker's Directory* (1897), p. 1457.

By 1914, of the Southern India Chamber of Commerce's 28 secretaries, directors, and members, 9 were Muslims, including M.A. Quddūs Pādishāh Ṣāhib and Ḥajī Ismāʿīl Saʿīt (head of Ismail Sait & Sons), while nineteen of the 80 resident members listed in 1915 were Muslims.[123] Pādishāh Ṣāhib stood at the apex of the diamond, mica, and manganese mining industry in the region. His firm, Hajee Mahomed Badsha Sahib & Co., had undertaken several experiments to manufacture Madras handkerchiefs with the help of handlooms manufactured by Messrs. Hattersley & Sons.[124] An international directory for the international leather industry in 1914 shows just how dominant Muslim mercantile firms were in many cities in the subcontinent, with Memons and Bohras leading the way.[125] In Bombay Presidency several factories were run by Bohras and Ghanchis, a Muslim caste, in the Panch Mahals.[126] All the same, the tannery business was not entirely a Memon-dominated story in Madras. Marakaiyyars ran two registered tanneries, and it was the tanning business that helped build the Periamet mosque in 1838, one of the many examples of how mercantile wealth of commercial firms expanded religious infrastructure.[127] In southwestern India, on the other hand, there was plenty of company formation among local Muslim entrepreneurs rather than from imported co-religionists from western India. Malabar Steam Navigation and Industrials Ltd., which intended to develop the

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[123] *Report And Correspondence of the Southern India Chamber of Commerce: March 1914-February 1915* (Madras: Madras Times Printing and Publishing Co., 1916), n.p.

[124] Alfred Chatterton, "The Salem Weaving Factory," *Industrial Conference Held at Surat, December 1907: Full text of papers read at and submitted to it* (Madras, G.A. Natesan, 1907), p. 246.

[125] *The Shoe and Leather Reporter Annual* (Boston: Shoe & Leather Reporter Company, 1914), pp. 568-570. Rather than just a 'Muslim' occupation, there were also many Chettiar firms too.

[126] J.R. Martin, *A Monograph on Tanning and Working in Leather in the Bombay Presidency* (Bombay: Government Central Press, 1903), pp. 24, 34.

[127] Ibid., p. 1458.

transportation and postal infrastructure of Cochin's interior, amalgamated the interest of three Muslim-owned Konkani firms. Its fleet included ships with names like *Alhambra*, *Mustafa*, *Mecca*, and *Medina*, but also names like *King George* and *Lady Susan*.[128]

Curiously, as one moves outside of British India to various princely states in the coastal regions of Southern India, one finds significant discrepancies from the territories of British India. An almanac from the princely state of Travancore in 1882 shows dozens upon dozens of Muslim firms.[129] No disparity in terms of commercial firm formation with non-Muslim populations seems in evidence here. All the same, compared to formally registered 'Hindu' schools Muslim ones appear to be non-existent. Finally, to emphasize the point even further trade almanacs that cover the mofussil show a modest Muslim presence in registered companies in places like Secunderabad and Quilon. There they were commission and general agents, coach proprietors, druggists, auctioneers, and even wine and spirit merchants alongside their Parsi, European, and Hindu neighbors.[130] Again there seems to have been certain clustering, for Muslim firms do not appear in Tranquebar, which was something of a Chettiar stronghold, but in Mysore - where the Muslim-owned Hussan Sumar Sahaya Dhanchilbrudi Bank operated for a short time [131] - there was a significant Memon commercial presence from the 1870s.

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[128] Arnold Wright ed., *Southern India: Its History, People, Commerce, and Industrial Resources* (London: The Foreign and Colonial Compiling and Publishing Co., 1914-1915), p. 383.

[129] *Travancore Almanac* (Trivandrum: Travancore Government, 1882).

[130] *The Asylum Press: Almanac And Compendium Of Intelligence For 1882* (Madras: Lawrence Asylum Press, 1881 [sic]), p. 800.

[131] Ibid., p. 90; For more on the term simsar/samsara (literally broker, brokerage) in medieval commerce see S.D. Goitein, *A Mediterranean Society: The Jewish Communities of the Arab World as Portrayed in the Documents of the Cairo Geniza, Vol. I: Economic Foundations* (Berkeley, University of California Press, 1999), p. 160.

As this section has demonstrated, it is essential to move out of Bombay and examine the presence of Muslim companies in other parts of the subcontinent's coastal regions. Firms associated with the Muslim mercantile castes of western India were found in numerous localities, where they combined membership in several mercantile associations with a presence in key economic sectors. Trade was the initial point of entry for many, with the managing agency arrangement their springboard for building relationships with foreign capital. However, select firms moved out of the familiar realm of trading into the volatile brave new world of nascent industry. Because capital was so dear in colonial India this was a risky decision to make, but many of the Muslim commercial castes succeeded because of their ability to mobilize variant resources for capital provisions, both within and outside one's immediate community. Yet for all the subcontinent proper can impart about the profile of Indian Muslim commercial firms, the full scope of Indian Muslim business activity in these decades can only glimpsed by casting one's attention from the Balkans to Burma. It was here that the Muslim mercantile castes of western India found ample commercial opportunities and contributed to the foundation of an infrastructure of Indian Muslim religious life before the First World War.

The International Profile of the Muslim Commercial Castes

Only when one leaves the shores of the subcontinent and moves outward to Zanzibar, South Africa, Singapore, Ceylon, Burma, and Hong Kong can one take full stock of business activity among the Muslim mercantile castes. In these territories a claim for an identifiable Hindu-Muslim disparity in company formation is particularly specious. Their international profile meant that Indian Muslim firms operated at the nexus of the Ottoman, British, French, German, and Japanese empires. As such, they gained awareness of the variant institutional forms that undergirded the global systems of capitalism, and some openly advocated the fusion of institutions of indigenous Indian capitalism and the new forms of capitalism on offer in Europe and Asia. Institutional hybridity became a critical part of the commercial success of the Indian Muslim mercantile castes in the Indian Ocean from the last quarter of the nineteenth century.

Beginning in the late 1860s the colonial territories of southern and eastern Africa were rich pickings for many of the Muslim mercantile castes. In 1868-1869 large numbers of Muslim merchants had provided their ships for the transport of Indian troops in a punitive expedition to punish the Emperor Tewodros II of Ethiopia, yet another reflection of how important indigenous capital was to the imperial expansion into East Africa.[132] Further south in Zanzibar Muslim traders from western India were the dominant mercantile concerns by the First World War.[133] Meanwhile, in South Africa it was Memon merchants who dominated the scene, but their firms remained dependent upon the services of those outside the community, and they employed personnel from India and local Europeans for this purpose. M.K. Gandhi summed this up neatly in his own memoirs when he recalled the circumstances that first brought him to South Africa, writing:

> But soon I became choked with the intriguing atmosphere of Kathiawad, and when a Memon firm from Porbandar offered me work in South Africa, I readily accepted the

[132] "Appendix, No. 7...List of Ships Chartered for and Employed in connection with the Abyssinian Expedition," *Reports from Committees: Abyssinian War; Mail Contracts; Public Accounts; Telegraph Bill, Vol. 6, 10 December 1868-11 August 1869* (London: House of Commons, 1869), pp. 157-161.

[133] T. Sleith, *Report on trade conditions in British East Africa, Uganda and Zanzibar* (Cape Town : Cape Times Limited, 1918), p. 62.

> offer. There was an important law-suit concerning a claim for £40,000 which the firm of Dada Abdulla & Co. were making against their rivals Taib Haji Khanmamad. A partner in the former firm offered me my first class return fare, all expenses and £105 if I would go to work for them in South Africa for a year.[134]

In fact, Gandhi amplified this picture in *The Story of My Experiments with Truth*. His initial contact in the firm was Seth ʿAbd al-Karīm Jhaverī, a partner in Dada Abdulla and Co. who told the young lawyer that the job would be an easy one as they had close relations with important Europeans and the firm's correspondence was mostly in English.[135] In a later obituary written for another partner in the firm Dada Abdulla and Abdoolla Hajee Adam Co., Gandhi remarked that Ḥajī Adam combined a success in business with a zeal for religion, so that "He lost no opportunity of placing before his arguers the beauties of the religion of the holy Prophet of Arabia."[136] The connection between Gandhi and Memon firms in Durban and Natal would continue for the next two decades. Once he returned to India in 1915 he established close ties with Memon mill-owners, with important implications for the progress of the Non-Cooperation and Khilafat Movements as shown in chapter 5.

If East Africa was a lynchpin for Khoja and Bohra westward migration, and South Africa the counterpart for Memons, then Ceylon and Burma were the favored southerly and easterly

[134] Mahadeo Desai ed., *M.K. Gandhi: My Early Life, 1869-1914*, 2nd Impression (Calcutta: Oxford University Press, 1936), p. 35.

[135] M.K. Gandhi, *The Story of My Experiments With Truth*, Vol. 1 (Ahmedabad: Navajivan Press, 1927), p. 239.

[136] "Late Mr. Abdoolla Hajee Adam," *Indian Opinion* (3 February 1912), Reprinted in *Collected Works of Mahatma Gandhi*, Vol. 11 (Ahmedabad: Navijavan Trust, 1960), p. 220.

havens. From the last quarter of the nineteenth century, Bohras (with a fair proportion of Memons and Khojas too) cornered Ceylon's leather tanning business, and became prominent merchants in the import-export trade as well as owners of livery stables and mills.[137] These individuals - not least the proprietor of Gulam Hossen Shaikhtyeb Co., operators of Ceylon's biggest native-owned mills by 1907[138] - followed the standard trajectories followed by nearly all of the most prominent Muslim merchant princes by the end of the century. Leaving their homes in western India between 1850 and 1870, they planted roots around Colombo or Galle. After getting started as humble traders, they moved swiftly into nascent industries and began producing for the export market, gaining clientele in India, America, and Europe. Through correspondence and visits they also maintained ties with their places of birth in western India, which supplied personnel to fill the roles opened up by the firm's expansion, but also pivoted from Colombo to new commercial opportunities in East Africa or southeast Asia.

This was replicated by the leading Muslim merchants in Burma. Burma was a Memon and Khoja Ismāʿīlī bastion, even before the region's formal incorporation into British India. Rangoon had already become the haven for a number of young Memon shopkeepers from Kathiawar by the mid-nineteenth century, many of whom would become future industrialists. Among these was A.K.A.S. Jamāl, whose parents had moved from Jamnagar to Burma in the 1860s. As a profile in *The Moslem World* put it, when Jamāl took over his father's firm in 1882 the concern was already "gigantic," with a specialization in piece goods and silk. Under Jamāl's watch, the firm diversified into cotton, paddy, petroleum, and grand nuts (to name only a few)

137 Arnold Wright ed., *Twentieth Century Impressions of Ceylon: Its History, People, Commerce, Industries, and Resources* (London: Lloyd's Greater Britain Publishing Co., 1907), pp. 486-97.
138 Ibid., pp. 496-497.

and he became, by the featurette's reckoning, "the pioneer of industry in Burma" for his role in creating rice and oil mills and ginning factories.[139] According to a contemporary American report on cotton-seed production, Jamāl's cotton-seed mill and subsidiary ginning plant at Myingyan on the Irrawaddy had a capital of Rs 150,000 and an annual income of Rs 125,000 to 160,000. The envoy added that the cotton-seed oil industry promised great demands as it presented a substitute for lard, which was "absolutely forbidden to [Muslims]."[140] The firm also acquired several licenses to prospect for oil in several regions of Burma, and it formed one-half of the concern that eventually become Burma Oil Co.[141]

This close connection to imperial authorities did not always work to his favor. During the First World War, Jamāl's firm failed to acquire a monopoly from the Indian government for manufacturing paper pulp from bamboo, after a protest was filed by the Burma Chamber of Commerce.[142] Jamāl's wealth was used to support various Muslim causes, including the Muhammadan Anglo-Oriental College, and he served as not only a College Trustee, but also Vice-President of the All-India Muslim League and President of the Burma Muslim League. His capital was used for other Muslim causes, with his firm donating Rs. 1,200 to the construction of

[139] "A Moslem Philanthropist," in Rev. S.M. Zwemer ed., *The Moslem World: A Quarterly Review of Current Events, Literature and Thought Among Mohammedans and the Progress of Christian Missions in Moslem Lands, Vol. 5* (London: Nile Mission Press, 1915), pp. 84-85.

[140] "India: An Inviting Field for Americans," *Cotton-Seed Products in Foreign Countries* (Washington: Government Printing Office, 1908), pp. 239-242.

[141] *Report Of The Indian Tariff Board Regarding The Grant Of Protection To The Oil Industry* (Government of India Central Publication Branch, 1928), p. 8.

[142] *Indian Industrial Commission: Minutes of Evidence, 1916-1917*, Vol. V, p. 688; "Bamboo Contract," *The World's Paper Trade Review*, Vol. 68 (26 October 1917), p. 678.

Liverpool's first mosque and Muslim burial ground, the fund administered by the two prominent British converts to Islam, W.H. Quilliam and Captain Hugh Fraser.[143]

Among the many Muslim firms with whom Jamal Bros. was involved in litigation was that of Aḥmad Mullā Dāwūd (d. 1905), a native of Jamnagar. Dāwūd, who was later hailed in a prosopography of leading merchants as "an orthodox Mussulman of the old school," was famous for utilizing company profits for Muslim charitable purposes, established residencies in both Mecca and Medina, and gave liberally to Indian pilgrims on *hajj*. His brother, Ḥajī Valī Muḥammad, joined him in Rangoon not longer after Mullā Dāwūd migrated there in the 1850s. The two appear to have carved out a niche for themselves in the public life of the city. When the American convert to Islam, Muḥammad Alexander Russell Webb, visited Rangoon in 1892 Dāwūd showed him around the zoological museum and contributed $300 to his cause.[144] The brothers ran Molla Dawood, Sons & Co. for close to fifty years, until 1903, when the founder's sons took over its rice mills, oil and cotton presses, ginning factory, and landed property scattered throughout colonial Burma.

Not long after their father's death, the sons founded the "Moola Oil Company", which was embroiled in a sensational case involving two European clerks at the Bank of Burma. Along with the Irrawaddy Petroleum Company, the Moola Oil Company was a prospecting company that issued vendors shares in large numbers. Yet this was supposedly done with no paid-up capital, with their prospecting licenses, according to a later narrative of the case, constituting

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[143] See the full list of subscribers, *Reis and Rayyet* (9 January 1892), p. 23.

[144] Brent Singleton, *Yankee Muslim: The Asian Travels of Mohammed Alexander Russell Webb* ([Maryland]: Borgo Press/Wildside Press, 2007) p. 108, n. 202.

their "only substantial asset."[145] Mysteriously, however, the shares for both the Moola Oil Company and Irrawaddy Petroleum Company were given substantial value, without ever appearing on the Rangoon Stock Exchange. To the plaintiff, this refusal to go through the "principal market of the largest city of Burma" was a cause of alarm, and led him to doubt whether the transactions of shares were genuine. One son even traveled to London "to try and float a company in connection with these territories."[146] In fact, the firm had something of a reputation for high amounts of speculation, and the local branch of the colonial Bank of Bengal monitored the firm incessantly in these years.[147]

Given such capital restrictions in British India, Memons also cultivated contacts with the Ottoman government, part of a broader participation in pan-Islamic causes investigated in chapter 4. For example, the head of the Ottoman consulate in Rangoon was Ḥajī Muḥammad Yūsuf Ismāʿīl, a native of Surat and scion of a wealthy merchant family. Ismail was formerly the director of several large business enterprises - including the Surati Bara Bazar Company Ltd. and the Bootataung Company Ltd. - and a noted philanthropist, having funded the construction of a rest house in Rangoon and an optometry hospital in Mandalay. Ismail was also the recipient of several awards from both the Indian and the Ottoman government, not least the Kaiser-i-Hind and the Order of *Mecidiye*.[148] Other Memons also served as Ottoman consul generals. ʿAbd Allah

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[145] *The Bank of Burma case, in the chief court of Lower Burma* (no publication data, 1913 [?]), p. 30.

[146] Ibid., p. 32.

[147] See Bank of Bengal reports from June 1910, State Bank of India (SBI) Archives.

[148] "Haji Mohamed Yousoof Ismail, Sahib Effendi, K.I.H.," in Arnold Wright, *Twentieth century impressions of Burma: its history, people, commerce, industries, and resources* (London; Durban; Perth: Lloyd's Greater Britain Pub. Co., 1910), 333.

Memon, a shipowner eager to enter into the steamship market in the late 1880s, acquired the patronage of the Ottoman sultan, ʿAbd al-Ḥamīd II.

Rangoon was not merely the preserve of Memons from western India. Fujii & Co. was Muḥammad ʿAbd al-Qādir, the scion of a Chittagong merchant, Aḥsan ʿAlī, who had settled in Burma before the Third Anglo-Burmese War of 1885. Aḥsan ʿAlī had maintained property in both Chittagong and Rangoon, and was the head of the Bengal Steam Navigation Co, a company started in 1905 by leading Muslim merchants in Burma with the aim of facilitating transport between Bengal and Burma.[149] Aḥsan ʿAlī's son, ʿAbd al-Qādir, had set out on his own venture at the turn of the century, making contacts with several European companies, before acquiring Fujii & Co. around 1904.[150] The firm had previously been owned by a Japanese merchant, who had used his premises to collect funds from Burmese Buddhists for the support of "Japanese co-religionists" during the Russo-Japanese War of 1904-1905.[151] After amalgamating his previous operations with the Japanese firm, ʿAbd al-Qādir retained many of the Japanese assistants and continued to deal mostly in Japanese goods. He then set up branches at Kobe and Osaka and was regularly called upon by Japanese visitors to Burma.

Other Muslim merchants in Rangoon, like the Bohra merchant A.M. ʿIsabhāʾī (Essabhoy), had also established a presence in Hong Kong, and by the 1890s, Kobe and Yokohama. The China trade centered in Bombay was chiefly responsible for transforming humble groups of Khoja and Bohra traders into organized commercial firms, business magnates,

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149 "Bengal Steam Navigation Company," *Twentieth Century Impressions of Burma: Its history, people, commerce, industries and resources* (London: Lloyd's Greater Britain Pub. Co., 1910), p. 170.

150 "Messrs. M. Fujii & Co.," *Cyclopedia of India*: *Biographical, Historical, Administrative, Commercial*, *Vol. III* (Calcutta: Cyclopedia Pub. Co., 1907-1908), pp. 430-431.

151 "Japanese Humanity," *Buddhism: An Illustrated Review* (November 1904), Vol. 1, No. 4 Vol. 1 p. 652.

and eventually, industrialists. Several Muslims are listed in the earliest lists of foreign residents in Hong Kong, although they were outnumbered by Parsis.[152] One of these was the Dāwūdī Bohra ʿAbd al-ʿAlī Ibrāhīm, who became one of the first clients of Hong Kong and Shanghai Banking Corporation (HSBC). The very first customer account book from the bank's Hong Kong branch contains an entry for "Abdoolally Ebrahim."[153] Account ledgers for the Shanghai branch in the 1860s also bear references to this opium dealer and general trader, whose descendants still carry out business in Hong Kong, and maintain an account at HSBC. There were also Sulaymānī Bohras like Ḥajī Adam Ismāʿīl - whose firms adopted English and Mandarin names.[154] Ismāʿīl was listed, along with the Baghdadi Jewish merchant, Elias Sassoon, who had moved his operation to Bombay a few decades earlier, on the Bombay committee of the Bank of Hindustan, China, and Japan in 1864.[155]

That same year in Hong Kong a number of other Dāwūdī Bohra enterprises - such as that of Shaikh Dawood - were engaged in business partnerships with co-religionists and non-Muslims.[156] Not all Bohras involved in the Hong Kong trade found lasting success, and they faced the ever present danger of insolvency that paid no heed to religious identity.[157] To obtain

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[152] *The Chinese Repository: January to December 1843, Vol. XII* (Canton: Proprietors of The Chinese Repository, 1843), pp. 16-19.

[153] HSBC Archives, London, HQ SHGLEDG 0041; HQ SHGLEDG 0042; HQ SHGLEDG 0043; HQ SHGLEDG 0044

[154] *The Directory & Chronicle for China, Japan, Corea, Indo-China, Straits Settlements, Malay States, Siam, Netherlands India, Borneo, the Philippines, &c: With which are Incorporated 'The China Directory' and 'The Hongkong Directory and Hong List for the Far East,*" (Hongkong, The Hongkong Daily Press Office, 1894), p. 215.

[155] "Bank of Hindustan, China, and Japan - Advertisement," *The Economist* (Feb. 20, 1864), p. 50.

[156] *The Chronicle and Directory for China, Japan & the Philippines*, p. 224.

[157] "Haji Sharif and Haji Elias Sharif," *The London Gazette*, Part 2 (June 6, 1871), p. 2813.

more capital, many Indian Muslim firms in Hong Kong established contacts with local European firms. One example was Ebrahim Elias who, along with Moosa Ebrahim, entered into partnership with one B.M. Vieira and E.M. Hyndman to form Moosa, E Vieira & Co.[158] During the course of the firm's operation, Elias maintained close financial links with his associates in Bombay, who used promissory notes to fund his associate in Hong Kong (see figure 5). The firm's lifespan was not long for this world: in 1910 Moosa Ebrahim was apprehended for fraudulent business dealings, a charge for which he was found guilty.[159]

The Indian Muslim entrance into Japan followed fast on the heels of the Meiji restoration in 1868.[160] Before the First World War, many Indian Muslim firms in British India had established close contacts with Japanese firms operating in these regions. These included Khoja Ismāʿīlīs and Khoja Sunnis. They acted in many instances as managing agents for Japanese concerns or importers of Japanese goods. At the same time, Indian Muslim firms in Japan worked closely with Japanese match manufacturers, who produced special matchbox designs for their Indian Muslim commercial partners.[161] These were then imported into India and Burma by the local branches of the Indian Muslim firms who had operations in Kobe, Yokohama, and Osaka. The flashiest designs, including one with two Japanese samurai, were produced exclusively for the Dāwūdī Bohra firm managed by A.M. ʿIsabhāʾī in Yokohama and Tokyo by

[158] *The Directory & Chronicle for China, Japan, Corea, Indo-China, Straits Settlements, Malay States, Sian, Netherlands India, Borneo, the Philippines, &c for the year 1908* (Hong Kong: The Hong Kong Daily Press Office, 1908), p. 1037.

[159] "Rex v. Moosa Ebrahim," *The Hong Kong Law Reports*, Vol. 5, Issue 1 (Hong Kong: South China Morning Post, 1910), pp. 52-53, 223.

[160] Green, *Terrains of Exchange*, p. 237.

[161] This is discussed in detail in chapter 5, with relevant citations.

their Japanese partners (see figure 4). The entity began operations in Japan as early as 1863, and carried out large export and import business through its branches in Kobe, Shanghai, Hong Kong, Singapore, Penang, Rangoon, Madras, Calcutta and Bombay. In 1894 he built a Bohra mosque valued at Rs. 40,000 in Calcutta, followed in 1897 by one in Singapore, a city where leading Chinese and Jewish merchants were among his closest friends.[162] His firm also had links with match manufacturers in Sweden and Austria, for whom it acted as sole importers into India of matchboxes bearing images of the Hindu goddess Durga and scenes from Kālidāsa's epic *Sakuntala*. In testament to ʿIsabhāʾī's grandeur, his firm moved into a three-story building in Yokohama in 1911, and held an opening ceremony attended by hundreds of local and foreign dignitaries.[163] Unfortunately, by the start of the First World War the firm suddenly went belly up, one of the many pre-war Indian Muslim concerns that were unable to weather the market shocks so endemic to the war and interwar years.

The final case worth considering is the late Ottoman Empire. (The role of Indian Muslim capital in sustaining various late Ottoman pan-Islamic projects will be studied in a later chapter). The empire was also the preserve of the western Indian Muslim mercantile castes, though they were not as numerous as they were in parts of the British Empire. If there were sizable numbers of Muslim merchants in the Hijaz, then there were also small pockets of 'formal' firm activity in other imperial territories. For example, the Bohra firm, Messrs. Abdul Ali & Co., operated two ice factories in Baghdad before the onset of the war, but it also had a famous postcard business, that, among other images, produced images of the Shīʿī sacred sites in southern Iraq that were

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[162] "Mr. A.M. Essabhoy," *The Straits Times* (5 November 1897), p. 2; "Departure of a Bombay Merchant," *Mid-Day Herald and Daily* (4 November 1897), p. 3.

[163] "Messrs. A. M. Essabhoy," *The Straits Times*, 4 August 1911, p. 3.

likely exported to India (see figure 6). According to the records of the American Chamber of Commerce for Turkey in 1911, the firm appears to be the only registered Muslim-owned enterprise in the city.[164]

In fact, the Abdul Ali & Co.'s ice-factory was one of the only private machine-driven industries in all of Iraq, with the remaining operations under the control of the Ottoman government in the form of an army clothing-factory and army flour mill.[165] In 1910 the firm was on the receiving end of an effort on the part of the Ottoman government to artificially depress the price of ice.[166] Several Ottoman officers had entered the premises and threatened to pluck out the eyes of a firm employee Faiż Muḥammad ibn Nūr Muḥammad.[167] To enforce further compliance, the Ottoman vali had threatened to close the factories after the firm of ʿAbd al-ʿAlī refused to comply with the price decrease, insisting that the factory was a violation of the Ottoman law of 1864, something which British authorities entirely rejected. British authorities assumed that local Ottoman authorities in Baghdad had an interest in creating a monopoly, inspired by the larger economic vision of the Committee of Union and Progress regime.[168] The firm's appeal to the British consul-general revealed it had imported machinery from Europe, and

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[164] See the numerous references to the firm in pages of the *The Levant Trade Review* from 1911.

[165] IOR/L/MIL/17/15/41/3, 'Handbook of Mesopotamia. Vol. II. 1917,' p. 379.

[166] IOR/L/PS/10/188, "Sir G. Lowther to Sir Edward Grey: Enclosure in No. 1," in *Mesopotamia: Baghdad affairs. Miscellaneous*, p. 133.

[167] IOR/L/PS/10/188, "Enclosure 20 in No. 1: Statement of Faiz Muhammad-ibn-Noor Muhammad, British Subject, in the Service of Messrs. Abdul Ali Brothers, Bagdad," *Mesopotamia: Baghdad affairs. Miscellaneous,* pp. 155-156.

[168] IOR/L/PS/10/188, "No. 1 Sir G. Lowther to Sir Edward Grey," in *Mesopotamia: Baghdad affairs. Miscellaneous*, p. 142.

kept a pulse on comparative prices for ice in Europe and Istanbul.[169] Although the firm was eventually recompensated, the war seems to have brought a halt to their enterprise. The Ottoman government's attempt during the war to encourage the creation of local Muslim-owned firms, such as the *Bağdat Şirket-i İslamiyye* (The Baghdad Islamic Company) likely spelled an end for a firm that, though Muslim, was too deeply associated with the British in the minds of local authorities.[170]

In its panoramic study of the commercial firms associated with the Muslim mercantile castes of western India, this section has shown that they were dominant economic players among Indian Muslims in several regions of the globe between 1850 and 1914. Even if there was a high-degree of failure conditioned by the low capital resources of the subcontinent, this was not exclusive to Muslim companies, and many of these concerns found creative ways of combining Islamic rules of partnership with the immediate members of one's own community, and the managing agency arrangement offered by collaboration with foreign firms. They were assisted in this by the advantages accruing from ample access to institutions, high rates of literacy and numeracy, regimes of legal pluralism, trade know-how. (The next chapter analyzes how their own religious firms assisted in this). The financial de-globalization ushered in by the First World War led to a temporary contraction of their geography of operations, but a later chapter will show how Indian Muslim firms expanded their operations in new territories, despite the financial de-globalization brought on by the rise of protectionist barriers and Global Depression.

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169 IOR/L/PS/10/188, "Enclosure 4 in No. 1 - Messrs. Abdul Ali Brothers to Consul-General Lorimer," *Mesopotamia: Baghdad affairs. Miscellaneous*, p. 151.

170 I have a share certificate from this company (issued in 1916) in my private collection, but I have yet to find a reference in Ottoman sources to it.

A Dead-Zone?: Tracking Muslim Firms in the *Mofussil*

The last sections demonstrated how the various Muslim mercantile castes of western India created a dense infrastructure of Muslim commercial firms across the Indian Ocean. This section looks at the parallel story of Muslim economic development in the agricultural heartlands of north India. It is especially challenging to write the business history of Muslim communities in the interior regions because of the ingrained and vitriolic prejudice against the practice of money-lending advanced by colonial officials, Muslim commentators, and subsequent generations of historians. To Marxist historians, the colonial period was the best expression of Lenin's theory of progressive peasant immiseration by merchants and moneylenders. Historians have consequently spoken of the twin evils of usury and mercantile capital working in conjunction throughout the colonial period.[171] Among others, Sugata Bose has maintained that the two operating in unison had the effect of reproducing and exploiting peasant labor in colonial Bengal.[172] Bose's edited volume on agricultural credit, debt, and markets, though useful in drawing attention to processes of commercialization, perpetuates this narrative, remains broadly concerned with colonial discourse, and overlooks institutional developments outside the colonial

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[171] I thank Sanjay Subrahmanyam for bringing this to my attention. For Lenin's remarks on the subject see Neil Harding, *Lenin's Political Thought: Theory and Practice in the Democratic and Socialist Revolutions* (Chicago: Haymarket Books, 2009), pp. 91-94.

[172] Sugata Bose, *Peasant Labour and Colonial Capital: Rural Bengal Since 1770* (Cambridge: Cambridge University Press, 1993), p. 130.

state.[173] David Hardiman too has adopted the moralizing language of usurious capital so typical in late nineteenth-century and Marxist accounts.[174] If *banias* are not the culprits, then it is typically Muslim landlords who expanded their 'feudal empire over Muslim sharecroppers' after the Punjab Land Alienation Act of 1900.[175]

Many Islamic modernists adopted this view of the bania from the late nineteenth-century, and saw high-rates of interest as the cause of Muslim economic backwardness. One of them, Mushir Hussain Kidwai wrote in 1908 that *swadeshism* would supply Indian Muslims with ample avenues for investment, closed to them because of the religious ban on interest, but open to Hindus:

> What is the case now? If an ordinary Hindu tenant can spare a few maunds of wheat or a few rupees, he lends that to others, (generally to a Mussalman) on an exorbitant interest and those few maunds of wheat and those few rupees he possesses begin to increase and so high at places is the rate of interest that in no time the tenant becomes a *mahajan*. But, if perchance a Mussalman manages to save some grain or money, he does not find any way to increase those things. The grain gets eaten by insects and the money by dust, because it is buried deep in the ground. Now, if there be an industrial improvement in the country, it would then

[173] Sugata Bose ed., *Credit, markets, and the agrarian economy of colonial India* (Delhi: Oxford University Press, 1994).

[174] David Hardiman, *Feeding the Baniya: Peasants and Usurers in Western India* (New York: Oxford University Press. 1996).

[175] Mridula Mukherjee, *Colonializing Agriculture: The Myth of Punjab Exceptionalism* (New Delhi: Sage Publications, 2005), p. 48, n. 63.

> enable the Mussalman, who manages to save a little, to invest it in some paying concern or some petty industry. He could have a chance of buying a share in any company, if nothing else. But Mussalmans cannot possibly join in militant Swadeshism. They have an international importance and a great responsibility. They are bound by duty and by religion to be loyal to the ruling authority.[176]

A more measured approach is found in those studies that look at regional differences in greater detail. The question of agricultural production and land tenure in colonial India has long preoccupied historians. In an attempt to explain the dismal output of the agricultural sector throughout the colonial period, scholars have fixated on the divergent outcomes - in life expectancy, investment, technological adaptation, inequality, and productivity - visible in the *zamīndārī*, *ra'īyatwarī*, and *mahalwārī* systems. *Zamīndārī* arrangements (and landlord-based systems more generally) have been condemned not only for their crippling rates of taxation from the late-eighteenth century to the last quarter of the nineteenth, but also for their long-term desultory effects into the post-colonial period, especially when contrasted with *ra'īyatwarī* regions, where, despite high land taxes, land distribution has been more equitable.[177] At the same time, while acknowledging the chasm between landlord and non-landlord areas, these same institutional economists have asserted that regions of indirect colonial rule, such as Hyderabad, have had better public goods provision and human development indices from the late nineteenth

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[176] Ibid., p. 293.

[177] Latika Chaudhary, Bishnupriya Gupta, Tirthankar Roy, Anand V. Swamy, "Agriculture in colonial India"; Lakshmi Iyer, "The long-run consequences of colonial institutions," in Latika Chaudhary, Bishnupriya Gupta, Tirthankar Roy, Anand V. Swamy eds., *A New Economic History of Colonial India* (London/New York: Routledge, 2015).

century until today. They have also acknowledged that the princely states were far more effective in the provision of famine relief than British administrators. In addition, Geoffrey Jones has rightly called into question the habit of using property rights laws as a proxy for institutions, and the supposition that colonial powers introduced superior property rights regimes than those previously in existence.[178]

Heiko Schrader has also shown how accounts dependent on the reports of colonial officials fail to show adequate circumspection in dealing with the limitations of data related to moneylending, with most of it taken only from peasant proprietors.[179] Although not losing sight of high rates of debt, Schrader has also shown that larger farmers in Punjab took on more debt because of their efforts to engage in productive investment.[180] Ultimately, Schrader's work shows that much of the existing literature on peasant indebtedness, such as those that use Marx's theory of usurious/merchant capital, is predicated upon an ahistorical traditional sector model where "the charging of exorbitant interest and the provision of consumer credit...does not generate higher future income to the borrowers and leads to increasing indebtedness."[181] As seen below, in the agricultural regions of the subcontinent there were surely pockets of successful private enterprise, despite these adverse conditions. In drawing the attention to these points the aim is not to downplay the terrible plight that many peasant proprietors faced, nor to ignore the travails of 'landlordism' in independent Pakistan and India, but rather to open up a space that

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[178] Geoffrey Jones, "Business History, the Great Divergence, and the Great Convergence," *Harvard Business School Working Paper*, p. 5.

[179] Heiko Schrader, *Changing Financial Landscapes in India and Indonesia: Sociological Aspects of Monetization and Market Integration* (Hamburg: LIT, 1997), p. 114.

[180] Ibid., p. 115.

[181] Ibid., p. 20.

allows us to recognize the capacities of Muslim bureaucrats, administrators, artisans, and cultivators to effect institutional change that mitigated the problems of debt traps and famine.

Even if the interior regions never boasted the same rates of firm formation as Bombay, Madras, and Calcutta, an analysis of colonial-era statistics of joint-stock companies reveals some surprising discoveries. For example, the 1886 *Statistical Tables* cited in the previous section show that in the Northwest Provinces the Islam Company, Limited was the only Muslim-owned firm of the eight in the region. It was started in June 1884 with a modest capital of Rs. 50,000 and specialized in the provision of general merchandise.[182] Another example was the Mahomedan Co-Operative Mercantile Company, founded in 1883, which operated with a nominal capital of one lakh.[183] The question remains whether these companies survived the decade, but because the statistical tables are not continuous, it will have to be unanswered. Beyond this, as previously emphasized, there are some glaring omissions from these tables. For example, in the case of Punjab, there is no mention of Lahore's leading Muslim general dealers from the 1880s: Muhammad Rafi and Brother, Nur Hassan & Co., and Rahim Baksh & Co., or the city's leading auctioneer, Iftikhār al-Dīn.[184] Within a decade, *Thacker's Indian Directory for 1897* listed in an abbreviated entry for the leading commercial concerns of Amritsar a Muslim chemist, several Muslim general and produce merchants, carpet manufacturers and shawl merchants, and commission agents.[185] The same are found in numerous other urban centers, where Muslim and non-Muslims worked together in the space of a single firm, including one

[182] *Statistical Tables for British India, 1886*, p. 95.

[183] Ibid., p. 91.

[184] *Gazetteer Of The Lahore District 1883-84* (Calcutta: Central Press, 1884), p. 190.

[185] *Thacker's Directory* (1897), p. 640.

Fath Mahomed Khan, the accountant for Quetta's Murree Brewing Company.[186] Even volumes of *Thacker's Directory* omitted the discussion of companies in Multan, Peshawar, Kasur, and elsewhere listed in the 1899 *Financial and Commercial Statistics of British India*.[187] As with the maritime castes, a wider set of materials is thus needed to reconstruct the scale of Muslim business enterprise in the inland territories. The links between the formal and informal economy are an essential aspect of this.

Partnership, Caste, and Internal Migration in the Mofussil

To mitigate the problems of capital in the interior regions, Muslim firms, like their non-Muslim counterparts in these areas, devised several types of institutional arrangements. Far from being an anomaly, partnerships between Muslims and non-Muslims were a fact of everyday life. If N.E. Baillie's work on the "Muhammadan Law of Sale" is anything to go by, then Islamic 'rules of sale' continued to be used by Muslims and Hindus into the mid-nineteenth century.[188] As Tirthankar Roy has shown, many times the system of apprenticeship among artisans was based on a *shagird*/*murid* relationship, rather like a Sufi *tariqa*. Finally, as Claude Markovits has demonstrated in his study of Sindhi merchants, rules pertaining to agency originally taken from

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[186] Ibid., p. 956.

[187] "Names and Capital of the Companies Registered in Each Presidency and Province in British India during the Year 1897-1898," *Financial and Commercial Statistics of British India*, Vol. 6 (Calcutta: Government Printing, 1899),

[188] Julia Stephens, *Governing Islam: Law, Empire, and Secularism in Modern South Asia* (Cambridge: Cambridge University Press, 2018), p. 32.

Islamic partnership law continued to remain in use in the early twentieth century.[189] (That fact certainly gives pause to Kuran's argument for institution-based disparities between Hindus and Muslims). Although the Islamic laws of sales was no longer administered (*eo nomine*) by the colonial courts after 1872 (except for cases of pre-emption), it still served as a reference point for Muslim and non-Muslim communities who preserved the basic Islamicate partnership forms in their business dealings.[190]

One sees these forms at work among merchants in the interior. In Punjab's ivory industry, a Hindu Khatri typically furnished capital for the importing of ivory tusks, while Muslim artisans churned out the finished work.[191] As Kunwar Jagdish Prasad remarked in his 1908 *Monograph on Carpet Making in the United Provinces*, a division of labor existed whereby Muslims were weavers and Hindus were the dealers.[192] The Muslims were from all the major castes - Sheikh, Sayyid, Mughal, Pathan, Julaha, Teli, Nais, and Nurbaf - while in Mirzapur, Cawnpore, and Jhansi an occupation caste known as the Kalinbafs "has been formed," who were formerly bangle-makers (Manihars), "but have formed a separate caste as is often the case in India."[193] The very extension of the carpet market had, according to Prasad, led to the admission of many Muslims, and even Hindu castes, barring the lowest, were integrated into the trade in places like

[189] Claude Markovits, *The Global World of Indian Merchants, 1750-1947: Traders of Sind from Bukhara to Panama* (Cambridge: Cambridge University Press, 2000), pp. 156-185.

[190] Roland Knyvet Wilson, *Anglo-Muhammadan Law: A Digest Preceded by a Historical and Descriptive* (Calcutta and Simla: Thacker, Spink & Co, 1921), p. 321.

[191] *Monograph on Ivory Carving in Punjab* (Lahore: Civil and Military Gazette Press, 1900), p. 11.

[192] Kunwar Jagdish Prasad, *Monograph on Carpet Making in the United Provinces* (Government Press, United Provinces, 1907), p. 63.

[193] Ibid., p. 6.

Mirzapur.[194] For Prasad, this had led to the decline of the traditional guilds and the onset of "the modern spirit of cut-throat competition." To offset some of this, another Punjabi Muslim commercial observer advocated importing the model of the French *Société en commandite* into India, in order to bridge the yawning gap between the traditional partnership favored by Indian merchants and the limited liability company of Anglo-Indian law.[195]

Despite this, many Punjabi Muslim and non-Muslims artisans proved adept at transitioning to the new rules of the game. The institution of the *kārkhānadār* in particular was able to weather the storm of de-industrialization and facilitated the re-organization of labor and capital into a productive enterprise. As Roy has argued, "In size and looks, a nineteenth-century carpet factory was probably not very different from its precolonial ancestors. But it was different in that it was owned by, or controlled by, export merchants of usually foreign origin. These merchants were familiar with the idea of the modern factory. They needed to contract on a large scale, and also control the quality of their goods by means of proximity to the production site."[196]

Several factories were created in places like like Lahore, Amritsar, and Lyallpur in the decades before 1914. These were essential to the history of indigenous industrial growth in this era. One illustrative case was Amritsar's Shaikh Wahab, Gulam Sadik & Co. Two brothers associated with the firm, Shaikh Muḥammad Ṣādiq and S. Ṣādiq Ḥasan, set up a branch of their leather trade business in Philadelphia on the eve of the First World War. Their father had for several decades run a carpet manufacturing and shawl business in Amritsar, which according to

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[194] Ibid.

[195] A. Latifi, *The Industrial Punjab: A Survey of Facts, Conditions and Possibilities* (Bombay and Calcutta: Longmans, Green & Co., 1911), p. xxi, n. 2.

[196] Tirthankar Roy, *Traditional Industry in the Economy of Colonial India* (Cambridge: Cambridge University Press, 1999), p. 42.

an article from an 1913 edition of *Shoe and Leather Facts*, had been "world-famed." The brothers came to the United States with the hope of exporting dry-sorted goatskins and sheepskins from India, which had previously been carried out by an American importing company.[197] When quizzed during the war by the Khoja Ismāʿīlī merchant prince, Sir Fāżl al-Bhāʾī Karīmbhāʾī (Sir Fazulbhoy Currimbhoy), about where he obtained his carpet patterns from, one of the firm's managers replied that he received all his designs from America and dealt only with the country.[198]

At the same time as they moved into America, the brothers' partner, Ghulām Ṣādiq, sponsored the development of industry in Punjab, including the expansion of machine manufacturing.[199] He pursued this from their position as members of the Punjab Chamber of Commerce and the Punjab Agricultural Depot, 1909-1910 (He was, however, no friend of the Indian National Congress, having written a diatribe against it in 1893).[200] Emblematic of the innovative, rather than the merely replicative, entrepreneur, Ghulām Ṣādiq was something of an inventor, filing a patent application in 1902 for what he termed "masnad carpet," which was intended as an improvement on typical ways of manufacturing floor cloth.[201] Before the First World War and his brother had also introduced French seeds with the ambition of reviving

[197] "India Goatskins and Sheepskins," *Shoe and Leather Facts: A Journal Compiled for the Busy Members of the Trade* (Philadelphia, October 1913), p. 34.

[198] He added that Amritsar exported 7-8 lakhs worth of carpets to America every year, with more room for growth.

[199] *Minutes of Evidence: Indian Industrial Commission, Punjab, Assam, Burma, and General* (Calcutta: Government Printing, 1919), pp. 304-312.

[200] Ghulām Ṣādiq, *Ek Musalmān kī iltimās* (Amritsar: Akhtar-i Hind Press, 1893).

[201] "Patent Register," *Indian Engineering* (28 June 1902), p. 415.

sericulture in Gurdaspur and Kangra.[202] To encourage greater public confidence in private industry, especially after the flood of liquidation that swept through Punjab in the first decade of the twentieth century, his proposals included greater government management of industry (though he rejected an overarching Imperial Department) in the form of a Board of Industries and the creation of night schools intended to train supervisors and managers. In fact, Ghulām Ṣādiq's own workmen went in large numbers to the night school he sponsored, where they learned reading, writing, and arithmetic.

For more humble Muslim entrepreneurs, the inability to access external partners and capital meant that they had to look closer to home for economic resources that would mitigate the crippling costs of market participation. This included various community institutions, such as the panchayat, the caste, and the brotherhood. The role of caste in the economic history of Indian communities during the colonial period is a source of persistent debate. The assumption has been either that caste was the be-all-and-end-all of economic organization, or was easily transcended. While the previous discussion of the Muslim mercantile castes showed a constant movement of capital and personnel between caste, it cannot be taken for granted that the same process occured in the interior regions. In truth, many Indian commentators writing in the early twentieth century repeatedly stressed the importance of caste in shaping Muslim access to credit in interior regions.[203]

In one survey a writer even divided up caste groups into 52 subgroups, inclusive of both Hindus and Muslims, with 37 for the former and 15 for the latter. According to his schema, there

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[202] *Report on the Operations of the Dept. of Agriculture, Punjab, for the year ending 30th June, 1906* (Lahore: Civil and Military Gazette Press, 1907), p. 91.

[203] See the work of A. Latifi cited above.

were 3 Muslim high castes, 1 upper caste, no middle castes, and 11 lower castes. Unsurprisingly, in terms of interest rates, the higher the caste, the better the loan terms.[204] Rather than being concerned merely with caste, however, any moneylender would, he continued, consider three conditions for lending to someone of a certain caste: 1) security offered, 2) capacity for recovery; 3) repute of the borrower.[205] Thus, a low-caste Muslim weaver (*julāha*) may not have had the benefit of a Pathan's high-caste status, but *julāhas* had, in contrast to Pathans, a reputation for being prompt in repayment.[206] Contrary to the claim of many Islamic modernists, colonial officials, and later Muslim nationalists, moneylenders were both Hindus and Muslims, with the latter most likely Peshawari or Kabuli. Muslim communities also relied on pious endowments (*awqāf*) for loans,[207] but these more often than not acted as stores for inert capital rather than bedrocks of potential growth.

The meteoric rise of the Chinioti *shaikh* upper caste, owed in large proportion to artisanal conditions of Punjab in the last quarter of the nineteenth century, the adoption of new organizational forms, and their mobilization of venerable spiritual brotherhoods. To be sure, their earlier status as architects in the Mughal period contributed in no small measure to this comparative advantage. Even in the 1880s, in his history of Lahore Kanhaiyyā Laʿl Hindī noted the importance of Chiniots in the city's economic life.[208] Around the same time, T.N. Mukharji

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[204] S.S. Nehru, *Caste and Credit in the Rural Area: A Survey* (Calcutta: Longmans, Green & Co., Ltd., 1932), p. 113

[205] Ibid., p. 14.

[206] Ibid., p. 15.

[207] Ibid., p. 119.

[208] Qalb ʿAlī Khān Fāʾiq ed., Kanhaiyyā Laʿl Hindī, *Tārīkh-i Lāhaur* (Lāhaur: Majlis-i Taraqqī-i Adab, 1977).

in *Art-manufactures of India* demonstrated how Muslim artisans in Hoshiarpur and Chiniot, and in smaller villages like Ghulām Ḥussain Bassī, specialized in ivory and brass inlay.[209] Mukharji also noted how the articles produced by Punjabi Muslims were exported to other Muslim countries and inundated Islamic sacred sites like the *dargāh* of the Chisti saint, Khwāja Ṣāhib. A booming consumer taste for Chinioti finished products among Muslim and non-Muslims also facilitated the city's growth as an artisanal hub.[210] Setting out from their homes in Punjab, Chiniotis also made a big push into Calcutta in this period, although the largest Chinioti firms did not appear until the 1920s. Until their return to Punjab after 1947, these became of the leading Muslim business owners in Bengal.[211]

The use of patrilineal kinship networks called *birādarīs* (literally brotherhoods), which acted as a sort of guild, was common among both Hindu and Muslim artisans in Punjab and United Provinces. The Chiniots organization in *birādarīs* are even cited by Chiniotis today as a reason for their sustained economic success in postcolonial Pakistan.[212] As one ʿAbd Allah ibn Yūsuf ʿAlī put it at the beginning of the century, "Though organized guilds with definite bye-laws are unknown, the *birādarī* exercises a certain amount of trade discipline, and the customary understandings on which the artisans work seem to be recognised as having a binding force

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[209] T.N. Mukharji, *Art-manufactures of India* (Calcutta: Superintendent of Government Printing, 1888).

[210] *The Imperial Gazetteer of India: The Indian Empire, Vol. III Economic* (Oxford: Clarendon Press, 1907), p. 229.

[211] Roy, *Traditional Industry*, p. 267.

[212] Muhammad Amjad Saqib and Aneeqa Malik, *Integral Finance - Akhuwat: A Case Study of the Solidarity Economy* (Routledge: New York, 2019); Muḥammad Amjad S̱āqib, *Kām'yāb log: Ciniyūṭī inṭarprinaivarship* (Lāhaur : Sang-i Mīl Pablīkeshanz, 2016).

among themselves."[213] In many ways the *birādarī* mimicked the religious firm by the same name, and was intermeshed with devotion to particular Sufi saints. One example among artisanal groups were the Momin weavers, who despite the depressed state of the market for artisanal goods, mobilized the resources of the *birādarī* to adapt new products, and allied their *birādarī* with particular religious firms, as another chapter shows.[214] In some cases there was no practical distinction between the trade and religious brotherhood. A Sufi *shaikh* from Taunsa, Khwaja Allah Bakhsh brought traders with him on his various pilgrimages to Sufi shrines in north India, and sent artisans off to learn new trades and to return back home to introduce them.[215] The function of Sufi *shaikhs* as military recruiters, such as one Ḥażrat Muḥammad Sāḥib of Taunsa Sharīf, also strengthened their economic role among mercantile communities.[216]

Muslim businesses in the interior regions were in many instances the creation of Muslim mercantile castes of western India who migrated upcountry from Kathiawar, Kachchh, and Bombay. One example was the Khoja firm, Allibhoy Vallijee & Sons, headquartered in Multan, whose despatch boxes were exported in great numbers from Sialkot.[217] The preponderance of Muslim whitesmiths in the region around Multan gave a firm like Vallijee & Sons's a great

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[213] Abdullah Yusuf Ali, *A Monograph on Silk Fabrics produced in the North-Western Provinces* (Allahabad: NW Provinces and Oudh Government Press, 1900), p. 102.

[214] Mūmin Muḥī al-Dīn, *Mūmin Anṣārī Birādarī kī tahẕībī tārīkh* (Taqsīmkār Mūmin Velfīyar Sūsā'iṭī, 1994); Sulṭān Rafī', *Yād-i raftgān̲: birādarī kī 350 sālah tārīkh* (Karācī: Saudāgar Sab Kameṭī, Jam'iyyat-i Panjābī Saudāgarān-i Dihlī, 1996).

[215] Iftikhār Aḥmad Chīshtī, *Huzūr-i Qibla-i ʿĀlam*: *Nūr Muḥammad Mahārwī, Aḥwāl wa Manāqib* (Faisalabad: Chīshtī Akādimi, 1992), pp. 27-28

[216] M.S. Leigh, *The Punjab and The War* (Lahore: Government Printing, Punjab, 1922), p. 122

[217] G. Worsley, *Monograph on Iron and Steel Industries in the Punjab: 1906-07* (Lahore: Civil and Military Gazette Press, 1908), p. 3.

supply of skilled labor that was able to transition quickly to producing the new tins.[218] Khojas also came to dominate the animal product sector and the soap industry, which passed from *telis* to Khatris and Khojas as it became more sophisticated and was exported to Karachi.[219]

Another Khoja-owned entity was the Ahmedabad Gujarat Islam Match factory, founded as a joint-stock company in 1895 with a capital of Rs. 1 lakh, within decades became the "largest and most successful match manufacturing company in India."[220] Ahmedabad, of course, had several well-established conditions for industrial activity, with its paper-making industry (which experienced a sharp decline, but managed to survive as a consequence of native entrepreneurs). The paper industry was dominated by a Muslim caste, the *kāgdhi*, who were organized into a *jamāʿat*. Numerous other factories in were in place by end of century, including Bengal Mills Factory.[221] The Ahmedabad Gujarat Islam Match Factory performed well, despite intense Japanese, German, and Swedish competition, which admittedly led to considerable financial losses in its beginning years.[222] Within a decade and a half, the entity was often praised as an example of a successful company operating under Indian management and an archetype for *swadeshi*.[223] The factory's matchwood came from Panch Mahal and the jungles of Surat, and

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[218] *Report on the Material Progress of the Punjab During the Decade 1881-1891* (Lahore: Punjab Government Press, 1892), p. 39.

[219] Ibid., pp. 120-121, 188-189

[220] "Match-Making in India," *Indian Industries and Power* (March 1915), Vol. 12, p. 285.

[221] Makrand Mehta, *Indian Merchants and Entrepreneurs in Historical Perspective: With a Special Reference to Shroffs of Gujarat: 17th to 19th Centuries* (Delhi : Academic Foundation, 1991), pp. 115-135.

[222] "Oral evidence of Mr. F.F. Munshi, representing Messrs. Gujarat Islam Match Manufacturing Company, Ahmedabad," *Minutes of the Evidence Recorded by the Indian Fiscal Commission*, Vol. III (Calcutta: Superintendent Government Printing, 1923), pp. 860-861.

[223] "Swadeshi Enterprise and Mahomedans," *The Indian Review* (March 1910), p. 210.

often devised ingenious methods to ensure the integrity of its supply lines.[224] When others faced supply problems, in 1911 the Company planted over 130 acres of simul.[225]

In a testimony given to the Indian Factory Labour Commission in 1908, F.F. Munshi, a company director, noted that the workers were from a variety of castes, and included women and children. Unfortunately for them, Munshi was unsympathetic to the horrors of modern factory work, stressing that "There is no effect on the health of adults by working long hours," and that children should not have to submit a physical fitness certificate for otherwise many would be disqualified from work.[226] In later years, Munshi advocated that the government increase the tariff on Japanese producers - who unlike Indian producers, received government support, railway privileges, and financial support - in order to allow Indian manufacturers to expand.[227]

Crucially, although Hyderabad outcompeted British India in agricultural productivity, it lagged significantly behind in industrialization and company formation. Its financial sector was largely informal, with the nawab himself relying on personal relationships with Gujarati moneylenders. Karen Leonard has shown that there was only one Muslim banking firm in early twentieth-century Hyderabad, Khan Bahadur Ahmed Alladin & Co, most likely a Bohra-owned enterprise. Hyderabad had a modest contribution to the cotton industry in the form of the Gulbarga Mahboob Shahi Mill, which began work in 1886 with a capital of 12 lakhs, eventually

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[224] Ibid., p. 861.

[225] *Report Of The Indian Tariff Board Regarding the Grant of Protection to the Match Industry* (Calcutta: Government of India Central Publication, 1928), p. 114.

[226] W.T. Morison, *Report: Indian Factory Labour Commission*, *1908, Vol. II, Evidence* (London : H.M.S.O, 1909), pp. 9-10.

[227] "Oral evidence of Mr. F.F. Munshi," p. 862.

employing 970 people.[228] As revealed in a speech from the Hyderabad minister, Nawab Salar Jung, the chairman and managing director of the mills were two Hindus.[229] Other than the Hyderabad (Deccan) Spinning and Weaving Company - which had one Khoja, two Parsis, and a European on its board of directors[230] - and the Aurangabad Spinning and Manufacturing Company, there were only three mills in the state by 1909.[231] The Gulbarga continued in business into the 1930s, although its existence appears utterly dependent upon a state-sponsored import and export duty exemption to which all other mills were liable. A dedicated lobby of shareholders helped as well.[232] Other companies supported by the Niẓām's government had a less glowing record, including the famous Nizam Railways Company, which was persistently dogged by scandal. In the end, the state's record for encouraging industrial production was less than praiseworthy, with most of the initiative coming from individual Muslim and non-Muslim entrepreneurs, such Jafferji Heptulla and Shaikh Rahman/Shaik Vazir both of whom set up factories in Amaravati by the end of the century.[233]

Still, capital from the Hyderabad court did funnel into Muslim businesses in other parts of India, and were active in the creation of a dense pilgrimage infrastructure in the interior territories. For example, in 1882 the brother of the Niẓām of Hyderabad went on pilgrimage to Covelong (Kovalam) to visit the tomb of a saint. As recounted in the *Madras Times*, the prince

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[228] *The Imperial Gazetteer of India: Einme to Gwalior, Vol. XII* (Oxford: Clarendon Press, 1908), p. 379.

[229] *Speeches Of His Excellency Nawab Salar Jung* (Secunderabad: Notice Sheet Press, 1907), p. 18.

[230] *Thacker's Directory* (1897), p. 792.

[231] Mirza Mehdy Khan, *Provincial Series: Hyderabad State* (Calcutta: Supt. of Govt. Print, 1909), p. 42.

[232] K. Krishnaswamy Mudiraj, *Pictorial Hyderabad*, Vol. 1 (Hyderabad: Chandrakanth Press, 1929), p. 340; *Thacker's Directory* (1897), p. 1437.

[233] *Financial and Commercial Statistics of British India*, Vol. 6, p. 493.

was joined by the managing director of the Buckingham Canal Steam Navigation Company, Qāsim ʿAlī Nūkī Ṣāhib Khān Bahādur, and several employees accompanied the prince and his entourage who provided the steam launches and budgerows for the journey to the shrine. There they were welcomed by the leading Muslim and Hindu merchants. The Nawab was a large shareholder in the Company.[234]

Despite this, by several accounts, Hyderabad's Muslim aristocracy was reticent to participate in modern banking schemes. There had been a precocious attempt immediately before the disastrous famine of 1877-1878 to found a state bank in Hyderabad. In 1875 it was reported in the *Bombay Gazette* that the finance minister of Hyderabad was planning on utilizing 25 of 35 *lakhs* as shares for a state bank.[235] The announcement met with some surprise as the reporter for the paper remarked that the move came at a time when the Government of India was severing its own ties with the Presidency Banks. The future bank's capital was to comprise fifty lakhs, with the state possessing 50%, the Hyderabad *sahukars* 20%, and the Bombay public the remaining 30%. It is noteworthy that little was done to cultivate the interest of Hyderabad's own citizens in the affair. Whatever the journalist's suspicions over Hyderabad's financial condition, he held out hope that the bank would do more than just serve the function of a glorified exchange pump, and serve instead as a means to exploit the state's mineral resources. Like so many state-sponsored Muslim banking enterprises before the First World War, it never got off the ground, but that would change dramatically in the interwar period.

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[234] Moulvi Syed Mahdi Ali, *Hyderabad Affairs*, Vol. 4 (London : Talbot Bros., 1889), pp. 179-180.

[235] "A State Bank for Hyderabad," *Bombay Gazette* (no date). Accessed in the Telangana State Archives newspaper cuttings section.

Muslim Underrepresentation in Banking

Whether along the coasts or the interior regions, the low proportion of Muslims involved in formal banking is striking, especially given what we have already seen of Muslim participation in various economic sectors. Religious rules against accepting interest likely conditioned this, but as this dissertation shows, there were numerous competing interpretations about whether the Islamic foundational sources banned all forms of interest or just usury. The role of *awqāf* (pious foundations) as wealth havens and sources of small loans may have been another factor in tying up Muslim capital that otherwise might have been used to create banks, as Timur Kuran has suggested for the Ottoman and Indian cases.[236] Though members of the Muslim commercial castes in Bombay did serve as board of directors on some European-owned banks, their numbers are almost negligible.

Only from the early twentieth century does one see a higher proportion of Muslims entering into the banking sector. The foundation of the first self-declared Muslim bank in Punjab in 1908 had a great hand in stimulating this, but, as future chapters show, this institution was constantly marred by insufficient capital and legitimacy issues. Under the management of Aḥmad Ḥassan, an entrepreneur from Lahore, the bank founded branches at Bombay, Peshawar, Multan, Kasur, Lyallpur, and Gujrat, and agencies in London, Jeddah, and Istanbul. Its directors included the chief minister of Patiala (a princely state ruled by a Sikh) and the general secretary of the *Anjuman-i Islāmīyya Punjāb*.[237]

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[236] Timur Kuran, *The Long Divergence: How Islamic Law Held Back the Middle East* (Princeton: Princeton University Press, 2012).

[237] "The Orient Bank of India, Limited," *Aligarh Institute Gazette* (30 April 1913), p. 15.

From the first, Hassan's bank was regarded as a *swadeshi* institution in the Indian Muslim press, portrayed both as an 'Indian' institution in the widest sense, but also a means for Muslims to mitigate the wealth gap between themselves and other groups.[238] These entities sought to break the monopoly of the Presidency Banks and European exchange banks that enjoyed government support. Many, however, collapsed with such swiftness that they almost escape notice.[239] If *swadeshi* was seen by a nascent nationalist movement as a way to break the colonial economic stranglehold, then contemporary British administrators and their colleagues among the Muslim landed gentry began inquiring into the potential of establishing a network of village banks and cooperative credit societies.

One official, H. Dupernex, imagined the movement would make up for the shortfall of loanable capital, reduce the power of local money-lenders and *mahajans*, and "democratize" credit throughout small towns and rural areas.[240] Dupernex also wished to supply Muslims with the means to accumulate and parcel out non-interest bearing credit.[241] To him, cooperation was seen as natural to the Indian character, given that "The [Muslim] is taught by his religion how to think of others of his creed..." and the "[Hindu] is gregarious by nature..."[242] It also was held up as the "antithesis of socialism."[243] Hoping that cooperation would inculcate values of thrift and

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[238] See the many articles from the Bijnor-based Urdu paper, *Madīna Bījnūr*

[239] S.V. Doraiswami, *Indian Finance, Currency and Banking* (Madras: S.V. Doraiswami, 1915), pp. 115-17.

[240] H. Dupernex, *People's Banks for Northern India: A Handbook to the Organisation of Credit on a Co-operative Basis* (Calcutta: Thacker, Spink & Co., 1900), pp. 86-9.

[241] Ibid., p. 27.

[242] Henry W. Wolff, "Introduction," in R.B. Ewbank ed., *Indian Co-Operative Studies* (London: Humphrey Milford, 1920), p. 5.

[243] B.A. Collins in Ibid., p. 29.

extirpate the excesses of Marwari, Pathan, and Kabuli moneylenders once and for all, colonial officials had high ambitions for its success.[244]

Almost immediately cooperative societies expanded rapidly from Gujarat to Assam. From region to region, they ran according to varied principles of shareholding, liability, and lending, and were sometimes geared towards different classes. The proportion of Muslims who ran local cooperative societies was very high.[245] Multan in Punjab, for example, became a site for an experimental *zamīndār* bank in the early years of the new century. The bank's Urdu manifesto, the brainchild of Mīrzā Sulṭān Aḥmad Khān, was printed in Lahore in 1903. This ambitious work sought to inculcate notions of self-reliance and entrepreneurship, but also to offer readers the requisite technical skills and investment strategies needed to turn a *zamīndār* bank into a successful venture. The author was keen to point out that there were many fallacies surrounding the economic status of *zamīndārs* in Punjab, many of whom were not in dire straits at all. He also went to pains to convey that, after an initial period of reluctance, in the three *zamīndār* funds opened in Shujāʿabād province in Multan members of all religious communities had contributed their capital.[246]

There were instances in which divisions among Muslims, Hindus, and Sikhs did develop in the context of the cooperative credit movement. An early report from Punjab suggested that Jullundur district was another trailblazer, more than doubling the number of societies and

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[244] For a condemnation of the depredations exercised by moneylenders from these groups on Bombay's urban work force, see Ibid., 65.

[245] *Annual Report on the Working of Co-operative Credit Societies in the Punjab*, pp. 15-17.

[246] Mīrzā Sulṭān Aḥmad Khān, *Zamīndār Bank: Zamīndāroṇ ke aflās ke asbāb wa asūdagi par mukhtaṣar baḥs̱ karke* (Lahore: Maṭbaʿa-i Rifā-i ʿām, 1903), p. 2.

members in the space of a single year.[247] The report singled out a number of leading Muslim officials, including the inspector ʿAbd al-Mājīd Khān, whose "How to Start a Punjab village bank," was praised in both imperial and Indian Muslim circles. At one point on his regular tours of agricultural districts, ʿAbd al-Mājīd Khān was invited to give a lecture to the 10th Bengal Lancers, who sought to set up a regimental bank of their own (The Indian Army as a commercial firm in its own right, especially in Punjab, is beyond the scope of this dissertation, but demands further attention). The motivation for this decision came after they dismissed their *banias*, whose lines of credit hitherto had been a mainstay of the colonial military economy.[248] The opening of a cooperative bank by the 10th Bengal Lancers was thus a novel experiment. In a lecture to the entire regiment, which took up its position in three squares under the shade of Jalandhar's abundant trees, ʿAbd al-Mājīd Khān extolled the virtues of the cooperation movement. But as the regimental commanding officer, Lieutenant-Colonel W.L. Maxwell recounted, a senior Muslim officer challenged ʿAbd al-Mājīd Khān, asking him "to explain how he (the speaker) could take a share in the Bank without violating the tenets of his Faith."

ʿAbd al-Mājīd Khān supposedly gave three reasons (Maxwell unfortunately does not share them), which failed to sway his detractor. The officer then declared that he would invest Rs. 3000 only if it could be proven that the Prophet and his Companions would have held shares in such an "interest-producing" venture. Undeterred, ʿAbd al-Mājīd Khān stated that Muslims were under no compulsion to accept interest from their shares, and cited the fact that Muslims

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[247] Ashraf ʿAlī Thānāwī was once asked by a resident of Jullundur whether a Muslim could join the local '*Zamīndār* bank.' His reply was negative. Ashraf ʿAlī Thānāwī, *Imdād al-fatāwā*, vol. 3 (Karācī : Maktabah-yi Dārul'ulūm, 2010), p. 54.

[248] "An Experiment in Co-operative Banking: The 10th Lancers Regimental Bank," *Journal of the United Service Institution of India*, Vol. 42 (Jan-Oct. 1913), pp. 287-295.

filled the ranks of 450 of the 500 village banks in Jalandhar. Warming to his theme, he dared the officer in turn to "[question] the orthodoxy of his co-religionists in this part of the world." Here is how the exchange then unfolded:

> The Sirdar replied that he "questioned" nothing, as he had no acquaintance with any of the individuals mentioned. "What!" said Abdul Majid, "you have been quartered here nearly six years, and do you mean to tell me that you do not know a single local Mohamedan?" "Not one," was the answer, with the polite addition - "but I hope to make their acquaintance soon."[249]

Maxwell abruptly closed the meeting, which had the opposite effect of that which he intended. Muslim participation in the regiment's cooperative project was effectively sidelined. But after the Sikhs and Dogras of the regiment pressed on with the bank, their Muslim comrades slowly began to join, with a sizable percentage of the 'Punjabi Mohamedan Squadron' and 'Pathan Half-Squadron' becoming shareholders.[250] Even so, periodically Muslim members resigned their membership after taunts of "interest eater" from their Muslim comrades became too onerous.[251]

In the interwar period, these intra-Muslim debates about the permissibility of Muslim banking would become only more impassioned, and when coupled with an age of financial de-globalization, probably undermined the case Muslim entrepreneurs made for the formation of Muslim banks. The near-absence of Muslim bankers in the formal economy was a great

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[249] Ibid., pp. 288-289.

[250] Ibid., p. 289.

[251] Ibid., p. 290.

disadvantage for Muslim company formation, not because Muslims necessarily would prefer to utilize Muslim-owned institutions, but rather because it would have helped mitigate the capital-starved environment of British India and encouraged smaller Muslim traders to deposit their money in banks, thus freeing up capital for loans. The travails of Muslim banking are picked up again in chapter 5.

Conclusion

In reconstructing a broader canvass of Muslim business creation this chapter has shown how, in the decades of intense financial globalization that preceded the First World War, Muslim commercial firms existed in higher numbers than has previously been acknowledged. The managing agency scheme was one point of entry, but many Muslim commercial firms also managed to strike out on their own. Success, however, was contingent upon utilization of capital and services from those outside one's immediate community, and diversification, though this did not immunize any concern, Muslim or otherwise, from the lack of capital that was a hallmark of the colonial economy.

Even if the Muslim mercantile castes of western India were the most dominant players, there were also other Muslim communities in Punjab who were able to compete at the highest levels of the market, though only in particular industries and often not for extended periods. But the sources studied here, which are mostly English language in origin, only supply a small window into the scale of Muslim economic activity in this era. Over the next two chapters we will turn to vernacular materials and internal histories of the religious firms whose activities modulated commercial practice among Muslim maritime, agricultural, and artisanal communities in these regions.

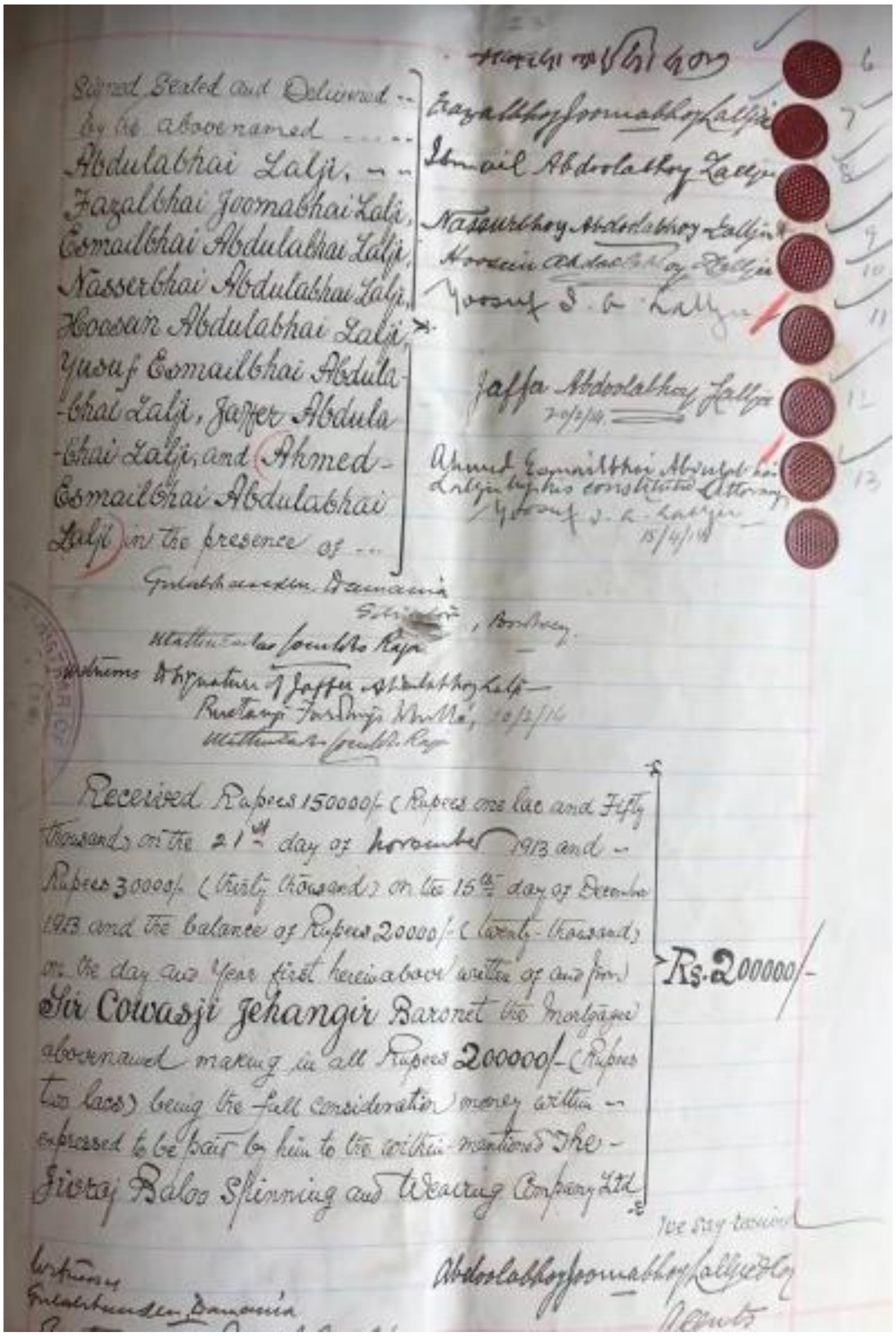
This examination of the political economy of Indian Muslim economic activity before the First World War has import for the study of the religious economy in this same period. The more-or-less liberal financial order before the First World War was conducive to the circulation of capital and personnel across borders. This was highly advantageous for the creation of a dense infrastructure of Muslim religious sites and strengthened links among disparate Muslim communities in Eurasia, a process in which Muslim companies with origins in the subcontinent were primary actors. Yet, as Nile Green and others have shown, whatever the rhetoric of pan-Islamic unity that emerged from 1870, the religious economy before 1914 was suffused with an innumerable range of actors intent on forming rival religious firms that espoused competing forms of Islamic religious doctrine and practice.[252] The de-globalization and anti-colonial politics of the interwar years did not necessarily curtail this process of proliferation, but it did facilitate a more concentrated - and charged - debate about what constituted 'authentic' Islamic economic enterprise.

[252] Green, *Bombay Islam*.

Figure 1 - Table of Top Muslim Firms, their Headquarters, and Community Affiliation, 1850-1918

House	HQ	Community
Abdul Aly	Baghdad	Bohra
Abdulally	Colombo	Bohra
Adamaly	Colombo	Bohra
Adamjee	Rangoon	Memon
Ahmedbhai Ibrahim	Bombay	Khoja Sunni
Angullia	Singapore	Sunni Bohra
Ariff	Calcutta	?
Atchia	Port Louis	Memon
Badsha	Madras	Memon
Bawany	Rangoon	Memon
Bhymiah	Rangoon	Bohra
Chhotani	Bombay	Memon
Currimbhoy	Bombay	Khoja Ismāʿīlī
Dada Abdulla	Durban	Memon
Dawood	Rangoon	Memon
Dawoodbhoy	Colombo	Bohra
Dharamsey	Bombay	Khoja Sunni
Ebramjee	Colombo	Bohra
Essabhoy	Bombay/Singapore	Bohra
Gokal	Karachi/Basra	Khoja Ithnā ʿAsharī
Habib	Bombay	Khoja Ithnā ʿAsharī
Halim	Cawnpore	Sunni
Haroon	Karachi	Memon
Heptoola	Bombay	Khoja Ismāʿīlī
Ispahani	Calcutta	Twelver Shīʿī
Jaffer Joosab	Bombay	Khoja Ismāʿīlī
Jafferjee	Colombo	Memon/Khoja Sunni?
Jamal	Rangoon	Memon
Jeevunjee	Bombay	Bohra
Jewan Bakhsh	Calcutta	Punjabi Shaikh [?]
Jewanjee	Mombasa	Khoja Ismāʿīlī
Jivraj	Bombay	Khoja Ithnā ʿAsharī
Laljee	Bombay/Aden	Khoja Ithnā ʿAsharī
Mallum	Colombo	Randeri Sunni
Merican	Bangkok	Maraikayyar [?]
Moosajee	Karachi	Bohra
Osman	Port Louis	Memon
Patanwala	Bombay	Bohra
Peerbhoy	Bombay	Bohra
Premji	Bombay	Khoja Ismāʿīlī
Sadik	Lahore	Punjabi Shaikh
Sait	Mysore	Memon
Shaikhtyeb	Colombo	Bohra
Sobani	Bombay	Memon
Vallijee	Multan	Khoja Ismāʿīlī
Visram Ebrahim	Bombay	Khoja Ismāʿīlī
Wasi	Singapore	Bohra
Wazirali	Lahore	Punjabi Shaikh

Figure 2 - Sales contract for Jivraj Baloo Mills between the Khoja Ithnā ʿAsharī firm of Laljee and the Parsi magnate, Sir Cowasji Jehangir (all figures in author's personal collection unless otherwise noted)


Signed Sealed and Delivered by the abovenamed Abdulabhai Lalji, Fazalbhai Joomabhai Lalji, Esmailbhai Abdulabhai Lalji, Nasserbhai Abdulabhai Lalji, Hoosain Abdulabhai Lalji, Yusuf Esmailbhai Abdulabhai Lalji, Jaffer Abdulabhai Lalji, and Ahmed Esmailbhai Abdulabhai Lalji in the presence of ...

Fazalbhoy Joomabhoy Laljee
Ismail Abdoolabhoy Laljee
Nasserbhoy Abdoolabhoy Laljee
Yoosuf S. A. Laljee
Jaffa Abdoolabhoy Laljee 20/3/14
Ahmed Esmailbhoy Abdoolabhoy Laljee by his constituted attorney Yoosuf S. A. Laljee 15/4/14

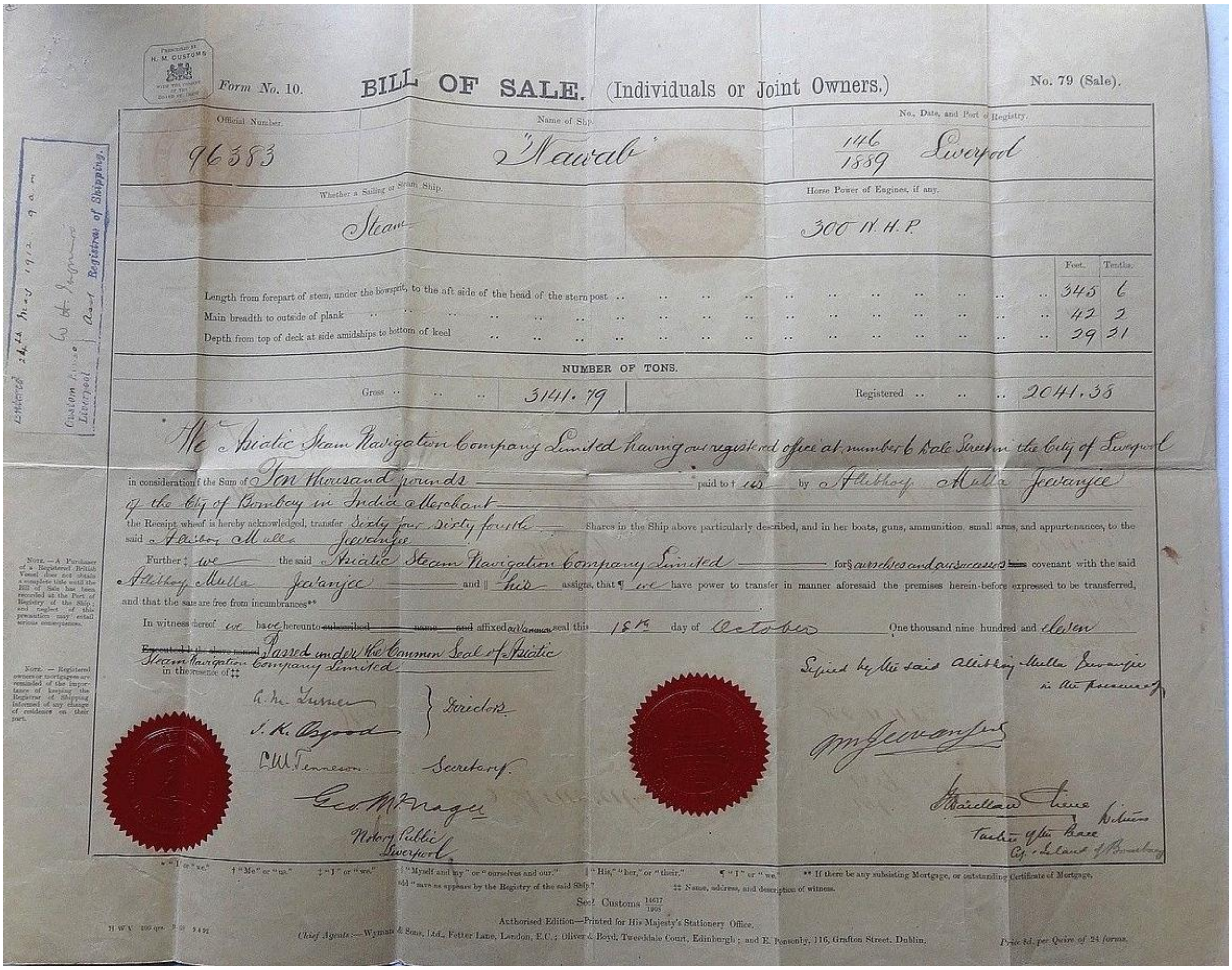
, Bombay.

Received Rupees 150000/- (Rupees one lac and Fifty thousand) on the 21st day of November 1913 and Rupees 30000/- (thirty thousand) on the 15th day of December 1913 and the balance of Rupees 20000/- (twenty thousand) on the day and year first hereinabove written of and from Sir Cowasji Jehangir Baronet the mortgagee abovenamed making in all Rupees 200000/- (Rupees two lacs) being the full consideration money within expressed to be paid by him to the within mentioned The Jivraj Baloo Spinning and Weaving Company Ltd. Rs. 200000/-

We say received
Abdoolabhoy Joomabhoy Laljee & Co
Agents

Witness

Figure 3 - The sale of the ship *Nawab* by the Khoja Ismāʿīlī magnate, Jewanjee to the Asiatic Steam Navigation Co. of Liverpool


Prescribed by H. M. Customs

Form No. 10. **BILL OF SALE.** (Individuals or Joint Owners.) No. 79 (Sale).

Official Number.	Name of Ship.	No., Date, and Port of Registry.
96383	"Nawab"	146/1889 Liverpool
	Whether a Sailing or Steam Ship.	Horse Power of Engines, if any.
	Steam	300 N.H.P.

	Feet.	Tenths.
Length from forepart of stem, under the bowsprit, to the aft side of the head of the stern post	345	6
Main breadth to outside of plank	42	2
Depth from top of deck at side amidships to bottom of keel	29	21

NUMBER OF TONS.

Gross 3141.79 Registered 2041.38

We Asiatic Steam Navigation Company Limited having our registered office at number 6 Dale Street in the City of Liverpool in consideration of the Sum of Ten thousand pounds paid to us by Allibhoy Mulla Jewanjee of the City of Bombay in India Merchant the Receipt whereof is hereby acknowledged, transfer Sixty four sixty fourth Shares in the Ship above particularly described, and in her boats, guns, ammunition, small arms, and appurtenances, to the said Allibhoy Mulla Jewanjee.

Further we the said Asiatic Steam Navigation Company Limited for ourselves and our successors covenant with the said Allibhoy Mulla Jewanjee and his assigns, that we have power to transfer in manner aforesaid the premises herein-before expressed to be transferred, and that the same are free from incumbrances.

In witness whereof we have hereunto ~~subscribed~~ ~~name~~ ~~and~~ affixed our common seal this 18th day of October One thousand nine hundred and eleven

~~Executed by the above named~~ Passed under the Common Seal of Asiatic Steam Navigation Company Limited in the presence of

A. M. Turner, J. K. Osgood } Directors

C. W. Tenneson Secretary

Geo. McNague, Notary Public, Liverpool

Signed by the said Allibhoy Mulla Jewanjee in the presence of

M. Jewanjee

[illegible] Witness, Justice of the Peace, City & Island of Bombay

Entered 24th May 1912 9 a.m. Custom House Liverpool W. H. [illegible] Asst. Registrar of Shipping.

Note. — A Purchaser of a Registered British Vessel does not obtain a complete title until the Bill of Sale has been recorded at the Port of Registry of the Ship; and neglect of this precaution may entail serious consequences.

Note. — Registered owners or mortgagees are reminded of the importance of keeping the Registrar of Shipping informed of any change of residence on their part.

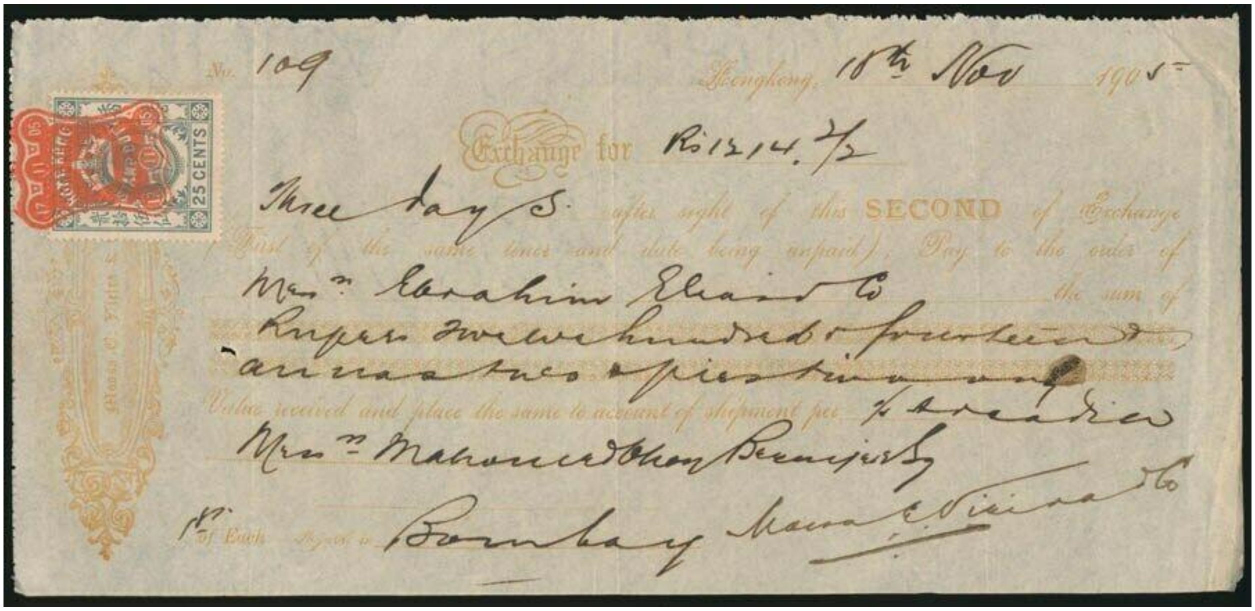
* "I" or "we." † "Me" or "us." ‡ "I" or "we." § "Myself and my" or "ourselves and our." ‖ "His," "her," or "their." ¶ "I" or "we." ** If there be any subsisting Mortgage, or outstanding Certificate of Mortgage, add "save as appears by the Registry of the said Ship." ‡‡ Name, address, and description of witness.

Secy. Customs 14617/1908

Authorised Edition—Printed for His Majesty's Stationery Office.

Chief Agents:—Wyman & Sons, Ltd., Fetter Lane, London, E.C.; Oliver & Boyd, Tweeddale Court, Edinburgh; and E. Ponsonby, 116, Grafton Street, Dublin. Price 8d. per Quire of 24 forms.

Figure 4 - Bill of exchange used by Elias Ebrahim’s partners in Bombay to send money to him in Hong Kong. See the signature of Moosa E.M. Vieira Co. on the bottom right



No. 109 Hongkong, 18th Nov 1905

Exchange for Rs 1214.2/2

Three days after sight of this SECOND of Exchange (First of the same tenor and date being unpaid), Pay to the order of Messrs Ebrahim Elias & Co the sum of Rupees twelve hundred & fourteen annas two & pies two only

Value received and place the same to account of shipment per [illegible]

Messrs Mahomedbhoy Beerajee [illegible]

To [illegible] Bombay

Moosa E. Vieira & Co

25 CENTS

Figure 5 - An example of A.M. Essabhoy's matchboxes produced in Japan and exported to several locations in the Indian Ocean

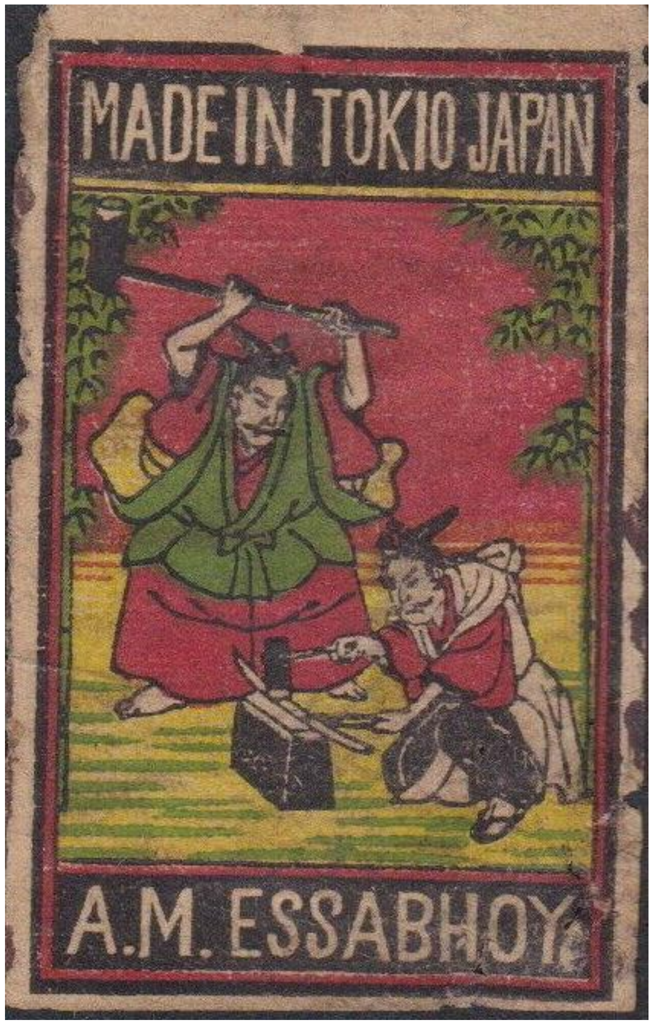
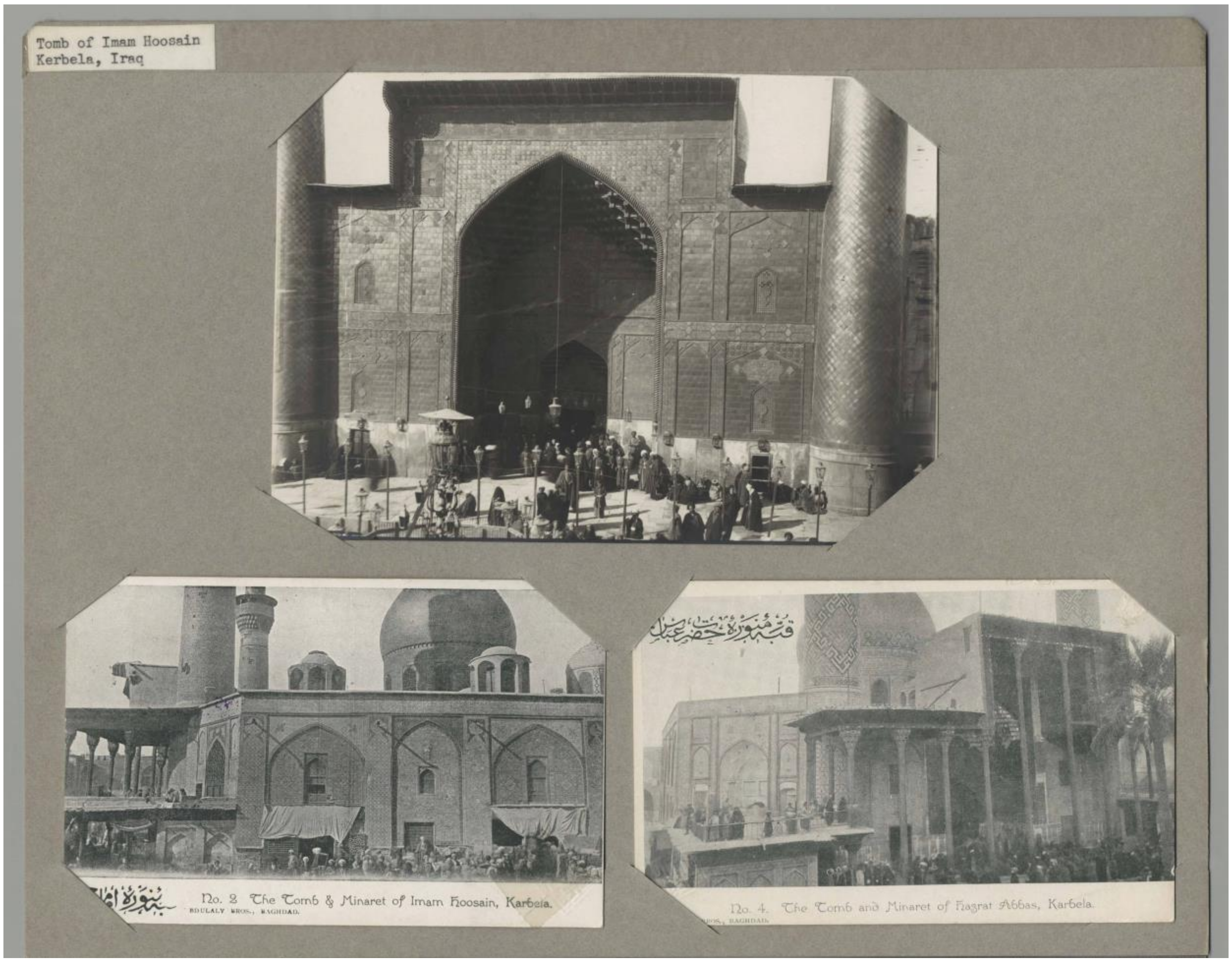


Figure 6 - Baghdad's Bohra capitalists, Abdul Ali & Co., and the shrine cities of Iraq

(Reproduced from the collection of the The New York Metropolitan Museum with permission)



Ch. 2 – Sustaining Muslim Capitalism: Religious Firms and the Muslim Maritime Mercantile Castes

Having reconstructed the political economy of Muslim commercial life before 1914, this chapter turns to a study of the economic functions of religious firms operating among the Muslim commercial castes. Instead of representing disconnected institutions as the analytical distinction made here might suggest, in these communities commercial and religious firms, though never synonymous, were locked in a symbiotic relationship. For that reason, it is impossible to explain their disproportionate economic success as commercial entrepreneurs without reference to the religious firms that sustained their comparative advantage. If the economic story shows merchants associated with the Muslim commercial castes benefitting from extensive cooperation with non-Muslim firms, then one also finds them patronizing and utilizing the services of the four types of religious firms mentioned in the introduction: the *anjuman*, *jamāʿat*, *madrasa*, and the *shaikh*. Rather than merely being the beneficiaries of merchant wealth and the suppliers of religious benediction, these religious firms actually furnished Muslim mercantile concerns with economic resources as well. The infrastructure of colonial institutions acted as a facilitator of these exchanges, but religious firms also forwarded the opening up of new markets, commercial and religious. At times they even acted as entities that filled the 'institutional voids' opening up in the burgeoning colonial public sphere, by providing commercial information and credit, upholding contracts, and helping reduce transactions costs. In a word, they acted as channels for commercial activity, serving as bastions of stability in a volatile colonial market economy.

For all the assumed singularity of their religious life - the clearest marker of which is their assumed isolation from the leading Muslim orientations like Deoband, Barelwī, and *Tablīgh-i Jamāʿat*[253] - Nile Green has convincingly shown how the mercantile castes were not spared the internal battles between customary and reformist brands of Islam that was a hallmark of other Indian Muslim communities in this period.[254] Meanwhile, as Faisal Devji reminds us, the Muslim mercantile castes, even the Shīʿa among them, contributed in large measure to the Aligarh movement, despite the attempts by north Indian Muslim *ashrāf* to block their influence over the institution.[255] As this chapter further reveals, these interactions with other Muslims sometimes led to drawn-out legal contestations over the control of Muslim religious and financial institutions across the Indian Ocean, whether in Mauritius, Durban, or Karbala, especially trusts and *awqāf*. Most importantly, it created a dense web of Indian Muslim capital institutions that were indispensable to the production of a Muslim mass politics and a pan-Indian Muslim imaginary, though never free of friction. In the process, Memon, Khoja, and Bohra religious life was not some pale imitation of 'mainstream' Islam, but itself was generative of novel institutional forms of Muslim religiosity and commerce that other 'orthodox' Muslims then aimed to reproduce and sometimes to gain control over.

By showing the inseparability of their internal histories from contemporary schemes of Islamic reform, in no sense does this chapter seek to "Islamicize" these communities and place them in a wider paradigm of "normative" Islam. Nor does it aim to make religion a totalizing

[253] Thomas Blom Hansen, *Melancholia of Freedom: Social Life in an Indian Township in South Africa* (Princeton: Princeton University Press, 2012), p. 245.
[254] Nile Green, *Bombay Islam: The Religious Economy of the Western Indian Ocean* (Cambridge: Cambridge University Press, 2013).
[255] Devji, *Muslim Zion*, p. 63.

factor in their economic activities. Quite the contrary: for the experience of these communities shows that institutional paths open to Muslim communities were variegated, and that there was no single, prescriptive Muslim economic course, despite the claims of later Islamic modernists, colonial officials, and economic historians. Indeed, colonial and indigenous capital, as well as particular geographic/structural comparative advantages, instigated institutional developments among Muslims of western India that were part of a repertoire of commercial life shared by Parsi, Hindu, Jewish, Jain, Chinese, and European merchants with whom they lived cheek by jowl.

As Ashin Das Gupta once remarked, after noting the similarities of commercial norms among Parsis, Bohras, and *banias* in Surat, changes in business structure in places like Bombay is best explained by "an exact examination of the historical developments, with all the accidents mentioned as they occurred, rather than from the immutable qualities of particular people."[256] This conforms to the experience of Muslim agriculturists in Punjab and the United Provinces studied in the next chapter, who belonged to financial and landholding institutions with Sikh and Hindu members. If anything could be ventured as distinctly 'Muslim' behaviors in the economic activities of both the merchants and agriculturists, it was a rather tortured attitude to accepting interest, and a proclivity to establish trusts and mercantile consortiums over community banks founded in increasing numbers by Hindus and Parsis in the period at which this chapter concludes.

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[256] Ashin Das Gupta, "The Merchants of Surat, c. 1700-1750," Uma Das Gupta ed., *The World of the Indian Ocean Merchant, 1500-1800: Collected Essays of Ashin Das Gupta* (Delhi: Oxford University Press, 2001), p. 334.

Between 'Hindu Custom' and 'Islamic Law': The Mercantile Firms, the *Jamāʿat*, and the Colonial Courts

As suggested in the previous chapter, the importance of internal community structures are ignored by Kuran and Singh in their study of Hindu/Muslim disparities, who believe Memon, Bohras, and other 'non-conforming' groups were universally treated as Hindus in matters of succession and inheritance, and that the colonial courts alone decided these issues. However, Memons of different stripes interacted with commercial markets and the legal frameworks that underpinned them according to divergent standards, based on place of origin, domicile, and *jamāʿat* rulings. Each community *jamāʿat* handled dispute resolution according to strict religious and social rules explicitly laid out in handbooks, which were enforced by a committee eager to fine dissenting members and to use their funds for the purposes of poor relief and mosque repairs.[257]

One sees particularly well in matters of succession and inheritance. Contrary to what Kuran and Singh have averred, Hindu customary practices were not followed universally and colonial courts alone did not decide the adjudication of inheritance shares. The Halai Memons from Kathiawar, for example, were said to follow Islamic injunctions in matters of inheritance, as did those resident in Sindh who shunned the "heresy so common among their brethren in Bombay, viz., the system of depriving the females of their pecuniary rights in wills and

[257] *Gazetteer of the Bombay Presidency: Thana*, Vol. 13, Part 1 (Bombay: Government Central Press, 1882), p. 222-223. This system was shared by the Bohras and other Muslim mercantile castes.

inheritance."[258] Despite this, one must appreciate the pivotal role of colonial legal institutions in modulating the management of inheritance and succession among the Muslim mercantile castes of western India, and in institutionalizing more streamlined forms of dispute management. By 1847, a significant judicial precedent was established in a case where separate Cutchi Memon and Khoja disputes over inheritance were considered in unison. In both cases women from these groups cited Islamic inheritance rules as laid out in the Qurʾān to petition for the release of shares they had been denied by male family members. These verdicts initiated a new legal paradigm that would pit Memons of various *jātis* and geographic origin against one another, and disastrously weaken the economic status of scores of Memon women for generations. The judge in the case, Charles Erskine Perry, noted that while "public policy would dictate the adoption of the wiser rule laid down by the Koran, by which daughters are allowed a defined share in the succession," public policy itself was an unruly precedent, and that whatever the beneficence of the Qurʾānic injunction, "a custom for females to take no share in the inheritance is not unreasonable in the eyes of the English law."[259] Such a pretext was rather unconvincing by his own reasoning, asserting that "it is simply absurd to test a Mahomedan custom by considerations whether it existed when Richard I returned from the Holy Land, which is the English epoch for

[258] C.J. Perry, "Case of the Kojahs: Hirbae and Others vs. Sonabae; Gungbae v. Sonabae/Case of the Memons: Rahimatbae v. Hadji Jussap and Others," in Sir Erskine Perry, *Cases Illustrative of Oriental Life: And the Application of English Law to India*, *Decided in H. M. Supreme Court at Bombay* (London: S. Sweet, 1853), p. 114; Sir Richard Burton, *Sindh, and the Races that Inhabit the Valley of the Indus* (London: W.H. Allen & Co., 1851), p. 248.
[259] C.J. Perry, "Case of the Kojahs," p. 120.

dating the commencement of time immemorial…"[260] Perry was also sensitive to the fact that this custom was in direct contradiction to the rules for inheritance laid out in the Qurʾān.

But alive to what he described as his "secular" role as a jurist and the fact that Memons lived in areas ruled by "Hindu" sovereigns (such as the territory of the Rao of Kathiawar), the custom of barring females from a share in inheritance could ultimately not be said to stand in contradiction to either the Qurʾān or English common law. He concluded disparagingly that "the attempt of these young women to disturb the course of succession which has prevailed among their ancestors for many hundred years has failed, and, as a price of an unsuccessful experiment, that their bills must be dismissed with costs, so far as the defendants seek to recover them."[261] Perry's case was cited *ad infinitum* over the next seventy-five years in any dispute involving a Memon woman and an inheritance that made it to the colonial courts, however whether they were Cutchi Memons or not could have disparate results.

By a stroke of luck a Cutchi Memon petition against Perry's decision - written in 1852 by some of the community's great and good - has survived.[262] Portraying themselves as devout Ḥanafīs and Shāfīʿīs, devotees of the Sunni community (*Ahl-i Sunna wa Jamāʿat*), and beneficiaries of Bombay's meteoric rise under British rule, the group proclaimed that in the previous Recorder's Court in Bombay all cases pertaining to "inheritance, marriage, divorce, wills, gifts, &c." were decided according to Islamic legal texts and the Qurʾān. This system persisted until the introduction of the Presidency's Supreme Court of Judicature, which led to the

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[260] Ibid., p. 121.

[261] Ibid., p. 129.

[262] "The Humble Petition of certain Mahomedan Inhabitants of Bombay," in *First Report from the Select Committee on Indian Territories; Together with the Minutes of Evidence, and Appendix*, Vol. 27 (London: House of Commons, 1853), p. 422.

abolition of Muslim and Hindu law officers. Their appeal further shows that the widow remonstrated with the all-male defendants and accused them of openly violating explicit Islamic legal tenets. In turn, the defendants reputedly selected "certain insignificant and illiterate persons" as representatives (*muqaddim*) who, in their capacities as witnesses, became the partisans of the defendants' "infidel views" that contradicted explicit religious injunction.

The petitioners further argued that the court had elevated the spurious and invented assertions of these individuals to an unwarranted position above explicit Islamic textual authority. In a telling illustration of how increasingly available print versions of Islamic texts could reshape a community's religious practice and legal interpretation, the petitioners drew attention to several English translations of Islamic texts. These included Sale's translations of the Qurʾān, Sir William Jones' translation of the *Sirājiyya*, and Sir W. Macnaghten's *Digest of Muhammadan Law*, all of which openly asserted, according to the petitioners, "that usage, legally speaking, is always inoperative in opposition to that which is sanctioned by law." In short, the Memons charged that English authority had fatally undermined the link between religion and law, and still worse, repeatedly overruled any rightful objection to the contrary. Had it been in their power, the Memons continued, an appeal would have been filed with the Privy Council, but the cost of such a maneuver was too dear by far, especially because the widow and her supporters had already expended some Rs. 10,000 on the original case. In the end, they demanded that all future cases involving members of the four Sunni legal schools be decided entirely with reference to "the written law" against which "no custom, however old or otherwise proper, ought on any account to prevail."[263] They were to be sorely disappointed.

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[263] Ibid., p. 424.

For the next four decades there would be periodic Cutchi Memon mobilization around the inheritance issue, including petition campaigns and public demonstrations. None made any headway. On August 27, 1892 a large group of Cutchi Memons in Bombay gathered at Jusab Seth's mosque in Muhammad Kambayker Street. Among the meeting's many resolutions was the following:

> It is the unanimous opinion of the Cutchee Memon community that the application of Hindu law in matters of succession, inheritance, &c., to the Cutchee Memon community is productive of great hardships to the community and is against the precepts of the Mahomedan religion, and it is necessary that immediate steps be taken to remove the said hardships.[264]

This followed an incident in 1885 when Cutchi leaders had drafted a petition to the same effect intended for the Government of India, but because of doubts about the community's unanimity on the subject it was shelved. By 1893, however, Memon elites beamed that the desire for a change was "universal" in the community. The commentator in the *Indian Jurist* was deeply skeptical of this, believing that this was an action against the Memons' own economic interests, with those supportive of the measure at risk of being deprived of their shares in various enterprises and reduced to a state of impoverishment. The author also doubted whether "the Mahomedan law of the books is anywhere observed in its entirety, or with anything approaching scrupulosity, over the greater part of India." Still, the author was sympathetic to the initiative,

[264] "The Cutchee Memons' Memorial," *Indian Jurist: A Journal and Law Reports, Vol. 17* (31 March 1893), p. 141.

and noted how unjust it would be for the Cutchi Memons to switch to Hindu law. As a solution, the author suggested a registration system in which any Muslim wishing to maintain "non-Mahomedan usages" would be forced to declare so openly in an affidavit after the act came into being. That, of course, would leave any such person open to the charge of not being a true Muslim, hardly an appealing prospect, but a risk that many Memon men were willing to take in the court of law to ensure a larger share of inheritance.

Certainly, there was the rare suit in which Cutchi Memon women, such as a certain Aiśabhāʾī, could sue the executors of a male family member's will (in this instance, her grandfather's) and inherit property they considered rightfully theirs.[265] In another case, Sarabhāʾī Amibhāʾī was able to obtain recognition of her husband's will (which recognized her as his executor) as valid because the Privy Council ruled that Cutchi Memons were beholden to Islamic law in the case of wills.[266] But given the precedent established by Erskine in 1847, the odds were seriously stacked against Memon women attempting to gain their shares, even those from the Halai or Surti *jātis*. For example, when the Bombay Government published a notice in 1897 stating that the Memon community was divided into Halai and Cutchi subsets, with the former following Islamic law in all respects, the Memons of Porebunder complained to the administrator that their *jamāʿat* had long before recognized the Hindu law of inheritance.[267]

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265 "Ayshabai v. Ebrahim Haji Jacob," *The Bombay Law Reporter, Vol. 10* (Bombay: Bombay Law Reporter Office, 1908), p. 117.

266 "Sarabai Amibai vs Mahomed Cassum Haji Jan Mahomed - 22 August 1918," Accessed at https://indiankanoon.org/doc/1075949/

267 "Bombay High Court: Appeal from Original Civil Suit No. 1136 of 1915. September 21, 1918...Mahomed Haji Abu - Appellant versus Khatubai and others - Respondents," *The Bombay Law Reporter, Vol. 41* (Bombay: Bombay Law Reporter Office, 1919), p. 528.

This meant that when in 1915 a certain Khaṭubhāʾī attempted to gain the 7/32 share of her father's inheritance - a merchant from Porebunder who had shuffled between that city and Bombay, served on the local *jamāʿat*, and died intestate leaving moveable and immoveable property to the tune of Rs. 225,000 - the court asserted in the 1918 appeals case that "permanent residence in Bombay does not necessarily import the Muhammadan law of succession for one whose ancestors were converted." The property of Khaṭubhāʾī's grandfather thus did not automatically fall under the rubrics governing the estates of non-Cutchi Memons in Bombay, in other words Islamic laws of inheritance.[268] A score of Porebunder Halai Memons were then summoned by Muḥammad Ḥajī Abū's legal team, who testified that they were, since their conversion to Islam and settlement in Porebunder centuries earlier, governed by Hindu law. This met with objections from the Bombay Halai Memons who were also examined. They believed that "Halai Memons wherever they may be...ought to be governed by Muhammadan Law."[269] The case eventually made its way to the Calcutta Privy Council in 1922.[270] The lawyers and the judges on the Privy Council seemingly failed to agree over whether Halai Memons were universally governed by Islamic law, or whether this differed based on their settlement patterns.[271] After nearly seven years of appeals and counter-appeals, the Privy Council was complicit in depriving Khaṭubhāʾī of her inheritance. Such were the many legal contradictions

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[268] "Khatubai v. Mahomed Haji Abu and ors., Respondents.," *The Calcutta Weekly Notes: Reports of Important Decisions of the Calcutta High Court and of the Judicial Committee of the Privy Council on Appeal from India*, *1922-1923, Vol. 27* (Calcutta: Weekly Notes Office, 1923), p. 778.

[269] "Mahomed Haji Abu - Appellant versus Khatubai and others," p. 528.

[270] "Khatubai v. Mahomed Haji Abu and ors., Respondents.," p. 777.

[271] Ibid., p. 779-781.

shaping Memon commercial enterprise and religious interpretation from the late nineteenth century.

Similar ambiguities exist in the colonial judicial record over how to settle Khoja disputes. In a case from 1889 in which a son demanded a share of his father's movable and immovable property amounting to twenty *lakhs* once the latter left for Mecca, the court ruled that, while such a practice might be customary in Kathiawar and Kachchh, it did not apply to those Khojas who had migrated over the previous century to Bombay.[272] One of the defendants rejected the plaintiff's claim by denying "the property in question was ancestral family property, or that the distinction recognized in Hindu law between ancestral and self acquired property applied to Khoja Mahomedans in Bombay."[273] When the presiding judge rejected this claim in turn, the appellant's lawyers shot back that not only was the property in question non-ancestral, but "the Hindu law of partition [did not apply] to Khoja Mahomedans in Bombay." With a keen sense of both judicial precedent and political history they asserted:

> It has been laid down in general terms that the Hindu law of property in the absence of proof of custom to the contrary applies to Khojas, but those were all cases on the ecclesiastical side of this Court, and the oniy point really decided was that the Hindu law of succession presumptively applied to Khojas. No case decides that all the Hindu law of property applies to Khojas. And if it is said it does then what Hindu law is it that applies?

[272] "Ahmedbhoy Hubibbhoy vs Cassumbhoy Ahmedbhoy And Rahimbhoy Alladinbhoy (21 June 1889)," *The Indian Decisions: New Series, Bombay, Vol. 7, 1889-1890* (Madras: Law Printing House, 1914), pp. 354-362.

[273] Ibid., p. 355.

> Sind, whence the Khojas originally came, was a Mahomedan kingdom from about AD 715, and Cutch and Kathiawar came under the power of the Mahomedans shortly afterwards... Even now the different schools of Hindu law are not in agreement as to the right of a son to partition. No such right for instance is recognized in Bengal Mayne's Hindu Law. Consequently, there is no presumption whatever in favour of such a right in the case of Khojas and the plaintiff, if he alleges such a right, must prove it, which he has failed to do. The plaintiff's witnesses on this point are from Kathiawar and it may well be that such a custom exists in Kathiawar and not in Bombay.[274]

The judge’s final decision made note of the fact that the Khojas’ economic practices had changed with their migration to Bombay. In his remarks he quoted the ‘Khoja Commission’ instituted by the government in 1878 which disregarded the Mitākṣarā’s rulings on a son’s right to ancestral property by birth. Thus it is clear that among Khojas Hindu practices were also not applied across the board in cases of inheritance.

The final case worth considering is that of the Bohras. The ‘Islamicization’ efforts undertaken by the Dāwūdī Bohra leadership from the 1970s - which emphasized in part the reform of Bohra financial activity - has obscured many of their earlier practices that did not conform to later purported ‘orthodoxies.’ With that said, the Dāwūdī Bohras’ imprecise relationship with Islamic law perplexed many Islamic modernists trained in British legal institutions, including many Sunni Bohras from Bombay, who were eager to pin down the

[274] Ibid., p. 356.

Dāwūdīs' relationship with the structures of the law, as if the law were a stable discourse in itself. Around the time Shīrwānī wrote his history the erudite, if controversial, scholar of Islamic jurisprudence, Sayyid Amīr ʿAlī, even noted that most Bohras in Bombay Presidency were Shāfīʿīs and resembled Memons in this respect.[275] He likely meant Sunni Bohras, but there is reason to believe, in light of Shīrwānī's observations cited above, he could have also been referring to Dāwūdīs.

A generation later, Faiż Badr al-Dīn Ṭayyibjī, himself a Sunni Bohra,[276] noted in his *Principles of Muhammadan Law* that the Dāwūdī Bohras did "[possess] their own system of jurisprudence by which they are governed."[277] Dispute arbitration was handled often by *mullās* or *qażīs*.[278] But he also noted elsewhere in the 1940 edition of his work, *Muhammadan Law: The Personal Law of Muslims* (first published in 1913), that "The law of the Ismaili Shias as applicable to Daudi Bohoras and to the Sulaimanis is less easy to discover. Some of their texts have been printed and published and translated if at all, only quite recently, and in fragments."[279] Many of his assertions pertaining to the Dāwūdī Bohras thus seem rather like guesswork,

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[275] Syed Ameer Ali, *The personal law of the Mahommedans, according to all the schools; together with a comparative sketch of the law of inheritance among the Sunnis and the Shīʿahs* (London: W.H. Allen & Co., 1880), p. 20, 234.

[276] Gregory C. Kozlowski, *Muslim Endowments and Society in British India* (Cambridge: Cambridge University Press, 1985), p. 117.

[277] Ismail K. Poonawala, *The Pillars of Islam: Muʿāmalāt: laws pertaining to human intercourse* (Oxford: Oxford University Press, 2002), p. xliii.

[278] *Gazetteer of the Bombay Presidency: Kolaba and Janjira*, Vol. X (Bombay: Government Central Press, 1883), p. 78.

[279] Faiz Badruddin Tyabji, *Muhammadan Law: The Personal Law Of Muslims* (Bombay : N.M. Tripathi, 1940), p. 62.

including his assertion that in *waqf* and charity matters they were subject to Shīʿī law.[280] As for Bohra educational institutions, a considerable proportion of books in their curriculum were *fiqh* texts by Qāḍī al-Nuʿmān, whose oeuvre (as we have seen) had a complex and intimate relationship with Ḥanafī *fiqh*.[281] The Islamic legal structures modulating Bohra life, both Sunni and Ismāʿīlī, were thus as disparate as that of the Memons.

Regarding Hindu customs of succession in the community, the evidence is also highly ambiguous. The typical narrative holds that until the "Islamization" reforms undertaken by Sayyidnā Muḥammad Burhān al-Dīn from the mid-twentieth century, Dāwūdī Bohras "had often followed Hindu laws of inheritance."[282] Records from the nineteenth-century, however, may contradict this assumption. As one expert reported at the time, it was reportedly only the Sunni Bohras, not the Ismāʿīlī Bohras, that were treated as such by the colonial courts.[283] Still more, as late as the 1930s an educated observer of Islamic law in India stated that "no case determining the Ismāʿīlī Bohra law of inheritance appears to have arisen."[284] All the same, in ʿAssāf Faiżī's *Ismaili Law of Wills*, based on the translation of an Arabic manuscript *Kitāb al-Waṣāyā* by Qāḍī al-Nuʿmān, one finds numerous passages related to inheritance. The historian Shīrwānī mentioned earlier recognized the importance of the work, and by the time Faiżī completed his

[280] Ibid., p. 63.

[281] Tyabji, *Muhammadan Law*, p. 58.

[282] Jonah Blank, *Mullahs on the Mainframe* (Chicago: University of Chicago Press, 2001), p. 116.

[283] Tyabji, *Muhammadan Law*, pp. 61-62.

[284] Seymour Gonne Vesey-FitzGerald, *Muhammadan Law: An Abridgement According to Its Various Schools* (Oxford: Oxford University Press, 1931), p. 154.

translation many decades later it was reputedly cited regularly in the contemporary works of the Dāwūdī Bohra *dawat*.[285]

There were several passages that recognized that a woman has the same right of bequest as a man.[286] One tradition in the work even records Fatima on her death bed beseeching the Prophet Muḥammad to release one of her female slaves. Upon her death, the Prophet climbed into her grave before all the funeral attendees embraced his wife's body. After emerging he said "Lower her. I did what I did desiring only that God may increase (His mercy) on her. For verily no one profited me as much as she and Abū Ṭālib did." The author of the manuscript then records "And the Prophet undertook the execution of her will, and gave effect to it in accordance with her desire."[287] Meanwhile, in the colonial courts, although there were many instances when Bohra women were compelled to forfeit any claim to shares of their fathers' wealth upon marrying, there were cases in which "a Bohra girl has claimed and got her full share, according to Mohameden law, from her father's property."[288]

This section has shown that the legal record makes it difficult to say categorically that the Muslim mercantile castes universally gained economic advantages from their recognition as 'Hindus' in matters of inheritance and succession. There were overwhelming ambiguities in how these communities were defined by the law - and the 'law' itself was diffuse and pluralistic. Community religious firms often upheld distinct legal codes than what the colonial courts ordained for these communities, and actively mobilized against the colonial judicial precedents.

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[285] Asaf Fyzee, *The Ismaili Law of Wills* (Oxford: Oxford University Press, 1933), p. vi.

[286] Ibid., p. 25, 79, 81.

[287] Ibid., pp. 86-87.

[288] Ibid., p. 85.

But even the colonial courts remained preoccupied with the proper geographical classification of these groups, precisely because Hindu law was not applied across the board. Instead of arguing that the Muslim commercial castes gained economic dividends from their classification as Hindus, it is better to say that, unlike Muslim communities in other regions, the law was far more pluralistic in western India. (The high number of British-trained lawyers from these groups likely helped their economic position too). The following sections confirm the economic function of religious firms in the lives of the commercial castes.

Sunni Muslim Religious Firms and Intra-Memon Rivalries

The previous chapter highlighted how Memon firms boasted some of the leading Muslim businessmen in several key centers throughout the Indian Ocean. As the two previous chapters suggested, this owed in large to their historical status as trading communities, their skills in numeracy, and their inconclusive legal status. This section shows how the four types of Muslim religious firms also supplied Memon commercial entities with additional advantages in the marketplace, supplying capital, organizational benefits, and reducing transportation costs. Nevertheless, as a consequence of far-reaching intra-Memon religious competition, these firms strengthened boundary-mechanisms that divided Memon *jātis* from one another and produced diverse forms of institutionalized Memon religious practice.

Although it is difficult to pinpoint early modern patterns of Memon settlement, it appears that a series of Memon chain migrations began at the beginning of the nineteenth century. With the decline of Surat and famine in Gujarat and Kachchh in 1813, Memons flocked in large numbers to Bombay. Having an initial foothold in tailoring, they expanded their repertoire and became peddlers, brokers, and shopkeepers.[289] By the 1850s, humble Memon *dukāndārs* were traveling to Burma and setting up firms that within two generations would become mainstays of the regional economy. Memon fortunes were bolstered by the assistance community leaders rendered in keeping law and order in Bombay, particularly during Muharram and other religious festivals.[290] As the previous chapter demonstrated in its study of Memon commercial firms, good accounting practice and community structures also played their part. This was shown through a study of the Gujarati account-book printed by a certain Ḥassan Raḥmat Allah in 1883, ten years after Nuzhat's history of the Memons.[291] Raḥmat Allah was one of the mosque's trustees, and in this work extending over three-hundred pages is recorded in sumptuous detail "the rent of the houses, the purchase of property, repair work, the bills, taxes, and expenditure, etc." of the Halai Memon mosque in Bombay between 1851 and 1881 (or more precisely the Samwat (a Hindu calendar) years 1909 to 1934). It offers the historian an unparalleled glimpse into how Memon fortunes changed the city's religious economy, and how the concentration of communal wealth, coupled with a knowledge of novel accounting practices, paid numerous dividends in expanding Muslim religious infrastructure in the city. In any given year covered in the work, one finds a

[289] Momin Mohiuddin, *Muslim Communities in Medieval Konkan, 610-1900* (New Delhi : Sundeep Prakashan, 2002), p. 115.

[290] Prashant Kidambi, *The Making of an Indian Metropolis: Colonial Governance and Public Culture* (Hampshire: Ashgate, 2007), pp. 25, 97.

[291] Seth Mian Ḥasan Raḥmat Allah, *Masjid fas Halā'i Memon Mohallanī ḥisāb: Shamwat 1909 thī 1934 sudhī, gharona bhara, tatha milkatnī kharīdī, rīpera kam, masjidno khāraj, taks, bīlah wa-ghaira jamaʿ tatha khāraj* (Seth Mian Ḥasan Raḥmat Allah Trustee: Qāsid Bombay Press, 1297 [1881]).

fascinating portfolio underpinning the wealth of the mosque: funds, warehouses, spinning factories.

Raḥmat Allah's account book shows just how factional the institutions of Memon economic life in Bombay could be. Among the earliest Memon business magnates was Ḥajī Zakarīyya (d. 1840), whose eponymous mosque was constructed in the 1830s at Khadak. Renown for his generosity, one anecdote records him, his real identity obscured by a dirty sheet, tenderly shampooing a drowsy *mawlwī* who had taken shelter in the mosque. Lulled to sleep by the gesture, the *mawlwī* awoke the next morning to find a twenty-rupee note under his pillow. When the affair was repeated the next evening, the *mawlwī* seized the mysterious shampooer by the arm and in the tussle that followed the figure of Ḥajī Zakarīyya was revealed, sheepishly holding a Rs. 100 note upon which was written "A tribute of respect for learning. Pray for the forgiveness of this humble instrument of Allah's will."[292]

Outside observers regularly commended Memons for their mixture of profit and piety, with a late-century *Bombay Gazetteer* beaming that the Memon "is strict in his observance of the *Sunna* which commands him to haggle 'till his forehead perspires, just as it did in winning the money.'"[293] They trimmed their beards according to the dictates of the *madhhab*'s classical ideologues, and with a high percentage of Memons performing Hajj by mid-century, they increasingly adopted the turban and waistcoat popular among merchants in the Hijaz.[294] By the

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[292] *Gazetteer of the Province of Gujarat: Population Musalmans and Parsis*, *Vol IX, Part II* (Bombay: Government Central Press, 1899), pp. 52-53, n. 4.

[293] *The Gazetteer of Bombay City and Island, Vol. 1* (Bombay: Times Press, 1909), p. 178.

[294] Mai Yamani, "Changing the Habits of a Lifetime: the Adaptation of Hejazi Dress to the New Social Order," Bruce Ingham and Nancy Lindisfarne-Tapper eds., *Languages of Dress in the Middle East* (London: Routledge, 2014), p. 57.

last quarter of the century, these were increasingly combined with other marks of conspicuous consumption: English boots, Chinese silks, and a fair amount of gold jewelry. In matters of transactions too, like many other Ḥanafīs, they generally refused to lend money at interest, although this practice was hard to maintain as they became integrated into the workings of large foreign firms.[295] Their Ḥanafī affiliation was matched by an abiding devotion to a number of Sufi saints, with different Memon *jātis* devoting their allegiance and capital to competing holymen.[296] The virtues of these saints were heralded in Gujarati hagiographies printed in Bombay, and circulated throughout western India.

The documentary record equally bears out the enthusiasm with which Memon merchants went on Ḥajj, with the title "Ḥajī" appearing with such frequency alongside their names that one can almost identify a merchant as Memon by its use. Although something of a trope, trade was a topic of near constant conversation among Memon men, whether along the strand of Apollo Bander (typically with children in tow, placated by a liberal dispensation of sweets) or among community elders crammed into late-night coffee shops. This routine was only punctuated by attendance at the theater, the frequenting of *Irānī* cafes, and by extensive public singing of Gujarati songs and the *mawlūd*, hymns to the Prophet.[297] Other pleasures of Bombay proved irresistible as well: large numbers of Kathiawar Memons became addicted to opium, a drug that paid no heed to religious divisions as the Parsi Jahangir Rustem Pestanji's interviews with Bombay's opium smokers unmistakably illustrated. Pestanji, himself an advocate for opium's

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[295] Ibid., p. 57.

[296] Satish C. Misra, *Muslim Communities in Gujarat* (New York: Asia Publishing House, 1964), pp. 138-142.

[297] Annemarie Schimmel, *Islam in the Indian Subcontinent* (Brill: Leiden, 1980), p. 124.

positive effects, portrayed how many Memons maintained successful marriages and businesses while consuming the drug daily.[298]

Ottoman sultans were not the only backers of the aforementioned Abdullah Memon's steamship enterprise. In fact, his Memon *pīr* in Gujranwala played an even greater role. This *pir* served as a financier for Memon enterprises in exchange for personal devotion and helped underwrite ʿAbdullah's scheme. For all their peculiar powers, pirs in Gujranwala were merely one branch in a broader circuit of Memon finance capitalism emanating outwards from Bombay. Their Ḥanafī affiliation was matched by an abiding devotion to a number of Sufi saints, with different Memon *jātis* channeled their allegiance to competing holymen.[299] The virtues of these saints were heralded in Gujarati hagiographies printed in Bombay, and circulated throughout western India. The geography of Memon pilgrimage was thus vast.

As the 1899 *Bombay Gazetteer* put it, Memons regularly visited "the shrine of Abdul Qadir Jailani (d. 1165) in Baghdad, Shah Alam at Ahmedabad, Miran Sayad Ali Dattar at Unja, fifty miles north of Ahmedabad, and Khwaja Muin-ud-din Chisti of Ajmer, one of the five great Chisti shaikhs."[300] Journeys to the latter shrine grew exponentially with the opening of the Rajputana Railway.[301] Pilgrimages to Baghdad also witnessed side trips to the Naqīb al-Ashrāf, whose residence in the city was a hallmark of the city's religious life in the late Ottoman period. But in keeping with the 'sectarian' flavor of other aspects of the Memon diaspora, there is also evidence that Halai, Surti, and Cutchi Memons patronized different saints in the late nineteenth

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[298] Jahangir Rustem Pestanji, *A Short History of the Lives of Bombay Opium Smokers* (No Publisher Data, 1890).

[299] Misra, *Muslim Communities*, pp. 138-142.

[300] *Gazetteer of the Bombay Presidency*, Vol. IX, Part II, pp. 56-57.

[301] Ibid., p. 56.

century. For example, the Cutchi Memons gave generously to the descendant of Pīr Yūsuf al-Dīn at Mundra, who collected regular donations (*khedra*) from Memons in Bombay.

It was under the guidance of this Chistī and Qādirī *shaikh* that Sayyid Amir al-Din Nuzhat wrote his singular Urdu history of the Memons, *Ibrāz al-haqq* (Presentation of the Truth) in 1873.[302] Nuzhat revealed little of himself, but his small book was later the basis for the Bombay Gazetter's account of the Memon's genealogy. A native of Burhanpur, Nuzhat was actually not a Memon himself. As he expressed it, after ten years immersed in the "muck and the mire of Bombay" he became familiar with all the city's Muslims, from Konkanis to Bohras and everyone in between. None impressed him more than the Memons, who he said were the "wealthiest (*āsūda-ḥāl*) of all the Muslims" both in Bombay and all the surrounding regions.[303] Surprised by this, he set out to discover the reason for their prosperity. Following an extensive search for the secrets of their affluence he found it in an unlikely source: the Memon's spiritual guide, Pīr Buzurg ʿAlī of Mundra in Kachchh. Nuzhat met many times with Buzurg Ali, eventually becoming his disciple. Buzurg ʿAlī claimed to be a spiritual successor of Sayyid ʿAbd al-Razzāq Gīlānī, who introduced the Qādirīyya order to Sindh, and son of the order's eponymous saint, ʿAbd al-Qādir Gīlānī.

The *shaikh*, who fastidiously proofread Nuzhat's later written account, revealed in detail the origins of the Memons to the author, on the basis of *sanads* (patents) handed down from

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[302] *Ibrāz al-ḥaqq* (Bombay, 1873). This work was edited by a number of Memon historians in Karachi in the 1970s who acquired it from a community leader. As they acknowledge, it is one of the very few Urdu histories of the Memons to have survived the nineteenth century. ʿAbd al-Raḥmān Asīr, ed., *Asās-i Meman qawm chand farīb, ghalaṭ fahmiyāṉ, ḥaqāʾiq aur natāʾij* (Karācī: Meman Yūths Ārganāʾizeshan, 1978).

[303] Ibid., p. 6.

generation to generation.[304] Nuzhat also learned that upon converting a people by the name of "*muma*, meaning guest (*mehmān*), the saint, on account of their great faith in the new religion, re-branded them as *muʾmīn* (believer), which corrupted over the years eventually became *memon*." With such devotion to these "pure sons of Muḥammad," Nuzhat exclaimed "is it any wonder why they are so blessed in offspring and wealth? Is it any wonder why they are growing in prestige?"[305] As Nuzhat recounted in his history, after converting the Memons and acquiring their promise to follow his successors, ʿAbd al-Qādir Gīlānī's son returned to Iraq. It was his departing blessing that the Memons of Nuzhat's time cited as the reason for their success in commerce. For Nuzhat, then, the Memon's dedication to their Qādirīyya *shaikhs* and unwavering performance of their religious duties was the prime cause of their great economic status. They attained, as he wrote, "the wealth of religion and the world, that is of Islam and the prestige of material progress, by means of the prayers of their ancestors and the oblations of their guidance."[306] The Memon example thus furnished Nuzhat, long a toiler in Bombay's proletarian abyss, with a path to spiritual and material advancement. Nuzhat's conviction that Memon commercial fortune stemmed from their devotion to their pirs was not merely the enthusiastic musings of a new devotee, for devotion to pirs could have concrete economic dividends both in terms of organizational capacity and capital concentration.

By the turn of the twentieth century, Memons became embroiled in a cauldron of legislative rows with other Muslims over the control of select religious establishments. These bouts of intra-Memon religious competition were nothing new, but form a recurring theme in the

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[304] Ibid., p. 18.

[305] Ibid., p. 7.

[306] Ibid., p. 19.

Memon diaspora from the late nineteenth century. They reflect how the institutions underpinning Muslim financial and religious life have constantly been embedded in wider contestations over the maintenance and direction of community affairs. *Jāti*-based segregation was preserved even at times of crisis. During the vicious plague that swept through Bombay, Karachi, and other western Indian ports from 1897, one Muslim administrator, Sirdār Muḥammad Yaʿqūb, initially found the Memon anti-plague measures underwhelming, but was pleasantly surprised to find, after a series of crisis meetings he organized, that the Cutchi Memon *jamāʿat* sprung vigorously into action.[307] The Halai Memons were, however, continuously criticized for their hesitation to implement anti-plague measures. Memon hospitals were segregated based on the identity of the plague victim, as were those of the Khatris, Khojas, and Bohras. As such, they drew their income from community-centered funds. Expenses for the running of the "Kholsa Molla Mahomedan Plague Hospital", built for Halai Memons, were taken directly out of the *Jamāʿat Fund*, which collected money via "a sort of income-tax."[308] The Cutchi Memon Plague Hospital's annual report proclaimed that, with the help of capital injected into the institution by leading merchants of the community, other factors were able to raise funds amounting to Rs. 15,000. With its twenty-four member committee, the hospital administered to a sizable number of patients in the *jamāʿat khāna* itself.[309]

Rangoon was one such arena of contestation. In 1916 the proprietors of Moola & Sons were involved in two disputes with fellow Muslims, one over shares with Jamal brothers

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[307] *Report of the Municipal Commissioner on the Plague in Bombay for the year ending 31st May 1899, Part 1, General Administration* (Bombay: Times of India Steam Press, 1899), p. 110.

[308] Ibid., p. 262.

[309] Ibid., p. 336-337.

(another important Memon firm discussed in the past chapter)[310] and the other (Mahomed Ismail Ariff v. Molla Dawood) over *waqf* funds and proprietorship over a mosque in Rangoon.[311] That latter case involved Randerīyyas and Surti Memons clashing over the ownership of a mosque built in 1854 by Mullā Hāshim, a native of Rander who settled in Rangoon. Over the next decades he and other Randeri Muslims obtained a government grant "to build and maintain thereon a mosque or place of worship for and to the use of all persons professing the Sunni sect of the Mahommedan religion." As it turned out, by 1870 the government ascertained that shops had been built on the site in lieu of a mosque, seemingly unaware of the fact that in most mosque endowments shops were deemed a legitimate part of the wider religious complex. A notice was henceforth issued to the trustees demanding the rectification of the matter. The Randerīyya then decided to purchase the land outright through subscriptions, though the general weight of Randerīyya contributions as compared to other Muslims remained contested at the time of the trial. Once the mosque was finally built it was concluded that its management would stay within the Randerīyya *jamāʿat*, though this organization was, as the judges argued later, a mere fiction because the Randerīyya never bothered to create a formal association with written rules. This was a key distinction with a group like the Memons whose use of the *jamāʿat* was highly formalized. By 1906 the diffuse nature of the Randerīyya *jamāʿat* then led to disputes among the Randeriyya themselves over the appointment of trustees, a rift that was then utilized by other Sunni Muslims who took umbrage with the Randerīyya monopoly.

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[310] A.J.H. Latham, "The Rangoon Gazette and inter-Asian competition in the intra-Asian rice trade 1920-1941," A.J.H. Latham and Heita Kawakatsu eds., *Intra-Asian Trade and the World Market* (Routledge: London, 2006), p. 134.

[311] Mahomed Ismail Ariff vs Hajee Ahmed Moola Dawood (15 May 1916). Accessed at https://indiankanoon.org/doc/212413/.

In the minds of the presiding judges the 1871-72 trust deed was the crux of the contest, specifically whether the revisions implemented in the years after the initial mosque burned down and a new trust was drawn up affected the original 1852 deed. There was no unanimity in their subsequent judgments, as they disagreed over whether the first trust applied to the Randerīyya alone or all Sunni Muslims in Rangoon. An appeal was then made by the plaintiffs and trustees to "His Majesty in Council" maintaining that the matter of appointing trustees (*mutawallīs*) was subject to Islamic law solely and was thus no business of the court. The judges were unconvinced, arguing

> The Mussulman law like the English law draws a wide distinction between public and private trusts. Generally speaking, in case of a wakf or trust created for specific individuals or a determinate body of individuals, the Kazi, whose place in the British Indian system is taken by the Civil Court, has in carrying the trust into execution to give effect so far as possible to the expressed wishes of the founder. With respect, however, to public religious or charitable trusts, of which a public mosque is a common and well-known example, the Kazi's discretion is very wide. He may not depart from the intentions of the founder or from any rule fixed by him as to the objects of the benefaction; but as regards management which must be governed by circumstances he has complete discretion. He may defer to the wishes of the founder so far as they are conformable to changed conditions and circumstances, but his primary duty is to consider the interests of the general body of the public for whose benefit the trust is created. He may in his

judicial -discretion vary any rule of management which he may find either not practicable or not in the best interests of the institution.[312]

This was thus the pretext for the court's claim that it was in its power to provide direction and to even reform the management structure and the appointment of trustees so as to ensure the smooth running of the institution. Because the Randerīyya were never accused of mismanaging the trust or shirking their duties as managers, the Court ruled - "in the exercise of the discretion which the Mussulman law vests in the Kazi" - that the Randerīyya were to maintain their predominant role as *mutawallīs*. However, the court averred that the process of electing trustees through "indeterminate and necessarily fluctuating" entities like the *panchayat* or *jamāʿat* was in serious need of revision, and that "the appointment of future trustees should be entrusted to a committee of the worshippers, the composition of which committee should be in the discretion of the Court, with due regard to local needs and conditions, subject to the provision that, so long as circumstances do not vary, a majority of such committee should be Randerias." In the eyes of the court, the authority of competing religious firms had to be subjected to greater administrative oversight.

The previous example demonstrated a typical case in which one Memon community quarreled with another non-Memon Sunni constituency. More revealing of the Memon relationship with broader currents of Islamic reformism are intra-Memon legal scuffles over sacred space. A fascinating illustration of this comes from turn-of-the-century Mauritius, where Halai, Katchi, and Surti Memons became caught up in a litigious battle over the leadership of the

[312] Ibid.

mosque in Port Louis.[313] An 1912 article from *Revue du Monde Musulman* gives a sense of just how vibrant these divisions could be, and how commercial competition among Muslim communities on the island led to dense, though sectarian, institutional developments.[314] The various *anjumans* on offer was especially impressive, with the "Sounnie Sourtie", *Taher Bag*, *Nasrat al-Muslimeen*, *Madad al-Islam*, *Imdad al-Muslimin*, and *Nasrat al-Islam* each holding substantial rupee reserves collected through subscriptions and reflecting the dynamic character of the island's religious economy.[315] From these figures it is evident that Surti Memons were the most powerful faction on the island. It surely helped that community leaders like Ḥajī Muḥammad Ibrāhīm ʾIsmāʿīl Tūrawa and Ḥajī Muḥammad Abū Bakr Muḥammad Tāhir combined their roles as presidents of the Sunni Surti Society and the India Boat Company.[316] Therefore, the ascendant Surti Memons understandably must have interpreted the attempts by the Cutchi Memons to monopolize control over the mosque of Port Louis in 1903-1904 as a check on their commercial ascent.

The case under consideration began in 1904 when a motion was filed by Sulaimān Ḥajī Mamode against the 'Cutchee Maiman Society,' an association of some sixty members registered in 1903 as a "benevolent society, formed for charitable and educational purposes, chiefly in connection with the Mahomedan religion."[317] Mamode was one part of a shipowning

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[313] Abdul Cader Kalla, "The Gujarati Merchants in Mauritius, c. 1850–1900," *Journal of Mauritian Studies*, Vol. 2, No. 1 (1987), pp. 45-65.

[314] R.N. Gassita, "L'Islam a l'ile Maurice," *Revue du monde musulman*, Vol. 20-21 (1912), pp. 291-313.

[315] Ibid., p. 304.

[316] Ibid., p. 308.

[317] "Supreme Court….Sulliman Hajee Mamode - Plaintiff. Versus The Sonnee Cutchee Maiman's Society - Defendants," Arthur Thibaud and Leon Leclezio eds., *Decisions of the Supreme Court of Mauritius, 1904* (Cooperative Establishment, 1906), pp. 89-91.

firm run out of Mauritius and Reunion that became “a great power” in the sugar, molasses, rice, and timber trade with India.[318] The society boasted a charter, a management committee, a secretary, treasurer, and auditors. A society statute asserted that the treasurer must keep strict accounts and that these were liable to inspection by the committee. At the crux of the dispute was whether individual members of the society had a right to inspect the account books. A court report filed two years later gave further details of the case. More than simply a dispute over access to accounting data, the case actually involved an effort by the Cutchi Memons to acquire sole control over a *waqf* that included the ‘Jummah Mosque’ in Port Louis (*mosquée des arabes*) and its adjoining properties. (The *Revue du Monde Musulman* piece cited above valued it some years later at Rs. 350,000.)[319]

The mosque had been built by Muslim merchants in 1852, and its charter explicitly stated that “it could not be alienated.” Its revenue was dependent on rent and a rate levied on grain sales by local Muslim merchants. By 1877, however, deeds of purchase appeared that recognized that the property was the sole right of the Cutchis, with a committee presiding over their administration. Evidently then, when the ‘Cutchee Maiman Society’ drew up its 1903 charter, it was seeking to undermine the properties’ status as *waqf* by drawing up deeds that would allow it to sell and lease the constituent buildings that comprised it. They thus laid claim to the entire property, and in its statements included it among its assets in full ownership, a move blocked by the Surtis and Halais. Although they had previously been ceded the administration of the *waqf* by “tacit consent of all the Sunni Muhammadans,” the court asserted that the Cutchis had acted “*ultra vires*” (beyond their legal authority) when they attempted through deeds to obtain

[318] Coates, *The old 'country trade' of the East Indies*, p. 197.

[319] Gassita, “L’Islam a l’ile Maurice,” p. 300.

perpetual and exclusive management of the *waqf* and transfer its assets to the society. The court had yet to determine, however, who constituted the founders of the *waqf*, how the rights of the Cutchis "as a class or caste" affected their status as administrators of the mosque, and whether they held property in management of the *waqf* in perpetual trust or merely as agents of all Sunni Muslims.[320]

In the follow-up 1906 case, a combination of Surti Memons from Surat and Halai Memons from Halla brought the case against the Cutchis. According to the judges' final report, while the Surtis and Cutchis normally held no bad blood towards one another, the latter were contemptuous of the Halais who they regarded as inferior. (Caste prejudice died hard). None of this prevented, the judges continued, the Cutchi's acceptance of a Halai Memon as president of the mosque, but the Halais refused to sign the court's deeds that would have incorporated them into the Cutchi society. The court's final decision ordained that weekly detailed accounts be kept that displayed in no uncertain terms the "sums expended and received in connection with the Mosque, and the 'Cutchee Maiman Society' respectively and stating the source of each receipt."[321] Besides this, it was ordered that extensive minutes of meetings held by Cutchis at the mosque and with the Sunni 'Cutchee Maiman Society' must be kept and certified by the president. Along with the account books of the mosque, these would be left at the Registry where they could be inspected by any respondent or any Sunni Muslim deputized for that task. Finally, the funds of both the mosque and the society "should be placed to the credit of the Mosque and of the Society respectively at one of the Banks, in the name of such Mosque and Society

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[320] "Sulliman Hajee Mamode - Plaintiff. Versus The Sonnee Cutchee Maiman's Society," p. 69.

[321] Leon Leclezio and G.E. Nairac eds., *Decisions of the Supreme Court of Mauritius, 1906* (Cooperative Establishment, 1907), pp. 87

respectively, and cheques on the Bank shall be signed by the Treasurer and countersigned by the President of the Mosque and Society respectively."[322]

Although barred from fully depositing the mosque funds into society coffers, the Cutchi Memons had secured a predominant position in the management and utilization of the *waqf*'s capital for other enterprises, religious and economic. With victory secured, the Cutchi Memons increasingly began their ascent in the religious life of Mauritius. They had already had a tradition of patronizing Qādirī *pirs* on the island, even building a tomb for a certain Sayyid Jamāl Shāh (d. 1858).[323] But from the time the case was settled in 1906 they began to cultivate more formal connections with the Qādirīyya of the Barelwī (*Ahl-i Sunnat*) network, especially ʿAbd al-ʿĀlim Ṣiddīiqī in the 1930s.[324] With the Surtis turn to Deobandī Islam around the same time, a counterweight in the landscape of Mauritian Islam would eventually arise with lasting consequences in the religious life of the island to this day.

The key takeaway of this section is that, when reconstructing the history of the Memons, it is imperative to not treat them as a monolithic community. Each group - Halai, Surti, and Cutchi - governed themselves according to diverse combinations of custom and law and patronized rival religious firms. Religious and commercial firms further contributed to the pluralization of Memon forms of lived religiosity. Both *jamāʿats* and *shaikhs* were jealous in their allocation of economic and religious goods and services to Memons of particular castes, and demanded that their constituents abide by specific social codes in dealing with those in and

[322] Ibid., p. 89-90.

[323] Amenah Jahangeer-Chojoo, "lslamisation Processes among Mauritian Muslims," *Internationales Asienforum*, Vol. 33, No. 1- 2 (2002), p. 120.

[324] Ibid., p. 121; Patrick Eisenlohr, *Sounding Islam: Voice, Media, and Sonic Atmospheres in an Indian Ocean World* (Berkeley: California University Press, 2018), p. 35.

outside the congregation. These conflicts played out in all the major cities of the Memon diaspora, just as it did among the Khoja communities, to whom we now turn.

Khoja Merchants, Religious Firms, And the Sunni/Ithnā ʿAsharī/Ismāʿīlī Split

This section examines the role by played by Khoja commercial and religious firms in the creation and maintenance of three distinct Khoja interpretive communities: the Ismāʿīlī, otherwise known as the followers of the Aghā Khān; the Sunni; and the Ithnā ʿAsharī. Muḥammad ʿAlī Jinnāh's own conversion to Twelver Shīʿīsm in 1897 suggests the many tensions among the Khoja communities across the Indian Ocean by century's end, but these had earlier antecedents. From the 1840s, merchants who had benefited from Bombay's rise became key players in the elaboration of intra-Khoja religious rivalry.[325] The advent of the Aghā Khān, and the subsequent controversies dredged up by the Agha Khan Case in 1866, dovetailed with an immense surge of business creation in the various Khoja communities. While the succession of Aghā Khān regularly stressed the imperative of business expansion, the 'dissident' Khoja communities, the Sunnis and Twelver Shīʿīs, also were conspicuous as commercial entrepreneurs.

Not all were impressed by the Khoja Ismāʿīlīs' commercial ascent. *Radd-i Ismāʿīlīyya* (Refutation of the Ismāʿīlīs), a full-length religious diatribe was written by a Sunni *mawlvī*,

[325] A useful survey of these conflicts is Michel Boivin, *La rénovation du shi'isme ismaélien en Inde et au Pakistan: d'après les écrits et les discours de Sultan Muhammad Shah Aga Khan* (1902-1954) (London: Routledge Curzon Press: 2003), ch. 10.

Makhṣūs Allah around 1850.[326] Beginning with the predictable claims that the Ismāʿīlīs had undermined the sanctity of monotheism and polluted the dictates of *sharia* through the open espousal of polytheism (*shirk*),[327] the work proceeded to make unrelenting accusations of Ismāʿīlī mistakes in *fiqh* interpretation.[328] In addition to violating the law, many of the customs (*ʿurf*) practiced by them were from incompatible with the *sunnat*.[329] For a Sunni legal scholar, the growing and assertively public presence of Khoja Ismāʿīlīs became a source of considerable unease.

Even so, the competition among different Khoja *jamāʿats* is more compelling than polemics lobbed against the Khojas by those from outside the community. While commercial interactions with non-Muslims were a fact of daily life for many Khojas, and an essential part of their economic success throughout the Indian Ocean littoral, the irony was that Khojas were most unwilling to interact with non-affiliate members of their own sub-group. Khoja capital underwrote much of this conflict, and commercial actors were at the forefront of sponsoring religious firms that deepened the divide. As Margret Frenz has shown in an important study, the formation of charitable and religious institutions was an inseparable prop of the business empires of many Khoja Ismāʿīlī magnates in East Africa.[330] These institutions, which were administered

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[326] Mawlwī Makhṣūs Allah, *Radd-i Ismāʿīliyya*, British Library, Urdu MS IO4297h.

[327] Ibid., f. 77a-78b.

[328] Ibid., f. 85b.

[329] Ibid., f. 112a.

[330] Margret Frenz, "Doing Well but Also Doing Good? East African Indian Merchants and their Charitable Work," Sara Keller ed., *Knowledge and the Indian Ocean: Intangible Networks of Western India and Beyond* (Cham: Springer Nature Switzerland, 2019), pp. 173-189.

by individual Khoja *jamāʿat*, in turn facilitated the growth of competing commercial enterprises among Khoja businessmen.

Two offices within each Khoja *jamāʿat*, the *mukhī* and *kumarīa*, akin to a treasurer and an accountant, became central players in the maintenance of community funds. For example, the Khoja Ismāʿīlī *jamāʿat* in Zanzibar was governed by a council of five elders called the *amāldāwī*, complete with a *mukhī* and *kumarīa* who raised and remitted more than Rs. 60,000 to the Aghā Khān annually.[331] Funds were sometimes sent by courier, but typically were dispatched via hundis from all over the Indian Ocean. During the 'Agha Khan Case' of 1866 the financial records of several Khoja *jamāʿats* were produced as evidence to establish their status as a community inextricably linked to the Aghā Khān:

> The duty of these functionaries is to collect and forward for transmission to the Aga as Imam, wherever he may chance to reside, the contributions raised on his account by the Khoja community. "Account books for more than a century past were produced at the trial in Bombay, "to show that for a time beyond which the memory of man runneth not to the contrary from the very outset of their separate existence as a distinctive community, the Khojas have been in the habit of transmitting, as to their 'Sirkar Sahib' (lord and master), voluntary offerings (*zacát*), out of religious feeling (*dhurm*) to the

[331] "Great Britain and Zanzibar," in *British and Foreign State Papers, 1871-1872*, Vol. LXII (London: William Ridgway, 1877), p. 1094.

Imam for the time being of the Ismāʿīlīs whom they revered as their Moorshed or spiritual head.[332]

Many Khojas, including the dissident Sunni element that broke away from the Khoja Ismāʿīlī rejected this and brought a suit against the *mukhī* and *kumarīa* of the Khoja community demanding the forfeiture of all property held in trust by them.[333] The schism between the Khoja Ismāʿīlī and Khoja Sunnis was cemented in 1865 with the creation of a separate Sunni mosque and *jamāʿat khāna*.[334] With the help of donations from its mercantile members, the Khoja *jamāʿat* acquired a series of properties that permitted it to support several religious institutions over the next decades.[335] The members of the new Khoja Sunni *jamāʿat* also founded numerous institutions of their own that were integrated into the *jamāʿat*. Many of these individuals were prominent merchants, including Seth Khān Muḥammadbhāʾī Aḥmadbhāʾī who made his fortune in the China trade and before his death in 1864 had donated Rs 150,000 for the creation of a Khoja Sunni school. His brother, Aḥmadbhāʾī, who had been one of the key financiers of the case against the Aghā Khān, was not only head of the Khoja Sunni *jamāʿat* from 1868 to 1914, but was also Director of the Bank of Bombay and a Justice of the Peace.[336]

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[332] H.B.E. Frere, "The Khojas II: the Disciples of the Old Man of the Mountain," *Macmillan's Magazine, May 1876 to October 1876*, Vol. 34 (Cambridge: Macmillan & Company, 1876), p. 432.

[333] Faiz Badruddin Tyabji, *Principles of Muhammadan Law: An Essay at a Complete Statement of the Personal Law Applicable to Muslims in British India* (London: Butterworth & Co., 1919), p. 593.

[334] *An Account of the Khoja Sunnat Jamaat Bombay* (Karachi: Oxford Book House, 1969), p. 7

[335] Ibid., p. 8.

[336] Ibid., p. 16.

Khoja Sunni female entrepreneurs also used proceeds from their mercantile concerns to expand the assets of the *jamāʿat*. Bhāʾī Ratanbhāʾī, who ran a successful business manufacturing *surma* (collyrium), had plowed more than Rs. 168,000 of her money into various trusts and funds of the *jamāʿat* by 1908.[337] Many of these institutions connected to the Khoja Sunni *jamāʿat* supplied education, loans, poor relief, burial services, and instruction in Gujarati, English, and Urdu. When combined with the deep integration of the community in the business culture of Bombay and the defection of merchants from the Khoja Ismāʿīlī *jamāʿat*, the Khoja Sunni *jamāʿat* was a critical factor in facilitating the movement of Khoja Sunni commercial firms into East Africa and Japan.[338]

Unlike the Khoja Ismāʿīlī and Khoja Sunni split, tracing the emergence of a reified Khoja Ithnā ʿAsharī community is more arduous. Initially deprived of the advantages of its own *jamāʿat*, the growth of a Khoja Ithnā ʿAsharī community illustrates the important function of cooperation between commercial firms and *shaikhs* in creating new religious infrastructures. According to community history, the beginning of the Khoja Ithnā ʿAsharīs as a distinct *jamāʿat* dates to the trip made by Ḥajī Dewjī Jamāl, a Bombay businessman, to the Shīʿī shrine cities in the later nineteenth century.[339] Jamāl was a Zanzibar-based merchant who later won a prize for best manufacturer at an industrial exhibition hosted by the Indian National Congress.[340] He had funded the construction of Zanzibar's Ithnā ʿAsharī *imāmbārā* and mosque in the 1880s and

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[337] Ibid., p. 25-26.

[338] Aḥmadbhāʾī Karīm Thānawālla was one merchant who joined the Khoja Sunni *jamāʿat* at the end of the nineteenth century and operated a successful enterprise in Japan called Ahmed Karim. Ibid., p. 38.

[339] S.A.A. Rizvi and N.Q. King, "Some East African Ithna-Asheri Jamaats (1840-1967)," *Journal of Religion in Africa*, Vol. 5, No. 1 (1973), pp. 12-22.

[340] Item in personal collection.

1890s, both of which were managed by the *jamāʿat*. There he requested that one the most distinguished Shīʿī *mujtāhids* of the age, Ayatullah Māzandarānī (d. 1892), send a well-trained Shīʿī *ʿālim* to the Khoja of western India.

The Ayatullah's choice was Mullā Qādir Ḥussain Sahib, whose memoirs tell of the many impediments he faced from the time he arrived in Bombay in 1873.[341] A native of Madras, Mullā Qādir Ḥussain traveled to Bombay and Karbala, where he became a *muqallid* (disciple; lit. imitator) of Māzandarānī.[342] His first meeting with Dewjī Jamāl in Karbala was hardly friendly, as he maligned the merchant prince for believing that a pilgrimage to Karbala was worth "seventy Hajj," bidding him further "If you want to adopt true Islam learn religious matters of [*uṣūl*] and [*furuʿ*] and act in accordance with them so that your life in the Hereafter may improve."[343]

Alive to the institutional demands of creating a new Ithnā ʿAsharī interpretive community in Bombay, Qādir Ḥussain actively sought the support of "all the firms of the Khojas" in Bombay for the creation of a separate *jamāʿat*.[344] These overtures occured in the midst of several warnings sent by the Khoja Ismāʿīlī *jamāʿat* to Dewjī Jamāl and its constituents to avoid any contact with Qādir Ḥussain.[345] Eventually, Dewjī Jamāl was compelled by these circumstances to swear his loyalty to the Khoja Ismāʿīlī *jamāʿat*, but the capital secretively dispensed by Dewjī

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[341] Shireen Mirza, "Muslims, Media, and Mobility in the Indian Ocean," Justin Jones and Ali Usman Qasmi eds.,*The Shi'a in Modern South Asia* (Cambridge: Cambridge University Press, 2015), p. 142.

[342] Mulla Qadir Husain, *Memoirs of Mulla Qadir Husain Sahib*, trans. H. Prakash (Karachi: Peermahomed Ebrahim Trust, 1972), pp. 1-2.

[343] Ibid., p. 7.

[344] Ibid., p. 22.

[345] Ibid., p. 16-17.

Jamāl to Ḥussain, and the connections the latter made with leading Shīʿī scholars in Lucknow, ensured the continued growth of a clandestine group of Khoja Ithnā ʿAsharīs.[346] The construction of the *Masjid-i Ḥaidarī*, and an associate *madrasa* and *imāmbārā*, through the collection of public funds gave physical expression to this separation.[347] This was followed shortly thereafter by a promise from Mulji Jivraj & Co. to fund a new mosque, *Masjid-i Ḥussainī*, on the condition that only its capital be used.[348] Nevertheless, relations were not always harmonious between the merchants and the *mullā*. Ḥussain took particular umbrage at the tendency of the faithful to accept monetary interest. Riding one day in a carriage with a leading merchant, Jaʿfarbhāʾī Kālyān, Ḥussain instructed him "Now you leave dealing in [usury] and make your prayer a true one." Kālyān retorted that it was impossible to carry on business without accepting interest, and that the practice was made permissible by the ruling of another Shīʿī scholar, Sayyid Muḥammad, who had issued *fatwās* to several Khoja Ithnā ʿAsharīs endorsing the practice.[349] Ḥussain found this reprehensible and sought to expunge the practice.

As part of this enterprise of reforming the norms and behaviors of the emerging Khoja Ithnā ʿAsharī faithful, Ḥussain published a number of religious works. He also was likely involved with the publication of Māzandarānī's ambitious Shīʿī work on ethics, *Zakhīrat al-maʿād* (Treasury of the Hereafter), in Bombay in the 1890s.[350] As the colophon stated, the book was printed in both India and Iran. The text is of particular interest because it contained

[346] Ibid., pp. 23-24.

[347] Ibid., pp. 103-106.

[348] Ibid., pp. 112-113.

[349] Ibid., pp. 46-48.

[350] Ayatullah Zain al-ʿĀbidīn ibn Muslim Māzandarānī, *Zakhīrat al-maʿād* (Bombay: Duttpragad Press, 1315 [1899]).

considerable sections on *fiqh*-based rules of sale and trade. A hallmark of Shīʿī learning in India and Iran during the nineteenth century was a strong commitment to the exposition of Islamic commercial law. The best expression of this was *al-Makāsib*, the iconic treatise by the greatest Shīʿī *marjaʿ* of the nineteenth century, Shaikh Muḥammad Murtażā bin Amīn Anṣārī. But there were also a range of lesser-known works produced by Shīʿī scholars in India, including *Risāla al-Fārsīyya fī ʻilm al-makāsib wa al-tijārātīyya* (*Persian Treatise on the Science of Profit and Trade*) by Muḥammad Taqī Qazvīnī.[351]

Māzandarānī's text conformed to the same rubric, for it represented an effort by a *shaikh* to inculcate particular ethical values, including commercial ones, among the Twelver Shīʿī faithful. Composed in the format of short questions and answers on subjects ranging from marriage to *hajj*, the text also served as a primer for Shīʿī understandings of *taqlīd*, *ijtīhād*, and *ḥadīth* traditions. It also contained several sections dedicated to the rules of the *khums* (one-fifth) tax, which was governed by rules that distinguished it from the customary annual contribution to the Aghā Khān. Its sophisticated, if by no means dense, language likely would have made it intelligible to any Khoja with an intermediate knowledge of Persian. (In fact, in a short postscript the book's editor noted that the questions were only a small fraction of possibilities). Soon enough, one of Ḥussain's students, Ismāʿīl Ghulām ʿAlī (d. 1943), opened up a religious newspaper (*Rāh-i Najāt*) and the Ithnā ʿAsharī Electric Printing Press in Bhavnagar which produced more than 400 religious texts for the Khoja Ithnā ʿAsharī laity.[352] In seeking to

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[351] Muḥammad Taqī Qazvīnī, *Risāla al-Fārsīyya fī ʻilm al-makāsib wa al-tijārātīyya*, John Rylands Library, University of Manchester, Persian MS 759.

[352] Iqbal Akhtar, *The Khōjā of Tanzania: Discontinuities of a Postcolonial Religious Identity* (Leiden: Brill, 2015), pp. 96-97; Iqbal Akhtar, "Ismā'il, Gulāmalī (Hājī Nājī)," A. Sharma (ed.), *Encyclopedia of Indian Religions* (Dordrecht: Springer, 2019), n.p.

inculcate particular behavioral norms among 'authentic' believers, *shaikh* religious firms, as with the Sunni communities studied in the next chapter, were critical in the articulation of distinct Muslim behavioral norms that could differ from one firm to another.

When the irreversible split between the Khoja Ismāʿīlīs and Khoja Ithnā ʿAsharīs did occur a decade later, it led to numerous disputes in court over the management of community trusts, especially when members of a single family were divided between the Khoja Ismāʿīlī and Khoja Ithnā ʿAsharī *jamāʿat*. In one instance, a member of the new Khoja Ithnā ʿAsharī, an executor of a large family trust, discontinued the monthly Rs. 45 he paid to a family member who remained a follower of the Aghā Khān. He also demanded the man and his relations vacate the joint family house. [353] These struggles were rife among Khoja communities across the Indian Ocean, from Zanzibar to Rangoon. The records of the Khoja Ismāʿīlī councils of Poona and Rangoon from this time threatened excommunication for any member of the congregation who associated with Khoja Ithnā ʿAsharī.[354] The famous defamation case brought against the Karachi-based journalist Jaʿfar Fadū, who became a Khoja Ithnā ʿAsharī and wrote diatribes against the Aghā Khān and his followers, suggests just how costly secession was for many.[355]

In the face of such obstacles, it helped that the thirty leading members of the group who seceded from the Khoja Ismāʿīlī fold and created the Khoja Ithnā ʿAsharī *jamāʿat* in 1901 were

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[353] "Moosabhoy Mahomed Sajun etc. v. Yakubbhai Mahomed Sajun (12 November 1904)," *Bombay Law Reporter*, Vol. III (Bombay: Ratanlal Ranchhoddas, 1905), pp. 45-56.

[354] See the following missal to the Khoja *jamāʿats* in Poona and Rangoon, Mawlana Sarkar, *The Khoja Shia Imami Ismaili Council (Poona): Rules and Regulations* (Poona: The Khoja Shia Imami Ismaili Council, 1913).

[355] Michel Boivin, "The Isma'ili – Isna 'Ashari Divide Among the Khojas," Justin Jones and Ali Usman Qasmi eds., *The Shi'a in Modern South Asia* (Cambridge: Cambridge University Press, 2015), p. 43.

wealthy merchants.[356] Their capital was vital for the creation of a distinctly Ithnā ʿAsharī infrastructure in the diaspora. ʿAbd Allah Laʿljī, whose enterprises were split between Aden and Bombay, was another example of a Khoja Ithnā ʿAsharī who funded various Twelver Shīʿī enterprises. Laʿljī was the descendant of a firm that was established in 1826 at Makalla in southern Arabia, and had already moved into Hong Kong by the 1860s.[357] His business success became crucial for the growth of a large Khoja Ithnā ʿAsharī population in Aden, Bahrain, and Muscat.[358]

Iraq also became a site where a small Khoja Ithnā ʿAsharī community emerged, buttressed by several religious firms. Jethbhāʾī Gokal, among the many merchants who set up a business in Karachi after the Ismāʿīlī-Ithnā ʿAsharī split, moved his operations to Basra in 1918 after the British conquest of the city, where he opened a shipping business and became the head of a growing Khoja Ithnā ʿAsharī community. Other than Basra's Khoja Ithnā ʿAsharī *jamāʿat*, Jethbhāʾī Gokal also administered another important religious firm in the city: the *Anjuman-i Faiż-i Panjatanī*, which provided goods and services to Khoja Ithnā ʿAsharī pilgrims from India during their pilgrimage to the shrine cities of Iraq. This firm had been founded in the city of Panjatani in 1912, and was managed by leading Khoja Ithnā ʿAsharī merchants in Bombay, Karachi, and Basra from its inception. In later decades, Ismāʿīl ʿAbd al-Karīm Panjū, senior partner of the firm Husein Abdulkarim Panju and E. A. Karim, was among its Bombay-based administrators. Although a native son of Zanzibar, Panjū migrated to Bombay during the First

[356] Husain B. Tyabji, *Badruddin Tyabji: A Biography* (Thacker, 1952), p. 80.

[357] "Abdoolabhoy and Joomabhoy Laljee," Arnold Wright, *The Bombay Presidency, the United Provinces, the Punjab, Etc: Their History, People, Commerce, and Natural Resources* (Bombay: Foreign and Colonial Compiling and Publishing Company, 1920), p. 115

[358] IOR/L/PS/10/647, 234/1917 'Muscat trade reports. (1911-1924)', p. 87.

World War, where he built a broad-based business portfolio. He later became treasurer of the *anjuman*, in addition to being a Director of Habib Bank, which, as seen in another chapter, was the cornerstone of Pakistan's early commercial banking sector.[359]

This section on the role of religious firms in the creation of three distinct Khoja communities has made several arguments. As it did among the Memons, the *jamāʿat* had a crucial economic role, as a provider of credit and a possessor of land, labor, and capital in its own right. The *jamāʿat* also became a magnet for the capital supplied by a the burgeoning number of Khoja commercial firms throughout the Indian Ocean. Like the Memons, some of these commercial firms further patronized other types of religious firm, including rival *shaikhs* who competed for the loyalty of Khoja constituencies. But if the gross outcome of the conflicts among Memon religious and commercial firms was the intensification of intra-Sunni discord in the diaspora, the cooperation of select Khoja commercial and religious firms became constitutive of a more sectarian process, whereby Sunni-Twelver Shīʿī-and Ismāʿīlī variants emerged. Even today in Pakistan, where Khojas live in large numbers in Karachi, membership in any one of these *jamāʿats* dictates the character of education provision and financial support for many congregants. In a state characterized by a weak civil society infrastructure, Khoja religious firms thus retain a vital role in filling the many 'institutional voids' in the civic order, much as they had done in the colonial period. However, unlike the Edhi foundation founded in 1951 by the Memon, ʿAbd al-Sattār Edhi (d. 2016), they remain bound to particular Khoja constituencies.

Infrastructure of Bohra Firms between Najaf and Hong Kong

[359] "Esmail Abdulkarim Panju," in Sir Stanley Reed ed., *The Indian Year Book, Vol. XXXIII* (Bombay & Calcutta: Bennett, Coleman & Co., 1947), p. 1087.

In contrast to both the Memons and the Khojas, the Dāwūdī Bohras remained a far more streamlined community under the authority of a single religious firm in the form of the *dāʿī al-muṭlaq* (cleric of absolute authority), the earthly representatives of the Ismāʿīlī imams.[360] Customarily, like the Aghā Khān, the *dāʿī al-muṭlaq* received regular donations from the faithful, but from the last quarter of the nineteenth century the Bohra *dāʿī al-muṭlaq* benefitted from the meteoric rise of Bohra commercial firms throughout the Indian Ocean. In turn, the *dāʿī al-muṭlaq* assumed authority over Bohra religious institutions, which caused disillusion in the interwar period among a group of reformist Bohras. Despite this, the growth of Bohra merchant fortunes did not prompt the fragmentation of the *dāʿī al-muṭlaq*'s authority as it did among the Khojas, but actively strengthened links between Bohra communities in the diaspora and the dai's office in Bombay. The *dāʿī al-muṭlaq* stood at the apex of a tight-knit, vertical hierarchy that integrated the many *jamāʿats* established by Bohras who, in pursuit of commercial fortune, settled in Zanzibar, Ceylon, Calcutta, and Mombasa in these decades.[361]

For a community that perplexed many contemporary Muslim commentators, the Dāwūdī Bohras first genuine historiographical moment in the Indian Muslim historical imagination (other than the earlier press they were given in *Mirāt-i Aḥmadī*) came between the 1850s and the 1880s when several texts appeared on their origins and beliefs. This new attention was indicative of sweeping changes in the colonial religious economy brought about by the rise of Bombay as a

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[360] Jamel Velji, "Bohra," in Judan Eduardo Campo ed., *Encyclopedia of Islam* (New York: Facts on File, 2009), p. 111.

[361] The role of the *jamāʿat* in Bohra commercial success has long been hinted at in passing, see Cynthia Salvadori, *Through Open Doors: A View of Asian Cultures in Kenya* (Nairobi: Kenway Publications, 1989), p. 259.

center of Muslim capital and textual production, which spurred the Dāwūdī Bohra's rise as an influential mercantile caste in western India. These works alternatively sought to refute Dāwūdī Bohra beliefs, or to paint Bohras as 'orthodox' Muslims. They thus point to the real obstacles in getting at a specific history of Islamic commercial law within the Bohra community throughout the nineteenth century.

Among these works defending Bohra's Islamic identity was a history written in Arabic in the 1850s and printed in Bombay, which proudly trumpeted their credentials as followers of the Qurʾān and the *Sunna*.[362] Anti-Bohra polemics by other Muslims are more telling, though, of the ways in which north Indian Sunni Muslims conceived of this Muslim mercantile class. Another history of the Bohras written by the Sunni historian Muḥammad ʿAbbās Rifāʿat Shīrwānī provides better context. A group of officials in the 1880s remarked to Shīrwānī, a Sunni official in the court of Bhopal and an associate of the poet Ghālib, that many Dāwūdī Bohras lived throughout India, but that hardly anything was known of them.[363] Were they from the Arab lands, or Iran, Turkestan, or Afghanistan? What was their sect (*madhhab*)? "You who are a master of the discipline of history," they told Shīrwānī, "if you inform yourself of their condition, you could put it down in writing and educate the seekers of truth."[364] Taking up their challenge, Shīrwānī then began combing the histories of medieval Arab historians - Taqī al-Dīn Maqrīzī, Ibn Khaldan, Ibn Khallikān among others - to cull any information that might permit

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[362] H.M. Fakhr, "An Anonymous Tract on the History of the Bohoras," *Journal of the Asiatic Society of Bengal*, Vol. 16 (1940), pp. 87-98.

[363] Muḥammad ʿAbbās Rifāʿat Shīrwānī, *Qalāyid al-javāhir fī aḥvāl al-bavāhir: dar aḥvāl-i ṭāiʾfa-yi mazhab-i Ismāʿīliyya, mulaqqab bi'umdat al-akhbār* ([Bambaʾī]: 1301 [1883]).

[364] Ibid., p. 3.

him to reconstruct the history of the early Fatimids and the genesis of the Bohras. His Persian history of the Bohras is a unique testament in the community's history.

What concerns us here is the attention Shīrwānī reserved for the Dāwūdī Bohras of his day and age, for it is a vital vantage point into how Sunni Muslims of the late nineteenth century understood the Dāwūdī Bohras' relationship with Islamic legal traditions. It also speaks to how the Bohra's commercial wealth made them conspicuous, and sometimes, suspect in the eyes of their Sunni peers. Most Bohras of his time, he remarked "are occupied in trade and thus live in comfortable circumstances (*muraffa-ḥāl*)."[365] They used this massive wealth to remit to the *dāʿī* in Surat some Rs. 200,000 every year, and it made their wealth dubiously conspicuous in spite of their small numbers. Shīrwānī was equally suspicious of the fact that the Bohras constructed their own neighborhoods, mosques, *jamāʿat khānas*, and cemeteries in places like Hyderabad and Burhanpur so as to remain separate from other Muslims, and refused to marry off their daughters to non-Bohra Muslims.

What the Bohras had in wealth they lacked in religious knowledge, with Shīrwānī tenuously declaring they possessed no books of *fiqh*, *tafsīr*, *ʿaqāʾid* or *ḥadīth*, and that Bohra *ʿulamāʾ* never debated with each other.[366] Further on, however, he admitted that the works of the tenth-century Fatimid jurist Qāḍī al-Nuʿmān were pillars of the community's religious life. Al-Nuʿmān's various writings amounted to more than 100 texts, he revealed, and the scholar had studied under Jaʿfar ibn Muḥammad al-Ṣādiq, a figure of great importance to both Sunni and Shīʿī Islam. Essential to the legal life of the community, Shīrwānī conceded too, were texts of

[365] Ibid., p. 24.

[366] Ibid., p. 25.

Ḥanafī *fiqh* such as the *Hidāya* and sundry Shāfiʿī texts by Ibn Khallikān and others.[367] Surely then, there were sufficient number of 'Sunni' legal tenets that structured Bohra commercial life. They were not a community that had overthrown the institutions of Islamic law.

This Islamic legal plurality was no different than most Muslim communities, not least the Dāwūdī's Bohra cousins, the Sulaimānīs. The division between Sulaimānī and Dāwūdī Bohra was not as clearly demarcated from the mid to late nineteenth-century as one might expect. Although there were increasing calls against social mixing as there was among the Khojas, new pan-Muslim institutions like the *Anjuman-i Islām* muddied the waters. Founded by Badr al-Dīn Ṭayyibjī, variably identified at the time and after as either a Sunni or Shīʿa, from its inception the *Anjuman-i Islām* was a site for the mingling of Dāwūdī and Sulaimānī Bohras, in addition to a host of other Muslims.[368] Among Ṭayyibjī's other pet projects was the construction of an Arabic school, to which the Dāwūdī *dāʿī al-muṭlaq*, ʿAbd al-Qādir Najm al-Dīn bin Sayyidnā, offered Rs. 500 for teaching grammar, logic, *tafsīr*, *ʿilm*, *adāb*, *rīyāzat*, medicine, and Persian.[369] These examples serve as a reminder that Dāwūdī Bohras were not separated from currents of so-called orthodox Islam, but active contributors to 'conformist' Muslim religious institutions that would become central to Muslim social and political life for decades to come.

As discussed in the previous chapter, Dāwūdī Bohra success in particular owed initially to their enormous role in facilitating the European carrying trade throughout Ujjain and other cities in the Central Provinces, where they were organized under a central religious leader. Many

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[367] Ibid., p. 26.

[368] M.A. Sherif, *Searching for Solace: A Biography of Abdullah Yusuf Ali, Interpreter of the Qur'an* (Kuala Lumpur: Islamic Book Trust, 2014), p. 6.

[369] Husain B. Tyabji, *Badruddin Tyabji: A Biography* (Bombay: Thacker, 1952) p. 102.

aspects of their lives were, as one European official noted, overseen by a Ujjain-based *mullā* appointed by authorities in Surat.[370] Another European visitor who stayed at length in the city stressed the *mullā*'s role as a key intermediary for European merchants, and that through him, the Dawoodi Bohra community made regular remittances to the *dāʿī al-muṭlaq* in Surat.[371] It was in exchange for these donations that Bohras were granted a special certificate that would guarantee their entrance into heaven. The *mullā* also levied substantial fines - of up to twenty cowries - on those who were absent for daily prayers. When the same European official explained with surprise that the local Bohras virtually paid the *mullā* no special sign of respect, the Bohra's leader "seemed to guess my thoughts and said rather tartly, 'we are a plain people not addicted to bowing and scraping.'"[372] Supposedly the redirection of funds to Surat was of more recent vintage, prompted by a moratorium on sending funds to the "sayyids" of Medina.[373] This was more likely a reference to the Ismāʿīlī strongholds in Narjan then at the intersection of Ottoman Arabia and Zaydi Yemen.

The flourishing business empire of Adamjī Pīrbhāʾī was studied in the last chapter. Pīrbhāʾī's religious beneficence - and his deference towards the *dāʿī* - was not so peculiar for a man of his economic standing. If Parsi and Memon industrialists in Bombay were busy using their capital to support the construction of a range of religious institutions, in 1883 Pīrbhāʾī

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[370] John Malcolm, *A Memoir of Central India, Including Malwa, and Adjoining Provinces, Vol. 1-2* (London: Parbury, Allen & Co., 1832), pp. 111-112.

[371]Lieutenant Edward Conolly, "II - Observations upon the past and present condition of Oujein or Ujjayani," *Journal of the Asiatic Society of Bengal*, Vol. VI, No. 70 (October 1837), pp. 813-855.

[372] Ibid., p. 846.

[373] Ibid., p. 847.

followed suit with the foundation of the *Madrasa Muḥammadīyya*.[374] To the tune of six lakhs, he also founded an Arabic school for boys that combined "religious and literary teaching, Vernacular and English."[375] Like the Halai and Cutchi Memons, Pīrbhāʾī had constructed an eponymous hospital in Bombay in 1897, where it catered to victims of the plague that racked the city that year. In 1900 he supported famine victims to the tune of Rs. 16,300 a day. An article in *Times of Indi*a in 1897 beamed:

> Your philanthropy and public benevolences cannot be overlooked. The sanatorium that you have set up at Chorni Road, at the expense of several lakhs of rupees, is a standing monument of your love for the happiness of our community. By the establishment of Madrasas and schools in Bombay as well as in Kathiawar, with necessary arrangements for providing boarding and lodging, free of cost, to all the boys of our community, you have given a real impetus to education amongst them. By establishing comfortable inns and resting houses at Mecca, Medina and Kerbala, you have rendered invaluable assistance to the numerous devotees who visit these sacred places. Last, but not least, is the timely and effective assistance you rendered last year in 1877 to your famine stricken brethren in Kathiawar and Yemen."[376]

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[374] *The Gazetteer of Bombay City and Island, Vol. 3* (Gazetteer Department, Government of Maharashtra, 1978), p. 124.

[375] "The News of the Month: Bombay," *Indian Education: A Monthly Record for India, Burma, and Ceylon: August 1902 to July 1903, Vol. 1* (Bombay: Longmans, Green & Co., 1903), p. 341.

[376] "Entertainment to Mr. Adamji Peerbhoy J.P.," *Times of India* (31 December 1897).

Pīrbhāʾī's contributions to various Muslim causes, however, were not merely 'sectarian,' for he also contributed Rs. 110,000 to the Muhammadan Anglo-Oriental College at Aligarh and gave speeches praising Muslim success in industrial enterprises.[377] In a reflection of his standing among diverse Muslim constituencies, he served as first president of the Muslim League at the 1907 conference in Karachi, where he made his oft-repeated appeal for Muslims to set up industries.[378] His appointment was emblematic of how many Dāwūdī Bohras had become inculcated within larger circuits of Islamic reform, but also heralded the beginning of a wider struggle between Muslim merchant classes and the north Indian landed elite over control of the League.[379]

The founding of the League and Pīrbhāʾī's election as head, just like the earlier creation of the *Anjuman-i Islām*, once again proves that Dāwūdī Bohras, like Memons and other Muslim commercial castes, were not simply mimicking their orthodox co-religionists, but actively producing new pan-Muslim institutions that would become important vectors of Sunni and Shīʿī Muslim activism. The Dāwūdī Bohra position in these bodies would become vexed over the next decades, especially in light of the intense growth of Bohra financial and industrial power from the turn of the century, which resisted the attempts of All-India Muslim organizations to group such institutions under a single umbrella.

The previous discussion has made plain how Bohra commercial firms mobilized complicated legal apparatuses and market mechanisms to both establish commercial firms and to

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[377] Faisal Devji, *Muslim Zion*, pp. 63-64; Shyam Krishna Bhatnagar, *History of the M.A.O. College, Aligarh* (Aligarh Muslim University: Asia Publishing House, 1969), pp. 216-217; 314.

[378] Devji, *Muslim Zion*, p. 63.

[379] Ibid., p. 64.

finance a host of Muslim religious institutions, whether communitarian or pan-Muslim. Yet an increasing Dāwūdī Bohra presence in these latter institutions would bring into sharp relief the divergent religious practices that separated groups like the Bohras from the north Indian Muslim gentry, who would try to gain control over Dāwūdī Bohra trusts by means of legislative mechanisms that were framed as in accordance with 'orthodox' Islamic legal tenets. Barring that, they lent support to Bohra modernists eager to do the same. If the Memons eventually became patrons of the partisan orientations that characterized north Indian Sunni Islam, then the Dāwūdī Bohras would resist the co-optation of their institutions into the ascendant pan-Indian Muslim organizations appearing in the first decade of the century, which attempted to use particular readings of Islamic law to unite Muslim institutions under a single subcontinent-wide umbrella.

Still, it would be a mistake to think that new institutional initiatives in Pīrbhāʾī's lifetime came only from Bohra business magnates. Among the numerous financial bodies created by the Bohra religious leadership, the most ambitious was the *Faiż-i Ḥussainī Trust*, founded in Karachi in 1897 and performing the same function as the Khoja Ithnā ʿAsharī-run *Anjuman-i Faiż-i Panjatanī*.[380] Under the guidance of local trustees and merchants, its initial income of 10 to 15,000 rupees grew to mammoth proportions, with the property in its possession by 1928 said to be valued at 30 to 35 lakhs.[381] It worked in conjunction with the Dawoodi Fund, which also was

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[380] In 1984 the Indian police raided the offices of the trust on the pretext that it was a "havala den, a racket by which delivery of foreign currency is made abroad in return for the payment of a high exchange price in Indian rupees." This was done in return for Saudi Arabian Hajj visas. Coomi Kapoor, "Foreign exchange scandal involving Dawoodi Bohra Haj pilgrims breaks out," *India Today* (September 30, 1984).
[381] *Bohras & the Waqf Act: being a plea for the application of The Mussalman Waqf Act of 1923 to the Dawoodi Bohra Community in the Bombay Presidency and elsewhere* (Burhanpur: 1929), p. 13.

linked to the *Dāʿī's* central administration.[382] Nowhere else was the trust more central to the smooth running of Bohra religious pilgrimage than in Karbala and Najaf. Bohras were already present in the shrine cities by the early nineteenth century, as Muḥammad ʿAbd al-Ḥussain Karbalāʾī Karnātakī Hindī wrote in his pilgrimage diary of Karbala.[383]

Yet only with the *Faiż-i Ḥussainī* was a fully fledged institutional framework created to ensure that Bohras visiting the city had adequate accommodation and provisions. When a Bohra author, Adamjī Musajī , wrote an extensive Gujarati pilgrimage guide titled *Rāh-i Karbālā* (The Road to Karbala), he waxed poetic about the benefits deriving from the *Faiż-i Ḥussainī*.[384] With a print run of over 2,000 copies, his work also featured extensive advertisements from Bohra commercial firms, such as Karachi's 'B. Abdul Rahim & Sons. Co' and Poona's Fancy Leather Goods Factory under the control of one ʿAbd al-Ḥussain Jaʿfarjī, yet another indication of the intimate links between Dāwūdī Bohra capital and the infrastructure of religious devotionalism between Iraq and western India.[385]

That cooperation between Bohra commercial and religious firms sustained the community's fantastic economic success throughout the colonial period. After the First World War, Bohra commercial and religious firms would come into increasingly conflict with one another over the management of community wealth, as chapter 6 shows. But before this point the Ismāʿīlī Bohras operated as a much more hierarchically centralized and tight-knit constellation of commercial and religious firms. Although there was an energetic group of Sunni Bohras

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[382] "New Borah High Priest: A Personal Sketch," *Times of India* (April 7, 1906), p. 7.

[383] Muḥammad ʿAbd al-Ḥusayn Karbalāʾī Karnātakī Hindī, *Tazkirat al-ṭarīq fī maṣāʾib ḥujjāj bayt Allāh al-ʿatīq: Shavvāl 1230 - Jamādī al-Ūlā 1232* (Qum: Nashr-i Muvarrikh, 1386 [2007 or 2008]).

[384] Adamjī Musajī , *Rāh-i Karbālā* (Karachi: Tarun-Sugar Printing Press, 1924).

[385] See advertisements in first unnumbered pages.

operating from Bombay to Osaka, their religious firms do not appear to have launched the same ‘sectarian’ attacks on the Ismāʿīlī Bohra leadership as the Khoja Sunnis and Khoja Ithnā ʿAsharī did against the Aghā Khān and the Khoja Ismāʿīlīs, or the various Memon sub-groups did against their Memon rivals. This perhaps permitted an even greater concentration of capital in the Ismāʿīlī Bohra community, which was annually augmented through the numerous donations, funds, and trusts that constituted the infrastructure of Bohra religious observance throughout the Indian Ocean.

Conclusion

This chapter has at once attempted to integrate the Muslim commercial castes into wider histories of contemporary Islamic reform in the subcontinent, while also seeking to explain how religious firms contributed to their run-away economic success from 1850 onwards. Although these communities tended to operate in geographical regions with a denser institutional infrastructure - in the form of transportation networks, schools, courts, print, banks, and mercantile bodies - they also created their own community institutions, through the cooperation of commercial and religious firms, that filled the ‘institutional voids’ opened up by the demands of global capitalism. These supplied the paramount commercial entrepreneurs in these groups a leg-up in the market, as well as more humble members needing particular social services, such as access to loans, education, and healthcare.

Further research will have to determine whether the *jamāʿat* filled a qualitatively different economic function than *awqāf*, which as Timur Kuran has argued, tied up Muslim capital that otherwise would have been spent on commercial enterprise. This is certainly possible, especially considering that groups of merchants effectively managed the *jamāʿats* operated by many Muslim mercantile castes. Even if the Muslim mercantile castes have tended to be treated as less-than-full Muslims given their 'heterodox' beliefs and structures, their religious firms were intent on strengthening Muslim institutions of both a sectarian character and an 'orthodox' pan-Islamic one (for more see chapter 4). They pursued these religious enterprises while simultaneously working readily with non-Muslims in the commercial sphere. The next chapter will study the inland communities of the subcontinent, where religious firms that largely lacked the centralized authority of the *jamāʿat* operated, but still functioned as magnets of Indian Muslim capital.

Ch. 3 - An Islamic Commercial *Adāb*: Sunni Religious Firms in the Mofussil, 1850-1914

The last chapter demonstrated how the various Muslim mercantile castes of western India created a dense infrastructure of Muslim financial and religious institutions across the Indian Ocean. Rather than being emblematic of some specifically Muslim institutional path, they achieved this through the mobilization of competing structures of Islamic and Hindu law, the fostering of commercial partnerships with those outside their community, as well as through intra-communal struggles over the control of trusts, partnerships, and endowments that were a hallmark of indigenous capital. Their commercial prominence dovetailed with the growth of both irreconcilable Muslim orientations and subcontinent-wide Muslim political organizations striving for Muslim unity. This spurred further antinomies between these Muslim mercantile elites and the north Indian Muslim landed gentry, who begrudged the wealth of the former and sometimes even impugned their credentials as Muslims.

This chapter looks at the parallel story of Muslim religious firms operating among Muslim populations in the agricultural heartlands of north India. While by no means divorced from the religious economy of the port cities, these regions were the strongholds of the various Sunni Muslim religious firms that emerged in the decades between 1850 and 1900, each of which held contrasting ideas about the role of Islamic law in dictating the behavioral norms of the believer. Five form the focus here: the Aligarh movement, Deoband, Barelwī, Ahl-i Ḥadīth, and the Aḥmadīyya. Through their unique models of financialization, these religious firms appealed through print to the Muslim public for funds for poor relief and mosque construction.[386]

[386] "Gharīb Fund," *Ahl-i Hadīs Amritsar* (19 April 1907), p. 9.

Employing the language of religious economy, in this chapter Aligarh and Deoband will be construed as *madrasa* firms, Barelwī and Ahl-i Ḥadīth examples of a *shaikh*, and the Aḥmadīyya that of a *jamā'at*. Such a division permits us to trace how each firm's organizational makeup differed, and how they modulated the activities of Muslim economic actors, who looked to these firms for competing, irreconcilable models of religious piety that they pursued even in commercial affairs. At the same time, even if organizational characteristics were shared among select firms, religious ideas espoused at any one of these firms were radically dissimilar and highly charged.

Contrary to the tendency in the historiography of the Indian Ocean to paint port cities as 'islands' of modernity separated from the stagnation of the upland areas, the religious economy of the interior regions was flush with a networks of competing funds and subscription campaigns that were dependent on the capital of Muslim professional bureaucrats and merchants, and modeled on the most modern of charitable institutional forms. However, as chapter 1 demonstrated, the interior regions were marked by a constant dearth of capital, with high rates of interest and the prospect of famine exacerbating this. It was thus in the interior regions where some of the religious entrepreneurs associated with these religious firms tried to diagnose the causes of Muslim economic destitution, and sponsored a range of institutional solutions to combat them. At the beginning of the twentieth century, new types of religious firm emerged that offered rival economic visions from the five Sunni religious firms that appeared between 1850 and 1900. These included the *Anjuman-i Ḥimayat-i Islām*, which promoted the creation of industrial schools and cooperative credit societies, to which the colonial state lent its assistance. Reformists also attempted to integrate Muslim women into the workforce, and some even trained male traders to be part-time religious preachers in the bazaar.

Allegiance to any one of these religious firms bred competing behavioral economic norms that could assume a sectarian character, and thus joined other polemical tussles - such as veneration of saints and celebration of the Prophet Muhammad's birthday - over the contours of authentic Islam. These firms disagreed vehemently over the role of Islamic legal traditions in serving as a blueprint for Muslim economic regeneration, or at the very least, normative Muslim economic behavior. All laid a strong emphasis on the cultivation of *adāb* (etiquette) in the realm of economic transactions. But rather than merely a vague series of moral guidelines for mercantile activity, the contours of this *adāb* was bound up with the frenetic debates across the Islamicate world in this period over *ijtihād* (independent judicial reasoning), *taqlīd* (adherence to a single law school, or *madhhab*), *ikhtīlāf* (contradiction within and among legal schools), and a renewed devotion to the study of *ḥadīth* (the canonical deeds and sayings of the Prophet Muḥammad gathered in authoritative collections).

Scholars associated with these movements received thousands of questions from Muslim constituencies about the permissibility of using *hundis*, belonging to a bank, or using paper currency. While some blamed blind devotion towards Islamic law (whether among the colonial authorities or Muslims themselves) for Muslims' economic problems, others sought to expand the ambit of Islamic commercial law into the lives of ordinary believers by using company profits to sponsor the printing of Islamic legal manuals on texts on *zakāt*, while still other wrote defenses of paper currency use.

In terms of the economic function of religious firms, however, there were also sharp differences with the Muslim mercantile castes of western India. Unlike the Muslim groups examined in the last chapter, these regions lacked the more fluid legal regime, access to capital, and organizational benefits accruing from membership in a *jamāʿat* rooted in an endogamous community. While the religious firms studied in this chapter might provide poor relief, and attracted significant donations from Muslim constituencies, they were not parties to contract enforcement or the settlement of inheritance disputes. Nor typically did they supply avenues for dense capital pooling as the religious institutions of the Muslim mercantile castes did. When it came to inculcating 'authentic' Muslim commercial practices among the faithful, the Muslim religious firms studied here could often only offer non-enforceable judicial opinion in the forms of *fatwās*. In turn, these rulings had to compete with adversarial *fatwās* issued by other religious entrepreneurs. The ultimate decision over whether to accept interest, open a bank account, or use Hindu funds to build a mosque was with the religious consumer.

Nevertheless, even if they lack the organizational advantages of the *jamāʿat*, the most successful Muslim mercantile communities in the interior had a somewhat analogous institution in the form of the *birādarī*, a system of patrilineal kinship, but also having the function of "a mutual aid society and welfare agency, arranging loans to members, assisting in finding employment, and contributing to the dowries of poorer families."[387] Though *birādarī* was an institution shared by Hindus and Sikhs in a region like Punjab, as argued in chapter 1, it did come to assume religious overtones, most prominently among Muslim weavers called Momin/Ansari who became followers of the Ahl-i Ḥadīth. Besides possessing different religious firms and commercial institutions, customary practice played very disparate roles in these communities. Punjab especially was saturated with thousands of local customary practices for inheritance and succession, some of which were preserved even if an individual converted from another religion to Islam, or left Islam for Christianity. For that reason, later Islamic reformers

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[387] Peter R. Blood, *Pakistan: A Country Study* (Washington, D.C.: Federal Research Division, Library of Congress, 1995). p. 101.

tried to streamline these practices to make them in more commensurate with Islamic rules.

Numeracy and the Religious Firms

As the last chapter argued, a sufficient degree of numeracy was a prerequisite for carrying out regional and global business, and was a indicator of human capital investment. Many Muslim gentry had gained a higher degree of numeracy as a consequence of their position as accountants and district collectors in the colonial revenue machine. However, *madrasas* throughout the subcontinent maintained their historic role as forums for mathematical instruction, while simultaneously adopting some of the new arithmetical forms on offer in the colonial public sphere. As the century progressed, however, different religious firms came to alternative conclusions about the utility of mathematical instruction in the education of Muslim students. This dovetailed with an increasingly racialized culture of science in the post-1857 decades, wherein native mathematical culture was positively condemned by European officials and Indians had to justify their participation in a modern science.[388] Before 1857, however, many Muslim religious firms had already assimilated a good portion of the European mathematical knowledge.

This is plainly seen in the work of Mawlwī Jaʿfar ʿAlī, a scholar associated with *Madrasa Islamiyya* located in Lashkar Bazar in Bangalore. His rhapsodically titled *Ẓarūr al-ṭullāb fī ʻilm-i hisāb* (The necessary knowledge for students in the science of mathematics) poignantly captures

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[388] None of this means that the pre-1857 decades witnessed a rosy dalliance between European and Indian knowledge systems. Even so, it is vital to show how after 1857 the rules of the knowledge game had changed considerably.

the vibrancy of mathematical learning in purportedly ‘traditional’ *madrasa* settings.[389] Printed in 1853, in the introduction the *maulvī* - echoing the frustration of many a teacher before and since - complained bitterly “who in God’s name are these boys? these ignorant youths who have been swept up in the storm of ignorance and ineptitude? (*kīyā larke, kīyā jawān bī-ʿilmī o bī-hunerī ṭufān mein̲ batālā*?*)*.” To counteract their want of mathematical literacy, the *maulvī* had delivered lectures in the subject at his *madrasa*, eventually deciding to render his remarks into print for ease of reference and to facilitate memorization. No doubt helpful in this respect was the *maulvī’s* decision to compose the work in Urdu. This alone makes it a landmark, for seemingly none of the earlier Islamic mathematical works (such as *Khulāṣat al-ḥisāb*) then in circulation had been translated from Arabic or Persian into Urdu.

To what were Mawlwī Jaʿfar ʿAlī’s long-suffering students subjected? Beyond the necessary elements of basic arithmetic, Mawlwī Jaʿfar ʿAlī was not above giving his pupils a suitable introduction to the affairs of business transactions. Indeed, his text contains a number of remarks on credit transactions and employs some key accounting terms.[390] There are even sections on how to compute exchange rates.[391] In light of the later controversies surrounding paper money taken up in chapter five of this dissertation, it is astonishing to find equations given in paper money, without so much as a line on the legality of the currency medium.[392] Still more extraordinary in this capacity is the *mawlwī*’s discussion of the rules of logarithms (about more, see below).[393] Even the organizational layout and notational system used in the text is markedly

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[389] Mawlwī Jaʿfar ʿAlī, *Ẓarūr al-ṭullāb fī ‘ilm-i ḥisāb* (Bangalore: Maṭba‘a Firdawwsī, 1279 [1853].

[390] Ibid., pp. 50-51.

[391] Ibid., p. 65.

[392] Ibid., p. 71.

[393] Ibid., pp. 48-50.

distinct when compared to mathematical treatises composed in the Islamicate manuscript tradition. These observations serve as another reminder of how even in ‘traditionalist’ settings the emerging global discourse of arithmetical and accounting innovation faced no obvious cultural barriers to assimilation. Nor was a self-consciously ‘modernist’ or mechanical, disenchanted view of religion and the universe a prerequisite for any of this. A provincial *mawlwī* in south India deemed the teaching of such subjects as an essential rejoinder to his pupils’ ignorance in mathematical sciences. For him, to be a scholar worthy of the name meant possessing a certain degree of numeracy, measured by a proficiency in arithmetic, mensuration, and algebra.

The presence of a section on logarithms is something of a surprise, until one discovers that by the 1830s vernacular Indian mathematical texts had already contained sections on logarithms, such as the anonymous work published in Hyderabad during the reign of Mīr Farkhunda ʿAlī Khān, the fourth Nizam, titled *Uṣūl-i ‘ilm-i ḥisāb hindi zabān mei<u>n</u>* (The Principles of Mathematics in Hindustani) based on European (*ahl-i farang*) exemplars.[394] Appearing in 1836 - and bearing the seal of a certain Sayyid Nūrī al-Muwayliḥī, who may have been its author or its owner[395] - the writer felt compelled to issue a warning (*tanbīh*) to readers that the work comprised several notations likely unknown to them, in turn describing the European signs for addition, multiplication, subtraction, and division and the Urdu translations of them.[396]

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[394] Anonymous, *Uṣūl-i ‘ilm-i ḥisāb hindi zabān mai<u>n</u>* (1836). The introduction names the Nizam explicitly. The work is in the collection of *Idāra-i Adābīyāt-i Urdu,* Hyderabad.

[395] See title page. My thanks to Frederick Walter Lorenz for helping me decipher this seal.

[396] See the unnumbered page with “*tanbīḥ*” at the top.

Logarithms date back to the sixteenth century after independent discoveries were made by John Napier in Scotland and Jost Bürgi in Switzerland. Napier's biographer Julian Havil succinctly captures the gravity of the mathematician's discovery: "It is that base 10 logarithm, log, which was to bring to a world desperate for a calculative help a mechanism, realized as a table of numbers, which conjured the immensely challenging problem of multiplication to the comparatively simpler one of addition."[397] In other words, in an age before calculators and slide rules, logarithms provided a far simpler way to solve complex multiplication problems by transforming them into addition problems.

Beyond facilitating the calculation of enormous sums, logarithms eased "the overwhelming problem of trigonometric value manipulation. With them, trigonometric problems involving ratios and relating to any angle of the quadrant measured as an exact number of minutes could be addressed, and, with simple interpolative techniques, angles between them too."[398] Logarithms are of particular concern here for their utility in commercial transactions, not least the calculation of compound interest, which nineteenth-century authors heralded as one of its most beneficial applications.[399] Although the first Ottoman work on logarithms appeared in 1787 by the polymath Ismāʿīl Gelenbevī, translations of European accounts appeared in manuscript form in Egypt only from 1824, with extensive logarithm tables printed a decade later.[400] An Indian Muslim religious firm such as Mawlwī Jaʿfar ʿAlī's *madrasa* was thus in tune

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[397] Julian Havil, *John Napier: Life, Logarithms, and Legacy* (Princeton: Princeton University Press, 2014) p. 3.

[398] Ibid., p. 77.

[399] An example is a work written around the time of the Hyderabad Treatise. Peter Hardy, *The Doctrine of Simple and Compound Interest, Annuities, and Reversions* (London: A.H. Baily & Co., 1839).

[400] Hasan Umut, "Gelenbevi, Ismail," in İbrahim Kalın ed., *The Oxford Encyclopedia of Philosophy,*

with wider developments across the Islamicate world.

But in the decades after the 1857 Sepoy Rebellion a number of new Muslim religious firms emerged in the subcontinent that conceived of Islam, modern sciences, and colonial rule in discordant ways. The place of mathematics in the intellectual training of Muslims became a matter of debate, a polemical set-piece in the struggle for 'who speaks for Islam.' Some of the ideologues for these new firms were trained at Delhi College, where a number of extraordinary figures dominated the maths department for half a century. The college boasted on its faculty Muḥammad Ẕakāʾ Allah, the headmaster of the Normal School in Delhi, who translated numerous works by Isaac Todhunter, a Cambridge mathematician, on integral calculus, mensuration, euclidean geometry, and algebra. This was done, as the title page of one translation, *Risāla-i 'ilm-i musl̠is̠-i mastawī*, beamed, "in furtherance of the objects of the scientific societies of [Aligarh] and Suba Behar."[401] In his dual guise as a major proponent of the Aligarh movement and the living embodiment of a quickly vanishing Mughal *ashrāf* culture, Zakāʾ Allah saw the translation of these works into Urdu as way to shore up Muslim religious devotion and prevent the "denationalisation" of Indian Muslims that the progress of English had ushered in. This was an endeavor for which he largely came to grief, at least according to a later biographer.[402]

Science, and Technology in Islam, Vol. 1 ʿAbbās ibn Firnās-Mechanics and Engineering (Oxford/New York: Oxford University Press, 2014), pp. 247-248.

[401] Muḥammad Zakāʾ Allah, *Risāla-i 'ilm-i muslis-i mastawī,* Urdu translation of I. Todhunter, *Plane Trigonometry, for the use of colleges and schools* (Delhi: Ḥajī ʿAzīz al-Dīn, 1871). See the work of Mushirul Hasan and Margrit Pernau eds., *The Delhi College: Traditional Elites, the Colonial State, and Education Before 1857* (New Delhi: Oxford University Press, 2006), for more on Munshī Zakāʾ Allah's various educational contributions. Useful too is C.F. Andrews' chatty 1929 autobiography, *Zaka Ullah of Delhi* (Cambridge: W. Heffer & Sons, Ltd., 1929), pp. 87-93.

[402] Andrews, *Zaka Ullah of Delhi*, pp. 97-99.

Zakāʾ Allah's own education in mathematics owed principally to Professor Yesuda Ramachandra of Delhi College, whose conversion to Christianity before the 1857 Sepoy Rebellion was a *cause célèbre* in colonial circles, and whose intellectual ties to the Cambridge Professor of Mathematics, Augustus De Morgan brought him fame in Europe.[403] Ramachandra, a Kayastha by birth and the son of a Company revenue officer, became a leading member of the Delhi Society, along with Ghālib and Sayyid Ahmad Khān. As Dhruv Raina has shown in various studies, Ramachandra was an ardent critic of popular religion and inveighed against what he saw as the "scholasticism" of the pandits and maulvīs.[404] By scholasticism he meant largely the tradition of Aristotelian metaphysics, which in the eyes of many nineteenth-century European scholars committed to a mechanical view of the universe, was wholly de-legitimized by the discoveries of modern science. Yet, as the Thomist philosopher Edward Feser reminds us, the repudiation of Aristotelian physics does not entail the refutation of Aristotelian metaphysics - "they do not stand or fall together."[405] This is likely how Zakāʾ Allah and other Muslim scholars approached the latest interventions in mathematics, not through the hyper-rational scientific positivism and Aristotelianism of a figure like Ramachandra. That was never a prerequisite for mathematical aptitude.

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[403] Dhruv Raina, *Images and Contexts: The Historiography of Science and Modernity in India* (New Delhi: Oxford University Press, 2002). See also his "Institutions and Knowledge: Framing the Translation of Science in Colonial South Asia," Roland Altenburger and Robert H. Gassmann eds., *Entangled by Multiple Tongues: The Role of Diaspora in the Transfer of Culture* (Peter Lang: Bern, 2011), pp. 945-968.

[404] Dhruv Raina, "The Introduction of Scientific Rationality into India," in Dhruv Raina and Irfan Habib eds., *Domesticating Modern Science: A Social History of Science and Culture in Colonial India* (New Delhi: Tulika, 2004), pp. 10-11.

[405] See Edward Feser, *Aquinas: A Beginner's Guide* (Oxford: Oneworld Publications, 2009).

Zakāʾ Allah himself gained a wide reputation in Delhi for his computational prowess, and his translations earned him a readership in substantial portions of the country.[406] He was also responsible for training an impressive cohort of Muslim intellectuals who had formative roles later at Aligarh and Deoband. Among his disciples was Nadhir Aḥmad, who, as we shall see in a later chapter, would advocate for a distinction between usury and interest in the Islamic foundational sources as a solution to Muslim economic problems. Still more interesting for the later story of mathematics in post-1857 Muslim educational institutions is Zakāʾ Allah's teaching of figures as diverse as Sayyid Aḥmad Khān and Mawlānā Qāsim Nanawtwī, the respective founders of Aligarh and *dār al-ʻulūm* Deoband. In a biography of the latter, written by Muḥammad Yaʿqūb Nanawtwī, a later instructor at Deoband, the following interaction with Zakāʾ Allah at Delhi College was related:

> My late father enrolled Maulvī Sāḥib (Qāsim Nanawtwī) at the *Madrasa ʿArabī Sarkārī* (Delhi College) and ordered the professor of mathematics (Ramachandra) that he ought not be meddled with. "I will teach him," he said. And he said (to Nanawtwī), "study Euclid yourself, and practice the rules of arithmetic." Within a matter of days Maulvī Sāḥib was the talk of the town, for he had already completed all the ordinary treatises and mastered arithmetic (*ḥisāb*). This episode was very astounding. The students began their exams. Every answer was correct. Eventually Munshī Zakāʾ Allah quizzed him on a number of exceedingly difficult questions. After solving all these accurately he gained great fame and in arithmetic he always knew the solution. When the day of the annual

[406] Andrews, *Zaka Ullah of Delhi*, pp. 60-61, 65-66.

exam came, Maulvī Sāḥib did not participate and left the college. All the members of the school, especially Taylor Sāḥib, who at this time was the head of the English department, grew despondent.[407]

Regardless of Nanawtwī's precocious mathematical genius, mathematics did not become a fundamental part of *dār al-ʿulūm* Deoband's syllabus, at least in its first generation. This has intrigued many commentators since, even Muslim scholars trained at Deoband. As Manāẓar Aḥsan Gīlānī, a later proponent of a distinct Islamic finance, remarked in his biography of Nanawtwī from the 1950s, "why were the new sciences not included?" in Deoband's curriculum, but only the "*ʿulūm-i naqlīyya* (transmitted sciences) or *Islāmi funūn*"?[408]

Unfortunately, much of our information on the teaching of arithmetic at Deoband is circumstantial or anecdotal. Sayyid Mahbub Rizvi's history of the seminary records that in its formative years Nanawtwī lectured on Euclidean geometry in the Chhatta Mosque in the grounds of the seminary.[409] Nevertheless, the development of a mathematics curriculum was dogged in early years by funding problems. This aside, there were no shortage of suitable texts on hand. For one, Mawlānā Ḏū al-Fiqār ʿAlī, the father of Deoband's legendary first pupil, Mawlānā Maḥmud Ḥasan (who was to gain the title Shaikh al-Hind) completed an Urdu work *Taḥṣīl al-*

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[407] Muḥammad Yaʿqūb Nanawtwī, *Ḥālāt-i ṭayyib Mawlānā Muḥammad Qāsim Nanautwī* (Maulvīyān: Muftī Elāhī Baksh Akadamī, 1435 [2014]), pp. 48-49. 'Taylor Sahib' was Joseph Henry Taylor, a British administrator killed in 1857.

[408] Sayyid Manāẓar Aḥsan Gīlānī, *Sawāniḥ-i Qāsimī: yaʿnī Sīrat-i Ḥazżrat Mawlānā Muḥammad Qāsim al-Nānawtawī* (Deoband: Dār al-ʿUlūm, 1954), p. 266.

[409] Sayyid Mahbub Rizvi, *History of The Dar al Ulum Deoband*, Vol. 1 (Deoband: Mawlānā Abdul Haq 1980), p. 85-6.

ḥisāb in 1852.[410] Yet another contender was *Gawāmiḍ al-ḥisāb* (Arcane Mathematical Matters), a short Urdu work completed by a resident of Deoband, Munshī Yūsuf ʿAlī, and printed by Kanpur's Nizami Press in 1867, the very year *dār al-'ulūm* was founded.[411]

As Yūsuf ʿAlī stated in his introduction, after thanksgiving to God and praise of the virtues of the Prophet Muḥammad, he was as the son of Shaikh Saʿadat ʿAlī, a student of the disciples of Mawlānā Mawlwī Mahtāb ʿAlī Sahib Deobandī, a scholar whose *madrasa* nurtured many of *dār al-'ulūm* Deoband's founders, including Muḥammad Qāsim Nanawtwī. Yūsuf ʿAlī dedicated his work to his scholarly predecessors who had labored prodigiously in various disciplines and who had in recent ages garnered the greatest degree of praise "among scholars in the British Empire and elsewhere" and who are "spreading across the earth the fruitful shade of the tree of mathematical knowledge."[412] Yūsuf ʿAlī's work purported to explain compound multiplication according to "the new rules" (likely a reference to European models), as well as lowest common multiples and fractional numbers. For assistance in completing his work, he thanked Muʿaẓẓam Ḥāfiẓ Muḥammad ʿAbd al-Ḥāfiẓ and Pandit Bahārī Laʿl, inspector of schools in the district of Damoh in central India, part of an Islamicate culture of mathematics in several parts of the subcontinent. A scholar working in the heart of Deoband saw the imperative of including mathematics in the *madrasa* curriculum.

Although Deoband did not prioritize mathematical or accounting pedagogy, there is a risk of overstating the link between an explicit pedagogical program and the spread of numeracy. The seminary's own almanacs betray just how well-versed its rectors were in the newest accounting

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410 Ibid., pp. 93-94.

411 Yūsuf ʿAlī, *Gawāmiḍ al-ḥisāb* (Kanpur: Nizami Press, 1867).

412 Ibid., p. 6.

repertoires from its first decade. In keeping with the accounting measures of numerous Muslim associations sprouting up in this period, numerous sections of the almanacs are dedicated to precise recording of donations and other financial contributions.[413] This was part and parcel of the unique model of financialization that characterized Indian Muslim *madrasas* like Deoband in the decades after 1857.[414]

Mathematical sciences and accounting are easier to chart at one of Deoband's rival religious firms, the reformist *madrasa* of Aligarh. Of course, one of the sharpest differences in the financing structure of each institutions was the fact that the Muhammadan Anglo-Oriental College at Aligarh openly tolerated accepting bank interest from its banker, the Bank of Bengal.[415] At the same time, the rectors at Deoband inveighed against the custom, with Rashīd Aḥmad Gangohī even condemning the use of *hundis*, money orders, and banks in his *fatāwā*. (As we shall see, however, none of that prevented the rectors of Deoband from using a range of banking services in later campaigns for Ottoman humanitarian relief). Mathematical instruction was a recurring point of discussion among Islamic modernists in the lead up to the foundation of Aligarh.[416] Many commentators recommended that *maktab* schools should prioritize the teaching of arithmetic, and that it was the very deprioritization of teaching subjects such as arithmetic that students "can easily perceive by their external senses" had ensured that "in the east...professors

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413 Examples, *Kīfīyat-i hashtumī sālāna: Madrasa-i ʿArabī-i Deoband* (Delhi: Matbaʿa Farūqī, 1290 [1873]).

414 Barbara D. Metcalf, *Islamic Revival in British India: Deoband, 1860-1900* (Princeton: Princeton University Press, 1982), p. 97.

415 See examples in *Aligarh Institute Gazette* and other publications.

416 *Report of the members of the Select Committee for the Better Diffusion and Advancement of Learning among Muhammadans of India* (Benares : Medical Hall Press, 1872).

of learning became fountains of error and unable to grasp the sober truth."[417] In other words, mathematics was a pretext for the Islamic modernists at Aligarh to impugn the credentials of their counter-reform rivals in the religious economy.

At the same time, Hindu service gentry maintained their historic role as transmitters of accounting and arithmetical knowledge at Aligarh. Raja Jai Kishan Das, long-time editor of the *Aligarh Institute Gazette* and a close associate of Sayyid Aḥmad Khān in the institution's early years, penned a work in 1879 on mathematics and accounting.[418] Part of it was based on the existing treatises of Babu Gobind Sahay, a *vakīl* in Aligarh. Substantial portions of the book are dedicated to calculating dividends from rupee amounts, while the section on interest (*sūd*) contains a series of rhyming couplets on the subject.[419] Whether in its annual reports or monthly newspaper, it is clear that the associates of Aligarh displayed few bones about accepting interest, none of which spared it year upon year of financial hardship up to and after Sayyid Aḥmad Khān's death. This was a key aspect of their financialization model that gave them leverage in the subcontinent's religious economy, but in such a capital-scarce environment the college remained wedded to the Bank of Bengal for its banking affairs.

Over the next few decades, Aligarh became the site where a range of Muslim mathematicians and accountants were trained, including Pakistan's first finance minister, Ghulām Muḥammad. But for all of Aligarh's importance in training a coterie of Muslim accountants over several generations, the other Sunni religious firms of the subcontinent, even *shaikh* firms, were not detached from the culture of numeracy. Aḥmad Riẓā Khān - a figure

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[417] Ibid., 20.

[418] Raja Jai Kishan, *Mubādī al-ḥisāb* (Munshiī Nawal Kishore: Lucknow, 1879).

[419] Ibid., p. 50

usually associated described as a member of the 'traditional' *ʿulamāʾ* and whose polemics against Deoband are taken up in future chapters - penned an extended treatise on logarithms.[420] According to later hagiographers, he even solved a problem brought to him by one of Aligarh's leading mathematicians, who proclaimed "Allah has given him such knowledge that my mind is baffled. Alongside religious knowledge, he has such plentiful knowledge of mathematics, algebra and geometry that he solved that problem in a matter of minutes that I could not solve in weeks. He is certainly worthy of a Nobel Prize, but he is not hungry for fame."[421] The culture of numeracy was in this instance part of the *shaikh*'s miraculous powers to solve any conundrum, mathematical or otherwise.

If numeracy was part of a shared repertoire of all Muslim religious firms, these same groups differed radically over the role of Islamic law in the making of Muslim economic enterprise. The unique commercial questions presented by the institutions and practices of late nineteenth-century capitalism spurred numerous reformulations of Islamic legal doctrine. These claims were irreconcilable, and offer an unparalleled window into the diverse economic behaviors that these religious firms sought to inculcate among the Sunni faithful over whom they competed for 'market share.'

Islamic Modernists, Islamic Law, and Muslim Economic Decline

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[420] The treatise was written in 1907. Sayyid Muḥammad Riyāsat ʿAlī Qādirī Riżwī Barelwī ed., *Aḥmad Raẕā Khān Barelwī, Risālah dar ʻilm-i logāris̱m* (Karācī: Idāra-i Taḥqīqāt-i Aḥmad Raẕā, 1980).

[421] Muftī Muḥammad Burhān al-Ḥaqq, *Ikrām-i Imām Aḥmad Raẕā* (Karachi: Idara-i Masudiyya, 2002), pp. 59-60. Cited in the Barelwī pamphlet edited by Muḥammad Aqdas, "Imam Ahmad Raza Khan Barelwi, Mujaddid of the 14th Century." I have checked this against the original text.

In the decades after the 1857 Sepoy rebellion, the Muslim gentry of the interior provinces began creating new Islamic-reformist institutions that became the instruments for realizing their vision of Islamic reform and, in later decades, a pan-Indian Muslim political life. None rivaled the Muhammadan Anglo-Oriental College, constructed along the lines of Oxford by Sayyid Aḥmad Khān (d. 1898), whose religious ideas failed to endear him to even many Muslim intellectuals, whether modernist or not. For example, Sayyid Imdād ʿAlī, a Shiʿī landlord, Islamic modernist, and district collector, who wrote works on accounting and mathematics for the benefit of native revenue collectors,[422] called for Muslims to boycott Sayyid Aḥmad Khān's movement, which he saw as heretical.[423]

It is useful to conceive of the Aligarh movement as a religious firm, despite the disparate notions of reform espoused by its founders, not least because of their commitment to emerging notions of Islamic modernism, which was at heart a critique of (blind) adherence to the four Sunni schools of law. Many leading Muslim merchants in the colonial period, including among the commercial castes, were drawn to this version of an Islam shorn of what they regarded as the accretions of medieval superstition. Despite this, many successful merchants combined an allegiance to *madhhab*-rules and Sufi *shaikhs* with a philosophical devotion to Islamic modernism.[424] Like the other religious firms studied below, the flagship of the Aligarh movement, the Muhammadan Anglo-Oriental College, sought to infuse the Muslim public with particular norms and behaviors and sought to attract their capital.

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[422] Sayyid Imdād ʿAlī, *Hidāyat-nāma-i patwariyān* (Agra: Sardār Jailkhāna, 1854).

[423] David Lelyveld, *Aligarh's First Generation: Muslim Solidarity in British India* (Princeton: Princeton University Press, 1978), pp. 131-132.

[424] An excellent example is the Memon magnate from Madras, Ḥajī Ismāʿīl Saʿīt; see Faruq Ahmad Chotani, *Memons International Directory* (Bombay: Memons International, 1971), p. liii.

While pursuing these broader religious aims, the Islamic modernists among the Indian Muslim gentry began turning their attention to agricultural crises in the countryside. In addition to their many religious activities, they sponsored several instances of institutional reform and legislation in a bid to stimulate economic growth among Muslims. Sayyid Aḥmad Khān was the first to support the creation of poor houses and agricultural banks as a way to address the terrifying instances of mass starvation and famine brought on by indebtedness and disastrous colonial policy. His relationship with the colonial state gave him the capacity to set up institutions that would address these problems. The poor-house he founded in Moradabad in 1861 became, according to one famine report, “the model of what such an institution should be.” Its managing body comprised a committee of Muslim and Hindu dignitaries, who had the unenviable, twice-daily task of selecting individuals “fit to be admitted into the poor-house, as well as those to be sent to the relief-works.” Whether one was meant for the poor-house or the relief works, new entries were assigned a specially-numbered ticket and segregated based on caste and religion. Only those Hindus willing to shed their caste status were sent to conduct relief work with Muslims.[425]

Regrettably, as in Europe, the poor-house was a subject of considerable social stigma, prompting many high-class Muslims and Hindus, in Sir Sayyid’s words, to consider it “a great disgrace to go...and it is not strange that some might have preferred starvation to that disgrace.”[426] As such, a special fund was set up for Muslim women in *purdah* in Meerut and Moradabad, as they were unable by dint of religious obligation to travel to the poor-house. The

[425] Famine Inquiry Commission, *Report of the Indian Famine Commission* (London: Her Majesty's Stationery Office, 1880), p. 252.
[426] Ibid., p. 254.

pittance of a relief they did obtain was contingent upon their toiling away at the spinning wheel until they produced the daily quota of 2 oz. of cotton, maintained in the interim by a small weekly or bi-weekly allowance.[427]

These recommendations were part and parcel of a wider polemic against rival Muslim religious firms. Compared to many of the figures studied below, Sayyid Aḥmad Khān's relationship with Islamic law, or at least its living interpreters among the *ʿulamāʾ*, was quite vexed. In an article on the causes of Muslim economic decline for *Tahẕīb al-Akhlāq* (the official mouthpiece of The Muhammadan Anglo-Oriental College) written in the 1870s, he spoke of "*ahkām-i sharīʿat*" and the "*sharīʿat-i Mustafa*" as providing Muslims with the means to achieve worldly wealth and prosperity, while avoiding reprehensible and impermissible things.[428] Such devotion to the rules of *sharīʿa* did not automatically spare Muslims, however, from the specter of poverty. "It is a shame," he wrote "that the situation of the Muslims is growing worse day by day; they are enveloped by poverty."[429] Khān also inserted an excerpt of an article from *Indian Public Opinion* outlining the difficult economic plight of Indian Muslims. That piece spoke in frank terms about the wretched poverty of Muslim cultivators in the regions outside of Lahore. The problem Sir Sayyid wrote, was not Islam as such, but the "selfish and greedy *maulvis*" who spread false teachings and lead the people astray.[430] Had not the Qurʾān ordained "Man may have nothing except that for which he labors" (*Sura al-Najm*, 39)?[431]

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[427] Ibid., p. 35-36.

[428] Sayyid Aḥmad Khān, "Musulmānon ka iflās," *Tahzīb al-Akhlāq*, Vol. 2 (Lahore: Mulk Fażl al-Dīn Tājir Kutub-i Qawmī, 1312 [1898]) pp. 522-23.

[429] Ibid., p. 523.

[430] Ibid., p. 523.

[431] Ibid.

These themes became a leitmotif in his writings. Poverty was to be resisted as if it were the spawn of Satan, with the following Qurʾānic verse opening the article: "The Evil one threatens you with poverty and bids you to unseemly conduct. God promises you His forgiveness and bounties" (*Sura al-Baqara*, 268). The real enemies of Muslims, he sneered, were those co-religionists who showered excessive amounts of money on *pīrs*, those preachers who charged money for their sermons, and those *faqīrs* who extorted money from people on the pretext of sending money to Mecca and Medina.[432] Nonetheless, he said nothing of specific works of *fiqh*. His attitude to Islamic law was complex, and though his best biographer's belief that he "advocated...wholesale rejection [of Islamic law] in favour of a radical restarting from the Qurʾān and Sunna"[433] perhaps overstates it, he did hold *fiqh* to a very different standard than someone like Muḥsin ul-Mulk (examined below), also a committed modernist associated with Aligarh, but one whose relationship with Islamic legal traditions were far more complex.

Another distinguishing feature of Sayyid Aḥmad Khān's economic vision was his claim that there was a distinction to be made between usury and interest, and that the Islamic foundational sources had, when condemning *ribā*, meant only the former.[434] In the early nineteenth-century, a minority group of *ʿulamāʾ* appealed to India's status as *dār al-ḥarb* to permit interest transactions, but none drew an explicit distinction between interest and usury.[435] Even if he did not find Islamic legal bans on interest convincing, Sayyid Aḥmad Khān

[432] Ibid., p. 524.

[433] "Sayyid Ahmad Khan and Islamic Jurisprudence," in Christian Troll, *Aspects of Religious Thought in Modern India* (Lahore: Sang-e Meel Publications, 2015), p. 52.

[434] Johannes Marinus Simon Baljon, *The Reforms and Ideas of Sir Sayyid Ahmad Khan* (Leiden: Brill, 1949), p. 29.

[435] As a later chapter shows, the debate occurred during the inter-war period.

nonetheless found high interest rates to be a real moral scourge. It was in a memorandum on agricultural indebtedness, written from Simla in September 1879, where Sayyid Aḥmad Khān made his first recommendations for the construction of agricultural banks as a means to allay usury and debt. He wrote

> Indebtedness and high rates of interest have reduced the cultivator to a wretched and grievous state. The fruit of all the favour accorded to him at the time of settlement, and of all the drudgery he is doomed to perform, is safely enjoyed by the money-lender, and still he is not able to extricate or relieve himself from indebtedness.[436]

In the overtly litigious environment introduced by the colonial state, the moneylender no longer had recourse to his old methods of ensuring repayment, such as sitting *dharna* (the practice whereby a credit sat on his client's doorstep until the debt was paid up), as it was declared illegal. "Though the terms of such an agreement are very stringent and to some degree immoral, yet they cannot be said to be fraudulent or unfair," he tenuously opined.

Local landlords also loaned to their tenants, although they tended to be less rapacious than the moneylenders, according to Sayyid Aḥmad Khān at least: "Rich Mahomedan zemindars may be divided into two classes: those who take interest on money publicly, and those who do so secretly. Both are very lenient in regard to, the rate of interest. They generally agree to receive for the money they advance, corn at a certain rate at the time of the harvest, which is but a little

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[436]"XII. - Agricultural Banks. Memorandum on the Improvement of the Land and Relief to Agriculturists, and on the Establishment of Agricultural Banks, by Syud Ahmed Khan Bahadur," *Report of the Indian Famine Commission Report* (London: H.M.S.O., 1880), pp. 191-197.

cheaper than the ordinary bazaar rate. They do not, moreover, make much difficulty about giving a remission in the amount of interest at the settlement of the accounts."[437] *Zamīndārs*, however, tended to show a patent disregard, he added, for the occupancy rights of tenants. He also stressed that the government failed to furnish any safety net to cultivators, especially through the provision of loans. This led Sayyid Aḥmad to his programmatic recommendation: the creation of agricultural banks at the district level. By his reckoning, that scheme necessitated the support of government or company shareholders lured into the scheme by profits to be accrued from the interest of the capital paid into the bank.

Sayyid Aḥmad Khān was adamant that, in light of the enormous district-level revenue demands imposed upon all ranks of cultivators, the government could not provide relief by the typical means of public revenue re-allocation. It had rather to raise funds for agricultural improvement by contracting a sizable loan or introducing a limited company in which it acted was one of the main shareholders.[438] These "agriculturists' relief banks" or "land improvement banks" would lend money to cultivators to cover everything from subsistence to the purchase of seeds, cattle, and equipment, and advance it to them for irrigation, drainage, reclamation, and water distribution works. In conjunction with the banks, land improvement companies, whose capital would be divided up into partibile shares, would assist with infrastructural development. Interest on loans would be determined by government policy, adjusted over time, and would be "charged on the balance of the principal standing due, without ever resorting to the process of compound interest."[439]

[437] Ibid., p. 194.

[438] Ibid., p. 195.

[439] Ibid., p. 196.

Unfortunately for Sayyid Aḥmad Khān, and especially the cultivators that would have likely benefited from the banks - as they unequivocally did in later decades with the dawn of the cooperative movement - his suggestions never materialized. Colonial officials found it more or less impracticable. One official otherwise sympathetic to the idea of low-interest rates, condemned the notion that moneylenders would become shareholders, while also suggesting that the work could be carried out by the civil courts without needing to construct a new institutional framework.[440] (Sayyid Aḥmad Khān had explicitly called for the accounts of the agricultural banks to be exempt from the courts, just like government revenue.)

His plan rebuffed, Sayyid Aḥmad Khān's earlier views on anti-usury laws began to change soon after. In an extended oral testimony given in 1880 on the occasion of the Deccan Agriculturalists Bill, he expressed his doubt that the clauses of the bill pertaining to interest would ever be effective. He acknowledged the role he had played in earlier years in campaigns against usury in India, but he admitted that these had ended in grief because of fraud and the impositions they imposed on the borrower. "The revival of any rules of law which limit the rate of interest or empower courts to interfere in the terms of private contract," he declared, "cannot be regarded by me as other than a retrograde step - a step which, if justified by extreme emergency, should at any rate not be allowed permanently to affect the law even in a small portion of the country."[441] (Here he sounded like a dead-ringer for the Benthamite civil servant cited above). Drawing a link between the *raiyat*'s monetary difficulties and recurring bouts of famine, he reaffirmed his belief that the solution to both problems lay not in "conferring

[440] Ibid., p. 188.

[441] George Farquhar Graham, *The Life and Work of Syed Ahmed Khan, C.S.I* (Edinburgh and London: William Blackwood and Sons, 1885), p. 298.

anomalous privileges of protection" that targeted the moneylender or erecting barriers to borrowing money. Where he did not waver was in his belief that what agriculturalists most needed were "facilities for borrowing money on moderate interest, and in making the recovery of such loans speedy and certain."[442] As seen in later chapters, the slackening in his attitude towards anti-usury laws would become anathema in the ensuing decades among Muslim commentators of various stripes.

The example of Sayyid Aḥmad Khān is somewhat exceptional given his own tortuous relationship with Islamic law, or at least its living interpreters in the guise of *mullās* and *qāżīs* Other Islamic modernists associated with the Aligarh movement also engaged with the problems of colonial agricultural policy, but with greater reference to Islamic legal texts, and with hermeneutical perspectives starkly different from Sayyid Aḥmad Khān. This serves as a reminder that Islamic modernism, and the Aligarh movement, was not an intellectually coherent project, but one riven with sharp rivalries. Although his accent on institutional reform would continue to be elaborated by Islamic modernists, where they differed from Sayyid Aḥmad Khān was in their hermeneutic approach to traditions of Islamic law.

One Islamic modernist who went even further than Sayyid Aḥmad Khān and displayed no hesitation in faulting Islamic law for Muslim economic decline was the Bengali, Dīlwār Ḥussain. In a series of pieces written in the 1870s, Dīlwār Ḥussain set out to discover why Muslims were, as a rule, "less industrious than the Hindus." He was seemingly the first Islamic modernist to articulate the view - which would become an obsession among Aligarh-trained commentators in the early twentieth century - that Islamic rulings pertaining to interest were

[442] Ibid., p. 300.

singularly to blame for Muslim economic fortunes. This was indistinguishable from his view that the four Sunni law schools (*madhhabs*), and even the entire edifice of Islamic law itself, was nothing less than a vestige of medieval superstition antithetical to ‘real’ Islam:

> One large source of wealth is entirely closed to the Mohammadans—I mean interest on money lent. A considerable portion of every community is so placed as to be able to make savings, but not to apply them to any profitable undertaking except to lending on interest. When we see how the business of banking facilitates commerce and how it renders possible the creation of new trades and industries, it becomes apparent how amongst Mohammadans the connec-tion of religion purely so called with subjects altogether foreign to it—with criminal law, civil law, laws, of inheritance, laws of property, laws of contracts, laws of bequests—has acted mostly injuriously on their material interests. And as material interests act as well as depend largely upon mental and moral interests, it follows therefore that we have suffered mentally and morally as well as in a worldly point of view from the connection of our Religion with Law.[443]

This diagnosis partially confirms Kuran and Singh’s thesis that Islamic laws of inheritance, contracts, and bequests were a factor in the cause of Muslim economic divergence.

Dīlwār Ḥussain also adopted a more cynical view of the function of *ḥīla*/*hīyāl* (ruses), which some Muslim scholars still saw as having the capacity to advance the goals of Islamic law,

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[443] Sultan Jahan Salik ed., *Muslim Modernism in Bengal: Selected Writings of Delawarr Hosaen Ahamed Meerza, 1840-1913* (Dacca: Centre for Social Studies, 1980), p. 8.

rather than merely contravening it (as shown below). For Dīlwār Ḥussain, the profusion of ruses intended to circumvent interest bans was further proof that the law had outlived its uses:

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> It was early discovered that the Shara' (*sharīʿa*) would not always suit the heterogeneous people which the Arabs had to govern —and it was on this account that the jurists of Bagdaad lega-lized customs opposed to the precepts of the Shara' on various pretexts or heelas—so that a heela of the Shara' has come to be recognized a legitimate mode of evading the Shara.' In India, for instance, the form of sale called conditional "kawala" (or usufructuary "rehen") has come into use for the purpose of defeating the prohibitions of usury. And I believe the law of Commanditarian partnership is another such evasion of the Shara'.

Note, however, that in this passage Hussain pointed to the historic capacity of custom to re-frame the rules enshrined in Islamic law. With the onset of the colonial legal regime, custom's room for maneuver was forestalled, with the important exception of the Muslim mercantile castes studied in the previous chapter. Here again he foreshadows Kuran and Singh's argument about the colonial state's introduction of a legal culture that clung more intensely to Islamic legal principles laid out in *fiqh*. This comes across clearly in his analysis of the yawning gap between prevailing customs of inheritance and succession among Muslims, and the colonial state's implementation of a form of Islamic law purged of customs and 'Hindu law':

> In many districts of Northern and Eastern Bengal, inheritance and succession among the convert descended Moslems were regulated neither by Mohammadan nor Hindu Law, but

> by rules derived from both. Daughters obtained no share of their father's property except that given away at time of marriage. Younger sons got smaller shares than older sons. In course of time these rules would have acquired the force of law in Bengal as they have done amongst the Bohras, Qhojas [Khojas], or Maemans [Memons] of Bombay. But the English Government established courts of justice in the interior: Vakeels and Moqhtaars appeared and multiplied, ordinary people became acquainted with the laws of Mohammadan inheritance, and succession being deter-mined in accordance with those laws stipulated the excessive division and led to the rapid destruction of property.[444]

In the aftermath of 1857, he continued, the government was reluctant to interfere in religious matters, despite the appeals of Muslim gentry in places like Dhaka, Bardwan, Hughli, Murshidabad, demanding a change in legal enforcement that would better preserve family property intact. According to Dīlwār Ḥussain, the government "should come forward and legalize the procedure which the gentry have discovered to be beneficial to themselves and advantageous to Moslem society at large."[445] Following this, he called for a law to be enacted that would enable testamen-tary dispositions of property, giving Muslim 'gentlemen of property' a means "to preserve their property from being frittered away by too much sub-division, and thus save themselves from the necessity of planning false excuse and executing false deeds."[446]

If Sayyid Aḥmad Khān showed at least a limited deference to the authority of Islamic law, but ultimately sought solutions to agricultural problems outside the formal framework of

[444] Ibid., p. 67-68.

[445] Ibid., p. 68-69.

[446] Ibid., p. 19.

Islamic institutions, Dīlwār Ḥussain was far less equivocal, pinpointing Islamic legal rules (or at least the colonial state's implementation of them) as the prime cause of the community's decline in relation to Hindus. His attempt to elevate custom over the law bears further reflection, not least because of the tendency among many Islamic modernists, like Sayyid Aḥmad Khān, and the modernist *ʿulamāʾ* at Deoband, to elaborate distinct visions for the place of custom in Muslim devotional life.[447]

All the same, in the years immediately after Dīlwār Ḥussain first turned his fiery pen to these matters, a fellow Islamic modernist would directly challenge the colonial state's interpretation of Islamic land tenure law, and campaign for a revision of existing landholding patterns throughout the subcontinent on the basis of Ḥanafī *fiqh*. This was Muḥsin ul-Mulk, a leading political and financial secretary in the service of the Nizam of Hyderabad and later chief secretary at the Muhammadan Anglo-Oriental College. He was intermittent critic and collaborator of Sayyid Aḥmad Khān. In 1879 he published his 110-page Urdu treatise, *Risāla dar bayān-i ḥaqqīyat-i zamīndārī wa nawiyyat-i ḥuqūq-i arāżi-ī Hindustān* (A Treatise concerning *Zamīndārī* Ownership and the Character of Land Tenure in India).[448] A former deputy collector in the agricultural heartland of the United Provinces, Muḥsin ul-Mulk had become a leading proponent, with Sayyid Aḥmad Khān, of the Muhammadan Anglo-Oriental College founded at Aligarh a decade before.

[447] See the article of Brannon Ingram, "Crises of the Public in Muslim India: Critiquing 'Custom' at Aligarh and Deoband," *South Asia: Journal of South Asian Studies*, Vol. 38, No. 3 (2015), pp. 403-18.
[448] Nawāb Mahdī 'Alī Khān Muḥsin ul-Mulk, *Risāla dar bayān-i ḥaqqīyat-i zamīndārī wa nawiyyat-i ḥuqūq-i arāżi-ī Hindustān* (Aligarh: Shaikh ʿĀlim Allah, 1879).

At his death in 1907, Muḥsin ul-Mulk's career had spanned five decades, during which time he had penned a library of works on Muslim education and reform, and introduced separate electorates for Muslims during the Morley-Minto Reforms in 1906 and presided over the first meeting of the All-India Muslim League. Among his religious works was *Āyāt-i bayyināt*, an anti-Shiʿi tract that heralded his own recent conversion to Sunni Islam.[449] Muḥsin ul-Mulk also read European historiography avidly.[450] Both his conversion and his intimacy with European historiography had great import for his 1879 intervention, the ambitious aim of which was to offer critiques of British land administration in India and to refute its intellectual champions with the assistance of, as its subtitle proclaimed, "Ḥanafī *fiqh* and the institutes of the Mughal sultanate."

Risāla dar bayān-i ḥaqqīyat-i zamīndārī represented but one of a series of competing developmental discourses that emerged in Hyderabad following a devastating famine that had occurred in the state in the previous two years, where, when combined with numbers of famine victims in British India and various princely states, between 6 and 10 million Indians perished.[451] At its outbreak Muḥsin ul-Mulk had been appointed Secretary of the Central Famine Relief Committee by the Nizam, and published a multi-volume account on the causes of the famine.[452]

The famine and its aftermath made Muḥsin ul-Mulk's 1879 intervention that much more

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[449] *Āyāt-i bayyināt* (Karācī: Dār al-Ishāʿat, 1975-1976). As Muḥsin ul-Mulk stated in the foreword to the 1870 edition, he wanted to collect the differences between Sunnis and Shi'a in one place in an Urdu text.
[450] Mohsin-ul-Mulk, *Causes of the Decline of the Mahomedan Nation* (Bombay: Bombay Gazette, 1891), pp. 78-79.
[451] Mike Davis, *Late Victorian Holocausts: El Niño Famines and the Making of the Third World* (Verso: London, 2001), p. 7.
[452] *Report on the History of the Famine in His Highness the Nizam's Dominions* (Bombay: Exchange Press, 1879).

urgent. Unlike his Muslim colleagues in Aligarh and Hyderabad, he was singular in his conviction that Islamic law and Mughal precedent could serve as a developmental blueprint in the state. Even compared to his Aligarh associate and sometime adversary, Sayyid Aḥmad Khān, Muḥsin ul-Mulk's approach to the Islamic juridical tradition was profoundly dissimilar. He reserved far more respect for the writings of the great *fuqahāʾ* who Sir Sayyid saw as little more than a mixed bag of superstition and dogmatism. Both sought to mitigate the problems of colonial agricultural policy, and facilitate the uplift of the Muslim gentry, but their disparities evoke the polarities at the heart of not only the Aligarh movement, but broader projects of Indian Muslim reform. The reformists were only a small coterie of Sunni religious firms aiming to popularize their version of 'Islamic' law and of authoritatively 'Islamic' commercial practice among Muslim constituencies. The next section turns to the religious firms associated with the *ʿulamāʾ* who were just as committed to this enterprise as the modernists.

Commerce and the Sunni Customary and Counter-Reform Firms of North India

The tussles over Islamic law within a reformist firm like Aligarh was tame in comparison with the intensive debates among Indian Muslim Sunni *ʿulamāʾ*, who were arranged into clearly demarcated religious firms from the 1860s onwards. The ones studied in this section are Ahl-i Ḥadīth, Barelwī, and Deoband. Whereas the first two organizations were examples of *shaikh* firms centered around particular scholars who received thousands of legal requests from Muslim petitioners, but who largely lacked an institutional life beyond the person of the *shaikh* himself, the latter had a robust institutional presence in the form of an umbrella *madrasa* in eponymous town of Deoband, with thousands of subsidiary *madrasas* throughout north India.

Although an Islamic modernist like Dīlwār Ḥussain portrayed following Islamic law or renouncing it as a zero-sum choice, the range of interpretations of Islamic legal tenets touted by Sunni religious firms furnished diverse legal pathways for Muslim communities. Muslim communities regularly wrote to legal scholars to navigate the new commercial terrain. Many options thus existed for Muslims to settle disputes, draw up contracts, exchange money, and establish long-standing partnerships that were not merely vestiges of extra-legal, informal mercantile custom. These legal sources, as normative texts ordaining what a Muslim *should* do, do not allow us to see how everyday Muslims implemented them. They are, however, vital to the economic history of Muslim communities in the colonial period because they furnish evidence of wide-ranging engagement with various institutions of the formal and informal economies, even in the interior regions.

In the interior regions Islamic legal rules modulated certain commercial behaviors in surprising ways. According to one account, Sunni or Shīʿa legal codes dictated what colors or fabrics a weaver might legitimately use in his or her trade, what clothing was permissible, and the type of carpet one might pray on.[453] These rules were often gendered, so that it was permissible for a Sunni woman, but not a Sunni man, to wear clothing dyed with safflower and saffron. At the end of Muharram, once their mourning cloak had been set aside, Shīʿa weaver women colored a corner of their *dupatta* (shawl) with a red dye "to denote that they can

[453] Saiyid Muhammad Hadi, *A Monograph on Dyes and Dyeing in the North-Western Provinces and Oudh, Second Edition* (Allahabad: North-Western Provinces and Oudh Government Press, 1899), pp. 63-64.

thenceforward use red clothes until the next Muharram."[454] What is more compelling than the Sunni/Shīʿa behavioral divide is the process of intra-Sunni polarization around select religious firms. In her study of weaver identity, Vasanthi Raman has made the intriguing proposition that "ordinary" (by which she appears to mean middling and lower-class) weavers in Benares tend to be followers of Barelwī, while the better-off ones subscribe to Deoband and Ahl-i Ḥadīth.[455]

This is corroborated by what Santosh Kumar Rai has shown, whereby at the beginning of the twentieth century many low-caste Muslim artisans sought, as a consequence of upward social mobility, to rebrand themselves as upper-caste Muslims by means of adopting Urdu, rejecting their old caste classification, and adopting titles like Shaikh, Momīn, Anṣārī, and Sayyid.[456] Among the *julāha* weavers in particular, there was a repudiation of the hierarchical Sufi *pir*/*murid* relationship and a growing allegiance to Ahl-i Ḥadīth.[457] As with the Memons of Mauritius in the last chapter, this transition to a Barelwī/Deoband Islam appears to have occurred in the first or second decade of the twentieth century, and has gathered pace since. (It may suggest a shrinking of the religious economy by the interwar period). In turn, from the end of the First World War especially, *julāhas* sponsored the creation of various community institutions in the form of mosques and *panchayats*, which dictated what sorts of occupations *julāhas* could

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454 Ibid., p. 66.

455 Vasanthi Raman, *The Warp and the Weft: Community and Gender Identity Among the Weavers of Banaras* (Routledge: Abingdon, 2010), p. 23.

456 Santosh Kumar Rai, "Social histories of exclusion and moments of resistance: The case of Muslim Julaha weavers in colonial United Provinces," *The Indian Economic & Social History Review*, Vol. 55, No. 4 (2018), pp. 555-556.

457 Ibid., p. 557.

undertake and organized ritual ceremonies.[458] Some communities even had a joint community fund, the income of which was used to repair mosques, build madrasas, and pay religious teachers.[459] In a capital-starved environment, such funds filled an important institutional void. For that reason, remaining attentive to the process of identity formation among Sunni mercantile constituencies, and the contribution of religious firms to this, is essential.

How might this allegiance to the Ahl-i Ḥadīth have inflected the commercial behaviors of artisanal groups like the Momins? Unfortunately, in most *fatāwā* collections the identity of the petitioners is never spelled out, so a degree of inference is needed to ascertain their social standing and origin. Whatever their limitations, when one examines the *fatāwā* of Naẕir Ḥussain Dihlawī (d. 1905), the founder of the Ahl-i Ḥadīth movement, alongside those of scholars from other Sunni orientations one gains a concrete sense of how loyalty to rival Sunni orientations might inflect merchant behavior. From his own *fatāwā*, it is evident that Naẕir Ḥussain received many questions from merchants about how to regulate their activities in the *bazār*. For their part, many of these merchants display a literacy in *ḥadīth* and *fiqh*. One illustration comes from a question regarding the legality of a delayed sale accompanied by a rise in the market rate (*nirkhī bāzār*) of a certain commodity.[460] Naẕir Ḥussain's response delves at length into a range of legal texts. Such rich legal citations certainly do not conform to the typical assertion that the Ahl-i Ḥadīth "combined rejection of *taqlid* in the tradition of the later Shah Wali Allahi school with an extreme literalism in approach to *hadith*" and that they denied the utility of *qiyās* [analogical

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[458] Santosh Kumar Rai, "The Fuzzy Boundaries: Julaha Weavers' Identity Formation in Early Twentieth Century United Provinces," *Indian Historical Review*, Vol. 40, No. 1 (2013), pp. 117–143.

[459] Ibid., p. 135.

[460] Naẕir Ḥussain Dehlawī, *Fatāwā-i Naẕirīyya, Vol. 2, Part 1* (Lahore: Ahl-i Ḥadīth Akāḍimī Kashmīr Bazār, 1971), p. 394.

reasoning] and the authority of the legal schools.[461] In practice, abiding by such strictures would have isolated a religious firm like Ahl-i Ḥadīth in an arena where religious consumers - even otherwise semi-literate weavers as we have seen - had a familiarity with legal texts and arguments, however vague.

However, Naẕir Ḥussain's was not above putting his own methodological spin on earlier legal sources, which may have exonerated him from any accusations by opponents that he still abided by *taqlīd*. These were the very same "ruses" that the Islamic modernist Dīlwār Ḥussain had inveighed against in his polemics against Islamic legal rules. On one occasion, Naẕir Ḥussain advocated the use of a particular stratagem called *talfīq*, or stitching together. *Talfīq* originated around the twelfth-century, and entailed the interweaving of disparate rulings from scholars associated with all four Sunni legal schools into single cloth. It does not appear to have been used before this period in economic transactions, although there were analogous, though not entirely synonymous, principles such as *istiḥsān* that may have serves similar purposes.[462] As Roy Bar Sadeh has shown, *talfīq* was a favorite method of later Egyptian Salafīs like Muḥammad ʿAbduh and Rashīd Riḍā. The term, nevertheless, inspired a good deal of skepticism and confusion throughout the nineteenth century.[463]

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[461] Daniel Brown, *Rethinking Tradition in Modern Islamic Thought* (Cambridge: Cambridge University Press, 1996), p. 28.

[462] Nicolas Prodromou Aghnides, *Mohammedan Theories of Finance with an Introduction to Mohammedan Law and a Bibliography,* PhD Dissertation, Columbia University (1916), pp. 94-100, 148-155.

[463] Ahmed Fekry Ibrahim, *Pragmatism in Islamic Law: A Social and Intellectual History* (Syracuse: Syracuse University Press, 2015), pp. 169-171.

Talfīq became an important means for religious scholars to assimilate the new financial transactions of the nineteenth-century into the legal tradition. An illustration of Naẕir Ḥussain's use of *talfīq* came in response to a question about *baiʿ salam*, a type of sale in which a payment is made in advance, but the commodity is not immediately handed over. *Baiʿ salam* forms an exception to the majority of rules pertaining to sales in Islamic law, whereby the "goods are defined and the date of delivery is fixed."[464] The question sent to Naẕir Ḥussain deserves full quotation, not least because it sets forth some merchants' casual intimacy with whole citations from *fiqh* literature:

> What say you about the following matter whereby in the cities the majority of people have been swept up by the *baiʿ salam* craze (*ras*) in which the partnership contract does not exist at all? According to the divinely guided *Imām* Abū Ḥanīfa - may God grant him peace! - in *baiʿ salam* from the time of the contract of the sold commodity (*musallim fīh*), until the moment the title is delivered (*waqt-i istiḥqāq tak*), there is a condition (*sharṭ*). On the contrary, according to *Imām* Shāfiʿī, while the sold commodity is still existent there is no condition of partnership. The only condition is that of the delivery time. Accordingly, the aforementioned craze has ushered in an abundance of delivery times. Is it permissible or not from the standpoint of Ḥanafī principles [*usūl*] for those of the Ḥanafī *madhhab*, in order to remove the obstacle and for reasons of necessity, to carry this [sale] out, [even if it is] based on *Imām* Shāfiʿī's understanding of *baiʿ salam*?[465]

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[464] "Salam," in Brian Kettel, *Introduction to Islamic Banking and Finance* (Chichester: John Wiley & Sons, 2011), p. 155.

[465] Naẕir Ḥussain Dihlawī, *Fatāwā-i Naẕirīyya, Vol. 2, Part 1*, pp. 142-143.

His question asked, the petitioner then shifted to Arabic in order to get clarification on certain *fiqh* passages, an excerpt of which reads:

> Furthermore, Ibn Najm (d. 1562/1563) of the *Baḥr al-Rāʾiq* in the treatise *baiʿ al-waqf l-āla waja al-istibdāl* decrees "It is permissible to take the validity of substitution as laid out by Abu Yūsuf - may God grant him peace! - and the soundness of the fraudulent sale (*al-baiʿ bi-ghabn fāhish*) from the discourses of Abū Ḥanīfa - may God grant him peace! - on the basis of the permissibility of *talfīq*[466] between two statements.[467]

Naẕir Ḥussain's response is equally illustrative of how repackaged juristic principles were used to reconcile contradictions among the *madhhabs* and thereby produce new possibilities in the realms of commercial law and practice. To achieve this he cast a wide net, citing at length from the *al-Qawl al-sadīd fi al-ijtihād wa al-tajdīd* (Forthright Speech on *ijtīhad* and *taqlīd*) by the Egyptian scholar, Rifāʿa Rāfiʿ al-Ṭahṭāwī. Naẕir Ḥussain appealed to al-Ṭahṭāwī as additional backup against those who claimed that *talfīq* was an utter insult to the authority of the *madhhab*. He concluded:

[466] The text says "*taflīq*," but "*talfīq*" was likely meant and the term is used throughout the response.

[467] Ibid., pp. 143-144.

> Therefore the transaction involving *baiʿ salam* without any hesitation transcends the *madhhab* of *Imām* Shāfiʿī because obedience to one *madhhab* is not an appointed duty and obligation.[468]

The citation of Ṭahṭāwī is a reminder of how texts produced in Egypt only a few decades before were already being read and cited by Muslim scholars in India. For those followers of the Ahl-i Ḥadīth then, this religious firm provided guidance that at once sought to upstage the rigid legal emulation of other Sunni religious firms, while simultaneously articulating new legal rules, rooted in the Islamic tradition no doubt, that supplied the economic actor with the capacity to participate in new types of sale.

However, the Ahl-i Ḥadīth were only one religious firm among many Sunni Muslim brands on offer in contemporary north India. Their repudiation of *taqlīd* was exceptional, and many of the other Muslim religious firms remained deeply committed to a *madhhab*-based norms. The Deoband and Barelwī movements were fierce opponents of the Ahl-i Ḥadīth, as well as with one another, with their shared reverence for Ḥanafī *shaikhs* no guarantee of a shared vision of Islamic commercial law. This comes through clearly in the intensive debates among Deoband and Barelwī scholars about the permissibility of using paper currency, which was one of the many paper-based monetary mediums that criss-crossed the interior regions of the subcontinent. The controversy over paper currency is revealing of how the various Sunni religious firms presented rival options, in the formal of legal opinions, for Muslim consumers to organize their economic lives.

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468 Ibid., p. 144.

From the late nineteenth century paper currency presented a unique jurisprudential problem for many Muslim scholars, not only because its use was historically limited in Islamicate societies when compared to promissory notes and bills of exchange, but also because few scholars of *fiqh* in earlier centuries had grappled systematically with paper currency transactions.[469] The acceptance of paper currency has been a process fraught with conflict and confusion in any context, yet the proliferation of the medium from the last quarter of the nineteenth century suggested to some scholars that Muslims were openly "eating interest", and thus transgressing certain passages in the Qurʾān, *ḥadīth*, and other foundational sources. There was sufficient rationale for such a conclusion, even if it was predicated upon a mistaken fusion of distinct monetary mediums. European officials and economists were certainly not immune to such confusion.

As a matter of fact, from Istanbul to Hong Kong the very character of paper money was bedeviled by a fundamental contradiction, for it acted in many instances as both a currency and a debt coupon.[470] This irreconcilable status was a consequence of how currency circulation was managed and classified by note-issuing authorities, whether the Imperial Ottoman Bank, the Presidency Banks (before 1861), the Government of India, or the National Bank of Egypt. This duality presented a difficulty to Muslim communities because a currency by its very nature (at

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[469] In this chapter "paper currency" or "paper notes" are used interchangeably. They refer here to a medium of exchange recognized by banking and governmental authorities as official legal tender and whose form is distinct from both metallic commodity monies and other forms of paper money such as promissory notes and bills of exchange. However, it is important to stress that definitions of paper currency and paper notes in the nineteenth and twentieth centuries were very much a moving target, differing widely across the globe and prone to constant revision in economic literature.

[470] Roderic Davison, "The First Ottoman Experiment with Paper Money," *Essays in Ottoman and Turkish History, 1774-1923: The Impact of the West* (Austin: University of Texas Press, 1990), p. 68.

least in theory) is not interest-bearing, while a debt coupon typically is. Although both can function as legal tender, a bank note is nominally an interest-bearing promissory note or bill of exchange issued by a bank, while a currency note is the official legal tender issued by a central government, and only interest-bearing in rare historical cases. Many would object even to this skeletal categorization, and one finds wildly divergent definitions of these terms in colonial legislation and economic literature. For example, the 1881 Negotiable Instruments Act stated emphatically that a bank note, currency note, and promissory note all possessed unique functions, while, in a seemingly rare move, John Maynard Keynes deemed the currency note equivalent to a promissory note in his landmark 1913 work on Indian finance.[471]

The tendency to conflate these financial instruments had reverberations in the writings of Muslim scholars, with implications for their juridical conclusions. Furthermore, in the Islamicate world the term "note" (or more precisely *nawṭ*, used untranslated from the English by Arabic and Urdu commentators alike) abided by no singular definition. In its full form (*karansi nawṭ*), it might refer, on the one hand, to currency notes in the form of Government promissory and treasury notes - both of which carried interest - and, on the other, to bullion certificates, which were notes convertible to metallic money on presentation at a bank.[472] Colonial translations of indigenous financial instruments often muddled these categories as well, frequently equating paper money with a range of Islamicate financial instruments that possessed functions distinct from notes, such as the *suftaja* or *hundi*. It was hardly surprising then that when Muslim legal

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[471] *The Negotiable Instruments Act, 1881: (Act XXVI of 1881) as Modified Up to the 1st August, 1897* (Calcutta: Office of the Superintendent of Government Printing, 1897), p. 8.

[472] Karl Ellstaetter, *The Indian Silver Currency: An Historical and Economic Study* (Chicago: The University of Chicago Press, 1895), pp. 2-3; John Maynard Keynes, *Indian Currency and Finance* (London: Macmillan and Co. 1913), p. 41.

scholars were asked by concerned petitioners whether "notes" were *ḥalāl* or *ḥarām*, scholars tended to rule that they were *ḥarām* on the assumption that they were vulnerable to accruing interest.[473]

Before the First World War, whether in Egypt or India, the most common tendency among Muslim scholars seems to have been to define paper currency as a *sanad*. In making this equivalence between note and *sanad*, scholars like the north Indian scholar and head of Farangī Mahall (a *madrasa* founded in the eighteenth century in Lucknow), ʿAbd al-Ḥayy Farangī Mahallī (d. 1886) regarded paper currency as an interest-bearing debt coupon, and thereby prohibited it. But even those associated with the same religious firm might differ dramatically over how to best define the medium. Indeed, Ashraf ʿAlī Thānāwī (d. 1944), one of the most influential scholars associated with *dār al-ʿulūm* Deoband had ruled the note was a *sanad*, with a series of his *fatāwā* titled "Warning to the brothers about the dangers of monetary interest in India," revealing a propensity to think of paper notes as equivalent to promissory notes.[474] By comparison, Thānāwī's Deobandi compatriots held a spectrum of opinions on what exactly paper currency constituted. Rashīd Aḥmad Gangōhī (d. 1906), one of Thānāwī's teachers, believed it was a certificate for rupees, similar to, but not exactly, a promissory note. Thus for him it was alternatively *tamassuk* (bond) or a *wathīqa* (certificate).[475]

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[473] Though they rarely construed matters in these terms, this position was all the more defensible given the fact that paper currency was pegged to Indian securities, which were characterized by substantial interest rates.

[474] Ashraf ʿAlī Thānāwī, *Takhdhīr al-ikhwān ʻan al-ribā fī al-Hindūstān* (Kānpūr: Maṭbaʿ-i Intiẓāmī, [1900?]).

[475] Khalid Masud, "Trends in the interpretation of Islamic law as reflected in the Fatāwá literature of Deoband School: a study of the attitudes of the 'Ulamā' of Deoband to certain social problems and inventions" (McGill, Unpublished Master's Thesis, 1969).

A singular departure from this stance is found in the work of another Ḥanafī, Aḥmad Riẓā Khān, written during his in Mecca during his second *hajj* in 1906.[476] Khān was a devoted Qādirī Sufi, nominal leader of the Barelwī movement, and typically regarded by historians as the most vocal defender of customary north Indian Islam from the charges of both Muslim modernists and reformists.[477] This custodial position, which he prosecuted with unceasing vigor for four decades, necessitated a constant polemical engagement with rival Muslim authors. Many of these debates extended well beyond the subcontinent and his *Kafl al-faqīh al-fāhim fī aḥkām qirṭās al-darāhim* (*Warranty for the discerning jurist on the rules of paper money*) was a prime case in point. Exceeding eighty pages in the modern Beirut print version, the work's title was suitable to its caustic tenor and technical subject matter.[478] As with its later Urdu supplement, *Kāsir al-safīh al-wāhim fī abdāl qirṭās al-darāhim* (Shattering of the delusional one on the allowance of paper money), it was replete with double entendre.[479] For the "*kafl*" (guarantee, surety, warranty) in the first work was a term suffused with financial overtones, while in the second title the reference to "*wāhim*" and "*abdāl*" was a rhetorical sleight against his two principal targets: Gangōhī and Lakhnawī.[480]

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[476] See the remarks in Shaikh Aḥmad Khaṭīb, *Raf' al-iltibās 'an ḥukm al-anwāṭ al-ta'āmul bihā bain al-nās. Makka: Maṭba'a al-tarraqī al-mājidiyya* (Makka: Maṭba'a al-tarraqī al-mājidīyya, 1329 [1913]), pp. 11-13.

[477] Muhammad Qasim Zaman, *Islam in Pakistan: A History* (Princeton: Princeton University Press, 2018), pp. 16-17.

[478]Aḥmad Riẓā Khān Barelwī, *Kafl al-faqīh al-fāhim fī aḥkām qirṭās al-darāhim* (Bayrūt : Dār al-Kutub al-'Ilmīyah, 2005).

[479] Aḥmad Riẓā Khān Barelwī, "Kāsir al-safīh al-wāhim fī abdāl qirṭās al-darāhim," *Fatāwā-i Riẓwiyya: maʿ takhrīj va tarjuma-i ʿarabī ʿibārāt*, Vol. 17 (Lāhaur: Riẓā Fā'ūndeshan, Jāmiʿa-i Niẓāmiyah Riẓwiyya, 2014-), pp. 505-560.

[480] As he remarked in his work, the delusion referred to Gangōhī, and the foolishness to Lakhnawī.

Khān placed paper currency in a category all its own, one that bore no ready analogy to pre-existing Islamicate financial instruments, especially the *sanad*.[481] By Riẓā Khān's reckoning, the paper note was not just "commercial property" (*māl mutaqawwim*). It was "value itself, neither a bond, nor a debt." Thus it was acceptable for Muslims to possess and exchange it without fear of religious transgression. He thus devoted minute attention to refuting each view with reference to a wide variety of transactions. Above all, Riẓā Khān censured both Gangōhī and Lakhnawī for their inability to perceive what he took as the true character of the currency note and their ignorance of how *fiqh* and the foundational sources permitted its use. This mobilization of *fiqh* is all the more remarkable considering the fact that the *fuqahā'*, by Khān's own admission, did not discuss the matter of paper money at any length, barring the scant remarks in the works of the Ottoman Syrian scholar Muḥammad ibn ʿĀbidīn (d. 1836).

From the outset Riẓā Khān stressed that, whatever the novelty of the paper note, one could navigate the knotty legal matters presented by paper currency with reference to the writings of Ḥanafī scholars, who had long recognized (in his reading) the permissibility of paper as a medium of economic exchange.[482] A remark from Kamāl al-Dīn Muḥammad ibn Humām's (d. 1457) *Fath al-Qādīr* sufficiently proved this point: "If one sells paper in the thousands it is permitted and without reprehension,"[483] prompting Riẓā Khān to comment that this verdict was

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[481] See Nikolaus Siegfried, "Concepts of Paper Money in Islamic Legal Thought," *Arab Law Quarterly*, Vol. 16, No. 4 (2001), pp. 319-332.

[482] This is an important corrective for Wael Hallaq's view that Ibn ʿĀbidīn, from whom Aḥmad Riẓā Khān cited repeatedly, sought to valorize *ʿurf* to a status above the law. Wael Hallaq, "A Prelude to Ottoman Reform: Ibn ʿĀbidīn on custom and legal change," Israel Gershoni, Hakan Erdem and Ursula Woköck eds., *Histories of the Modern Middle East: New Directions* (Boulder: Lynne Riener, 2002, pp. 37-61.

[483] In Ibn Humām's work, paper refers specifically to vellum.

passed some five hundred years before the present time, and served (in fitting Barelwī fashion) as yet another example of "these miracles of our noble *ʿulamāʾ*."[484] The consensus (*ijmāʿ*) of the scholars and the injunctions of the Qur'ān were also sufficient standards for the acceptance of paper money according to the standards of Islamic law.[485] Were this not enough, had not the eminent *ʿulamāʾ* proven time and again that God in his munificence bid believers to seek profit in this world and the next? With such authority as testimony, there could be no doubt then, Riẓā Khān continued, that the note is value-bearing in itself and is permissible to sell, to be bequeathed, and to be inherited. To any Indian Muslim commercial actor from Mecca to Singapore, this offered a means to assimilate this.

Over the remainder of the treatise Riẓā Khān sketched out numerous additional refutations of ʿAbd al-Ḥayy Farangī Mahallī's classification of the note as *sanad*, and supplied a variety of expedients (*ḥīla/ḥiyal*) to ensure financial transactions remained free from the curse of interest.[486] As seen earlier, Dīlwār Ḥussain had argued that the profusion of these expedients was proof that Islamic law had outlived its utility. By contrast, for a Ḥanafī *shaikh* like Riẓā Khān these expedients were not a circumvention of the law, but rather an extension of it. These would again be cited by him in his 1913 *fatwā* on how to best assist the Ottoman government during the Balkans Wars, where he also encouraged Indian Muslims to open interest-free banks.[487] His treatise on paper currency exhibits how monetary matters were yet another polemical set-piece in

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[484] Riẓā Khān, *Kafl al-faqīh*, p. 37.

[485] Ibid., p. 40.

[486] Ibid., pp. 90-93.

[487] Aḥmad Riẓā Khān Barelwī, "Tadbīr-i Falāh wa Najāt wa Iṣlāḥ," in *Fatāwā-i Riẓwiyya: maʿ takhrīj va tarjuma-i ʿarabī ʿibārāt*, Vol. 15 (Lāhaur: Riẓā Fā'ūnḍeshan, Jāmiʿa-i Niẓāmiyah Riẓwiyya, 2014-), pp. 142-57.

debates among Indian Muslim scholars from competing *masalik*. In these polemics, contestations over the interpretation of *madhhab*-based legal rulings took center stage, and extended across imperial boundaries.

This section on Islamic commercial debates among the religious firms associated with the Sunni *ʿulamāʾ* has several implications for the study of religious economy. Although the analysis is constrained by interpretive challenges, these sources show that Muslim religious consumers looked to religious scholars for guidance in tricky commercial matters. This demanded from scholars a certain degree of literacy in contemporary financial transactions and a familiarity with the institutions of regional and global capitalism. A religious firm's capacity to solve commercial conundrums was one of the many services it supplied to consumers in the religious economy. Supplying a rubric for behavior in commercial transactions (*muʿāmalāt*) was as integral to a religious firm's literacy as providing proper guidance in matter of worship (*ʿibādat*). Rather than a fixed entity, a source of consensus among Muslims, the law was constantly the nexus for an interpretive tug-of-war among dissenting religious firms and inflected the economic practices of Muslim constituencies in innumerable ways.

Muslim Religious Firms and Capital Development in Punjab

The tensions between reformist, customary, and counter-customary religious firms is best captured in the context of late nineteenth and early twentieth-century Punjab. As David Gilmartin has shown, numerous ideal notions of what constituted the 'Islamic community' were in circulation in Punjab from the late nineteenth century. Integral to this was the articulation of various notions of an ideal Muslim community "in which the instruction of the individual Muslim in the Shari'a was primary," which gained great currency with the intensification of rivalries among Deoband, Barelwī, and Ahl-i Ḥadīth in Punjab from the turn of the century.[488] The animosity of these firms would only grow amidst the confrontational anti-colonial politics of the interwar period. At the same time, Punjab was the laboratory for numerous competing visions of Muslim industrial regeneration, which both Muslim commercial and religious firms sought to make into a reality.

Integral to this was the emergence of the Aḥmadīyya movement, which took its name from Mīrzā Ghulām Aḥmad (d. 1908), the self-styled *mujaddid* and *mahdi*, from Qadian in Punjab. As Adil Hussain Khan has remarked, "Jamaʿat-i Ahmadiyya corresponds with modernist movements throughout the Muslim world in its rejection of the legal tradition and its disregard for the four Sunni schools of thought."[489] What distinguished Aḥmad entirely from Islamic modernists were the ambitious claims he made about his own messianic status, something no other Islamic modernist could possibly tolerate. The *ʿulamāʾ* replied with still greater ire. The previously close association between Aḥmad and numerous Ahl-i Ḥadīth scholars meant that, once he did reveal himself as both the renewer of the age and the long-awaited messiah, the

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488 David Gilmartin, "The Shahidganj Incident: A Prelude to Pakistan," in Edmund Burke III and Ira Lapidus eds., *Islam, Politics, and Social Movements* (Berkeley: University of California Press, 1988), p. 152.

489 Adil Hussain Khan, *From Sufism to Ahmadiyya: A Muslim Minority Movement in South Asia* (Bloomington: Indian University Press, 2015), p. 5.

Aḥmadīyya became an obsession in Ahl-i Ḥadīth printed material.[490]

The deliberate effort to block Christian missionaries and activists of the Hindu reformist group, Arya Samaj - both of whom had made extensive advances in Punjab in the decades before Mīrzā Ghulām Aḥmad professed himself the messiah - gave the Ahmadiyya a strong organizational structure from the start, although the movement began as a *shaikh* firm centered on the charismatic figure of Ahmad himself. The Ahmadiyya's enthusiastic embrace of diverse print publications supplied a means to disseminate its message, including its notions of "Ahmadi *fiqh*" which was intended to supplant allegiance to the four Sunni *madhahib*.[491] Just as it aimed to inculcate new norms of Aḥmadī comportment, the movement also sought the capital of its new congregants. Aḥmad gained notoriety for regularly promising Rs. 10,000 to any non-Muslim scholar who could refute his religious ideas.[492] On occasion, he even challenged his followers, or more accurately the Muslim *pablik*, to raise Rs. 10,000 as a direct test of Muslim devotion vis-a-vis other religions. Donations would be handled by local branches of the Bank of Bengal.[493]

Regular appeals for monetary contributions were also made in the pages of the Aḥmadī newspaper, *Al-Ḥākam*. (The pages of *Al-Ḥākam* were used to polemicize against the Ahl-i Ḥadīth movement, salvos that were returned in kind in the pages of the latter's eponymous

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[490] Maulana Muhammad Ali, *The Founder of the Ahmadiyya movement: A Short Study of the Life of Hazrat Mirza Ghulam Ahmad (1835-1908), Third Edition* (Wembley: Ahmadiyya Anjuman Lahore Publications, U.K., 2008), pp. 35-36.

[491] "Aḥmadi Fiqh," *Al-Ḥākam* (13 January 1905), p. 12.

[492] *Selection from the Records of the Government of India, Home Department: Reports on Publications issued and registered in the several provinces of British India during the year 1882* (Calcutta: Superintendent of Government Printing, 1884), p. 200.

[493] Seth ʿAbd Allah al-Dīn, *Ek Challanj* (Hyderabad: 1322 [1905]), p. 34. Seth ʿAbd Allah was head of the Ahmadiyya *anjuman* in Hyderabad.

official newspaper). The identities of these donors to the Aḥmadīyya cause included accountants, merchants, court inspectors, head-masters, post office workers - in other words, middle class Muslim professionals who had benefited from Punjab's growth over the previous decades.[494] There were, however, donors from other Indian provinces, such as Hyderabad. They donated money to construct Aḥmadī primary schools, and eventually set up funds for an Aḥmadīyya college and *langar khāna*, helping to transform the identity of the firm from that of a *shaikh* to that of an *anjuman* and *jamā'at*.[495] Through it all, Qadian's post office funneled funds and Aḥmadīyya printed materials through the mail system.[496]

In his final will and testament Ghulām Aḥmad ordained that an organization was to be set up under the name of the *Ṣadr Anjuman-i Aḥmadīyya*, which handled the movement's finances and would assume decision-making powers after his death.[497] This religious firm rendered the Aḥmadīyya into an international presence within a decade of Aḥmad's death. Paradoxically, however, in Punjab itself the movement split into two factions - one based in Lahore, and another in Qadian. Khan writes that both branches advocated competing ideas of religious authority: "The Qadianis pursued the notion of a singular authoritarian *khilāfat* whereas the Lahoris chose to vest the community's authority in an administrative body or *anjuman*."[498] It was Mawlānā Muḥammad ʿAli (d. 1951) and other lawyers associated with the Lahore branch who became the most important religious entrepreneurs for the Aḥmadīyya movement in the interwar period, and as demonstrated in a later chapter, espoused unique interpretations of Islamic commercial rules

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[494] "Resīd-i zār-i amādanī-i madrasa," *Al-Ḥākam* (10 February 1905), p. 2.

[495] "Langar khāna kī żarūrat," and "Kalej ke liʾe ana fund," *Al-Ḥākam* (10 July 1905), p. 6.

[496] "Dāk-hāne Qādīān mai̱n kām kī ka̱srat," *Al-Ḥākam* (31 May 1905), p. 12.

[497] Muhammad Ali, *The Founder of the Ahmadiyya Movement,* pp. 77-78.

[498] Adil Hussain Khan, *From Sufism to Ahmadiyya*, p. 73.

based on a re-interpretation of the Islamic foundational sources.

Clashing with the ʿ*ulamāʾ* and the Aḥmadīs were those of Islamic modernists associated with the Muslim press, which was "grounded not in any particular form of organization or code of conduct, but, rather, in the special inheritance - symbolized by the Prophet, the Qurʾān, and the mosque - that every Muslim could claim as his birthright.[499] From the 1880s several Muslim journalists and administrators in Punjab began to advance novel notions of how to usher in a new age of Muslim prosperity and wealth in the countryside and the cities. They were expressions of a larger trend of social mobility in the region that lasted until the 1910s.[500] Unlike the figures examined thus far, they were representative of a new class of Muslim professional layman, possessed of a literacy in Islamic jurisprudence and technical subjects, and a transimperial network of correspondents linked by print and steam. They sought not just poverty alleviation, but its elimination, and sought to inculcate select Muslim virtues through the auspices of religious firms like the *anjuman* and commercial enterprises like Amritsar's *Vakil* Trading Company. The latter, which regularly bid readers to purchase company shares, sponsored the publication of manuals on properly calculating *zakāt*.[501] In addition to these pursuits, these modernist religious firms were involved in a range of pan-Islamic causes (as we shall see in a later chapter), the production of religious texts, the promotion of Muslim banks, and the creation of several joint-stock companies.

It is useful to not conflate these competing reformist *anjuman* and conceive of them as a

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[499] Ibid., p. 153.

[500] Ashish Koul, "Making new Muslim Arains: reform and social mobility in colonial Punjab, 1890s-1910s," *South Asian History and Culture*, Vol. 8, No. 1 (2017), pp. 1-18.

[501] ʿAbd Allah al-ʿImadī, *Kitāb al-zakāt* (Amritsar: Bazar Steam Press, 1910).

monolithic firm. For as we saw with Aligarh, reformists were divided over a range of questions. A religious firm like the *Anjuman-i Ḥimāyat-i Islām*, founded in 1884, was unique among reformist religious firms in Punjab for teaching the rudiments of Qurʾān, *ḥadīth*, and *fiqh* to the common people, as well as handiwork to women.[502] Though it boasted the support of Islamic modernists like Muḥammad Iqbāl, its leaders deliberately pitched themselves against the modernist brand of Aligarh and Sayyid Aḥmad Khān, which they regarded as materialist in inspiration.[503] Still, even if *Anjuman-i Ḥimāyat-i Islām* rejected the Aligarh movement, its leaders recognized the imperative of copying Sayyid Aḥmad Khān unique strategy of financialization. In fact, during a lecture given in 1893 - which insulted Sayyid Aḥmad Khān as a materialist (*necharī*) at great length, even calling Aligarh's Anglo-Muhammadan College, *Nechargarh* (the abode of materialism) - Naẕir Aḥmad told his audience that in order for the *anjuman* to survive - even Islam as a whole - than it must be engage in the "shroud stealing (the taking of subscriptions)" that Sir Sayyid had pioneered.[504] To compete in the late nineteenth-century north Indian religious economy, any Muslim religious firm had to adopt this model of fundraising.

The members of *Anjuman-i-Ḥimāyat-i Islām* were quick to respond to Naẕir Aḥmad's call, supplying the firm with not only monetary subscriptions, but their own labor. As one contemporary report put it, "These particular Anjumans [that is, the sub-branches of *Anjuman-i*

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[502] Akbar ʿAlī, *Anjuman-i-Ḥimayat-i Islam, Lahore: a short account of its constructive activities, with an appeal to the public* (Lahore: Anjuman-i Ḥimāyat-i Islām: 1952).

[503] Iqbal Singh Sevea, *The Political Philosophy of Muhammad Iqbal: Islam and Nationalism in Late Colonial India* (Cambridge: Cambridge University Press, 2012), p. 100.

[504] Nazir Ahmad, *Fitratulla: A Lecture by Muhammad Nazir Ahmad Khan, delivered at the eighth annual Meeting of the Society* (Lahore: Anjuman-i-Himayat-i-Islam, 1893).

Ḥimāyat-i Islām] appoint paid agents, but much of the work of preaching in the bazaars is performed by persons who are engaged in some trade or business during the working hours of the day and devote their leisure time in the evenings to this pious work."[505] (In this, they anticipated the strategy of the later *Tablīghī Jamāʿat*). Even though the firm's capital in its inaugural year was a paltry Rs. 754, it soon built an enormous institutional presence comprising medical colleges, an orphanage, and network of *madrasas*.[506] It later became a key supporter of the co-operative movement in Punjab, and through the auspices of Islamia College, trained many Muslim economists, including Anwār 'Alī, later a financial minister of Saudi Arabia.[507] The peculiar brand of religious pedagogy and socio-economic activism advanced by the *anjuman* held great sway among educated, middle-class Muslim professionals over the next decades.

Other reformist religious firms in Punjab represented an alternative ethos of Muslim economic activity. Maḥbūb ʿĀlam, editor of Lahore's Muslim daily *Paisa Akhbār*, who composed a two-part work titled *Ṭarīq-i Dawlat* (The Way to Wealth), the second volume of which, *Qarẓ aur us se mukhlīs ke tadābīr* (Debt and the Means for its Amelioration) offered recommendations to alleviate a problem the author identified as nothing less than a "curse."[508] As he explained in his introduction, Maḥbūb ʿĀlam had undertaken his work because the "vast majority of the population of India, including people of every rank and class, have been seized

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505 Sir Thomas Walker Arnold, *The Preaching of Islam: A History of the Propagation of the Muslim Faith* (New York: A. Constable and Company, 1913), p. 235.

506 ʿAlī, *Anjuman-i-Ḥimayat-i Islam*, p. 8.

507 See ch. 7.

508 Maḥbūb ʿĀlam, *Ṭarīq-i Dawlat: Qarẓ aur us se mukhlīs ke tadābīr* (Lahore: Maṭbaʿa-i Khādīm al-Taʿlīm, 1892). Needless to say, similar works were written by non-Muslims, Dayāl Ṣāhib, *Zirāʿat pīsha logon̲ ki qarżdārī aur uskā ʿilāj* (Lucknow, G.P. Varma and Brothers Press, 1891).

by this calamity.[509] Although there was not a single place on the face of the earth free of debt, in India only debt appeared like "a wicked hurricane."[510] Once great families had been reduced to rack and ruin. In typical fashion, the treatise displayed a deep familiarity with contemporary English-language colonial publications, many of which he gathered from the Madras Religious Tract Society. No study was of greater aid than S.S. Thornburn's *Musalmans and Money-lenders in the Punjab*. Thorburn was quick to recognize that the immense transfers of property from largely Muslim cultivators to Hindu moneylenders was "directly due to a system of law and administration created by ourselves, which, unless remedied in time, must eventually imperil the stability of our hold on the country."[511]

Perhaps more than any other Muslim author before him, Maḥbūb ʿĀlam focused on interest rates as the cause of economic distress among all classes of Indians.[512] He charted with great exactitude how interest rates had risen exponentially throughout the previous decades, as *sahukars* turned into usurers who appropriated more and more of the surplus produced by cultivators. He laid most of the blame at the door of the colonial state's fluctuating annual revenue demands.[513] Maḥbūb ʿĀlam also had many programmatic suggestions for finding ways to reduce interest rates. Predictably, many dealt with re-fashioning behaviors, such as excess spending, that he fingered as the well-spring of the debt crises.[514] He bid readers to learn the

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509 Maḥbūb ʿĀlam, *Ṭarīq-i Dawlat*, p. 7.

510 Ibid., p. 8.

511 S.S. Thorburn, *Musalmans and Money-lenders in the Punjab* (Edinburgh and London: William Blackwood & Sons, 1886), p. 1.

512 ʿĀlam, *Qarẓ aur us se mukhlīs ke tadābīr*, p. 10

513 Ibid., pp. 13-14.

514 Ibid., pp. 56-59.

science of accounting, to keep a budget, and offered convenient notational methods that could help one keep the principal and interest distinct, yet another indication of how closely tied the growth of numeracy was to the intellectual elaboration of Muslim capital.[515]

Only after offering extensive pathways for behavioral reform, including religious behavior, did he then turn to the matter of savings banks. Earlier in the work he was unforgiving of those Muslims who said that savings banks were a violation of their religion (*madhhab*).[516] "We have seen that most Muslims nowadays believe that it is permissible to accept interest from banking houses," he insisted, "but they do not have permission to enter into such transactions. Undoubtedly, one does not have to accept interest; alternatively, one could accept it favorably and give it to the needy in the form of alms. In any case, it would be beneficial to store money in a trustworthy place."[517] This was all the more imperative because most Indians were starved of the requisite capital (*rās al-māl*) at the moment they opened a business or trading operation.[518] This then compelled traders to take out massive loans, which further encouraged them to take "try their luck" and to take unnecessary risks in the market to ensure a speedy profit. If this failed to materialize, their business was wiped out.[519]

It is worth mentioning that he did not castigate Muslims for the decision to not accept interest, but he tried to convey that the taking or giving of interest was as a distinct matter from opening bank accounts, writing "Even if Muslims do not take interest, then at the very least their

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[515] Ibid., pp. 60, 62, 77.

[516] Ibid., p. 32.

[517] Ibid., p. 32.

[518] Ibid., p. 39.

[519] Ibid., p. 40.

money will remain in a safe place.”[520] Rather disingenuously in light of the rapid succession of bank failures that characterized colonial India, he reassured them saying, “there should be no fear whatsoever of [their money] being wasted.” Because India lacked commercial banks throughout the country, he nudged his readers to open up an account at the savings banks housed in government post offices.[521] In truth, as Maḥbūb ʿĀlam admitted himself, the savings banks were not a new thing in India, with many Hindu and Muslim families already utilizing the institutions, including small children.[522] For the Muslim readers of Maḥbūb ʿĀlam, this was a stirring justification for the creation of Muslim-owned banks.

The Urdu press in Punjab was heavily involved in both the co-operative credit movement and the push for Muslim banking more generally. Two of Lahore's newspapers familiar studied at length in the next chapter, *Zamīndār* and *Waṭan*, praised cooperation and encouraged readers to lend support. Muḥammad Inshāʾ Allah, that tireless campaigner for Ottoman relief, even wrote a work on “the morality of [Muslims] taking interest.”[523] For Inshāʾ Allah, as for many colonial officials and Muslim supporters, cooperative societies were a platform for widespread moral reform, not least the extirpation of drinking and dissipation. Amidst the larger enthusiasm for reforming Muslim customary practices, usury was singled out as a moral bugbear. But one example was *Aḥsan al-Akhlāq*, an association comprising Muslim clerks in Lahore and dedicated to “relieving its members from the high rate of interest paid by them when borrowings were

[520] Ibid.

[521] Ibid., p. 82.

[522] Ibid.

[523] Ata Ullah, *The Co-operative Movement in the Punjab* (London: G. Allen & Unwin Ltd. [1937]), p. 451. I have yet to locate Inshāʾ Allah’s work.

necessitated by marriages, death and other domestic misfortunes."[524]

Not all Muslim authors were universally sympathetic. It was later reported by Sayyid Sulaimān Nadwī (a prominent Muslim intellectual crucial to the later elaboration of a distinct Islamic finance) to his great disgust, that a Muslim association was founded in these years to convince co-religionists of the virtues of accepting interest. This likely was a not-so-oblique reference to Muḥammad Inshāʾ Allah, and no doubt was informed by Nadwī's refusal to any dealings in interest as a gross distortion of what sacred law demanded. There surely were organizations such as the *Anjumān-i ḥadbandi-i sūd/qarż* (Society for the limitation of interest/debt), which as Bijnor's resident Urdu paper related, promoted lectures by the Aligarh graduate and native of Meerut, Ghulām al-S̲aqlain, condemning compound interest (*sūd dar sūd*).[525] In a July 1913 issue of *Al-Hilāl,* Abū Kalām Azād (who we will discuss at length in the next chapter) commended Ghulām al-S̲aqlain's efforts to introduce a bill on the United Provinces Legislative Council that would change local interest laws.[526]

The scholars associated with the leading *ʿulamāʾ*-centered religious firms held more charged views about the evils of interest. An excellent case in point was the figure of Aḥmad Rizā Khān Barelwī, whose own complex views on the legality of paper currency were discussed in the previous chapter. In 1913, Aḥmad Rizā Khān Barelwī, the leader of the *Ahl-i Sunnat wa Jamāʿat* (or Barelwī, by which their many detractors labelled them), received two *istīftāʾ*, requests for legal clarification, from Muḥammad ʿInayāt Allah Sābrī and Muḥammad Ismāʿīl

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[524] *Annual Report on the Working of Co-operative Credit Societies in the Punjab* (Lahore: Civil and Military Gazette Press, 1905), p. 81.

[525] "Anjuman-i ḥadbandi-i qarż," *Madīna Bījnūr* (15 July 1913), p. 3.

[526] *Al-Hilāl* (July 1913).

Chistī Sābrī, residents of Fatehabad in the *taḥsīl* of Tarn Taran in the district of Amritsar.[527] The two men noted that some local Muslims had established an "interest bank" (*bank-i sūdi*) that required all members to pay 10% interest per annum on all deposits. According to the petitioners, the owners asserted that the bank had been created for the sake of poor Muslims, but that admission was granted only to paying members, and not common folk. One such client was the *imam* of their mosque, who, after enrolling, had told his congregation: "...Interest is taken at a time of necessity. Thus, in any case, we give interest, even to Hindus. Just as it is *ḥarām* to take, it is also *ḥarām* to give. What harm is there then in equating taking and giving [?] I have already deposited, and I cannot withdraw."

Perplexed by this frankly confusing logic, the merchants from Fatehabad turned to Rizā Khān. His reply spared neither fire nor brimstone, declaring that "the bank is totally *ḥarām* and all its rules satanic. To become a member is also *ḥarām*, as is to give and take interest." After citing Qurʾān and *ḥadīth* to this effect, he even advocated that the *imām* be ousted from his position for dabbling in such wicked ventures. This unfaltering stance drew inspiration from the fact that, unlike some Indian scholars of Ḥanafī persuasion, Khān believed India was *dār al-Islām*, which rendered interest ḥarām for Muslim and non-Muslim alike, a point of salient controversy among Indian *ʿulamāʾ* in the early twentieth century, with implications for the character of Muslim banking.[528]

The foundation of the first formal 'Muslim banks' initiated numerous debates among the

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[527] *Fatāwā-i Raẓwiyya,* Vol. 17, p. 344. This district, one of the wealthiest in contemporary Punjab, had large numbers of active and retired Jat Sikh soldiers with access to immense financial reserves. Mark Condos, *The Insecurity State: Punjab and the Making of Colonial Power in British India* (Cambridge: Cambridge University Press, 2017), p. 93.

[528] Ibid., p. 367.

Sunni religious firms. If the Punjab and Sind Bank Ltd. mandated by the Central Sikh Khalsa Board in 1908 is any indication, other Indian religious groups were certainly linking their fortunes in the colonial religious economy to self-directed banking institutions.[529] None inspired more controversy in its day than the Muslim Orient Bank of Lahore, which we introduced in chapter 1. Around the time the bank was formally incorporated in 1911, *Paisa Akhbār*, one of Lahore's most venerable Urdu papers, posed the following two questions to a group of eighteen scholars led by Aḥmad ʿAlī Muḥaddith:

1. Is a Muslim permitted to deposit money in a bank, without interest, for a certain period?

   Response: This deposit is made in trust (*amānat*). The depositor may assume that the funds are used for purposes of usury and thus fear that he is committing a sin. But his primary aim was the security of his money and not interest. Thus he commits no sin in placing his money in a bank.

2. Can a Muslim legally send money from one place to another by means of *hundis* or checks by paying a commission?

   Response: Yes, as this is a fee and not interest.[530]

[529] Subash Chander Sharma, *Punjab: the Crucial Decade* (New Delhi: Nirmal Publishers and Distributors, 1987), p. 144.

[530] "La Question des banques," *Revue du Monde Musulman*, Vol. IV, No. 2 (February 1908), pp. 433-434; A portion of the ruling is referenced, with a slightly altered translation, in Eric Germain, "The First Muslim Missions on a European Scale: Ahmadi-Lahori Networks in the Inter-war Period," in Nathalie Clayer and Eric Germain eds, *Islam in Inter-War Europe* (London: Hurst, 2008), p. 112.

The appeal to *amānat* (safekeeping) was a clever tactic, because it also was the term used to refer to trusts, which as has been shown, were regularly established by Indian Muslims throughout the nineteenth century. With this *fatwā* in mind, one can imagine Muslim residents of Lahore opened up accounts with Ḥassan's Muslim Orient Bank. Even so, as a later chapter shows the debate about the contours of Muslim banking would supply the pretext for the articulation of 'Islamic finance' in the interwar period.

This section has shown how the institutional recommendations pioneered by Punjabi Muslim religious firms in the last years of the nineteenth century spurred a greater subcontinent-wide response to the problems of usury, debt, and perceived Muslim economic backwardness. With so much of Muslim civil society taking up the issue, a dense network of new savings banks and cooperative credit societies could be utilized to carry out trade across the country. This both broke some of the capital deadlock imposed by the slow pace of colonial financial reform, and opened up new infrastructural possibilities for the mobilization of Indian Muslim capital. Although the problem of usury and famine in the countryside persisted to the end of the colonial period, there were now concrete means to try to untangle the cycle of agricultural poverty that went beyond the rather futile attempts by the colonial state to legislate these problems out of existence. At the same time, however, the incorporation of more Indian Muslims into banking institutions made debates about the legality of Muslims accepting interest that much more acute.

Conclusion

This chapter has endeavored to show that Sunni religious firms played a variety of economic functions in the lives of Muslim constituencies in the interior. To be sure, the conditions fostered by colonial rule presented adverse economic prospects to these communities. In contrast to the story of flourishing international trade between Indian port cities and the world, agricultural regions were marked by high rates of decline, debt, and famine, even if select entrepreneurs were able to mitigate these problems. The various funds, educational initiatives, and social networks sponsored by these religious firms partly mitigated these problems by serving as sites of physical capital concentration and human capital investment. Simultaneously, these religious firms competed among one another to attract the monetary support of Indian Muslim religious consumers throughout the subcontinent, who looked to these firms for behavioral guidance in both spiritual and worldly matters.

To be sure, not all these firms were equally supportive of Muslim participation in new financial institutions, especially banks, and others were adamant that Muslims could not even use paper currency in daily transactions. Nevertheless, for all these voices, there were numerous other firms who presented an alternative interpretation more conducive to entrepreneurial growth. Notably, it seems that those firms, like the Barelwī, who were more willing than their scripturalist rivals to legitimize existing customary practices within the rubric of Islamic law, were the most supportive of Muslims utilizing the innovations on offer in the marketplace. Such a plurality of outcome is lost when one adopts culturalist or normative models of Islam to study Muslim attitudes to economic enterprise. The upshot of all this is that even among religious scholars, there was no unitary "Islamic moral economy" that was pitched against capitalism. That was the invention of a later era, as we shall see.

Both the *jamāʿats* of the Muslim mercantile castes and the religious firms headquartered in the subcontinent's interior would play in an inordinate role in the pan-Islamic charitable campaigns studied in the next chapter. These campaigns witnessed the first instances in which religious firms came together to form supra-firms. But owing to the dearth of Muslim-owned exchange banks, and European financial dominance throughout Islamicate Eurasia, Muslim commercial and religious firms had to utilize the global infrastructure supplied by European banking institutions to participate in these campaigns.

Ch. 4 - Pan-Islamic Bonds, Remittances, and the Limits of Indian Muslim Capital

The previous two chapters have examined the role of Muslim religious firms in creating various mechanisms for not only the propagation of competing forms of Islamic reform, but also for the facilitation of trade and the provision of credit. By doing so, they filled sundry 'institutional voids' that emerged in the colonial economy in the nineteenth-century. This chapter now looks at how these Muslim religious firms, along with the commercial firms examined in chapter 1, were indispensable in the mobilization of pan-Islamic monetary relief for the Ottoman Empire on three occasions between 1877 and 1924. Not all religious and commercial firms gave in equal measure, and their reasons for participating or abstaining reveal significant insights into both the economic resources at their disposal, but also their rival conceptions of what religious duty prescribed in the commercial sphere.

These campaigns form a significant case study in the economic history of Indian Muslim communities because they marked the first time that the sundry Muslim commercial and religious firms studied in chapters 1-3 were forced to cooperate under an integrated institutional umbrella. This instigated a series of concentrated struggles among these firms over how to best modernize Muslim economic enterprise, what religious issues were worthy of the allocation of Indian Muslim capital, and who was qualified to speak for the *qawm* (the Muslim community writ large) in these matters. All of this molded the profile of the nascent all-India Muslim politics then emerging and persisted deep into the interwar period as the next chapters show.

A conspicuous feature of Ottoman-centered pan-Islam was the participation of hundreds of Indian Muslim organizations in the remittance of charitable donations to the Ottoman government and Red Crescent from the Russo-Ottoman War of 1877 to the demise of the

Khilafat movement in 1924.[531] At their peak during the Balkan Wars of 1912-1913, these campaigns witnessed the mobilization of Muslim associations throughout the subcontinent, from Dhubri in Assam to Vizianagaram in Madras Presidency. While war raged in Ottoman Tripolitania and the Balkans from 1911, Indian Muslim newspaper editors solicited funds for Ottoman refugees and organized Red Crescent committees, joining newspapers from Cairo's *Al-Mūʾayyad* to Singapore's *Neracha* in the creation of Muslim philanthropic publics.[532]

A range of Ottoman, Indian, and British sources demonstrate that the financial portfolios of individuals with affiliations to myriad Indian Muslim religious firms – from Aligarh Old Boys to Deobandīs to Nadwīs and Dāwudī Bohras – provided them with the capacity to eclipse contributions made not only by Ottoman citizens, but also the combined allotments of all other global Muslims.[533] Between 1912 to 1914 alone, the Ottoman Red Crescent raised some O.L.

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[531] Historians of both pan-Islam have long made note of Indian financial contributions to the Ottoman government in a series of excellent studies, yet only in passing, with reference to a few sources, and habitually with bewilderment. For general surveys of pan-Islam see Landau and Ochsenwald; for the Indian side: Minault, Qureshi, Hasan; for the Ottoman perspective: Akçapar, Özyüksel, Özcan, and Karpat.

[532] In Ẓafar ʿAlī Khān's Lahore-based *Zamīndār* these funds were titled: “sarmāye-i imdād-i muṣībet-i zadegān-i jang-i ṭrāblusgharb/balqān” (Capital funds for the victims of the Tripoli/Balkan War). An example, 17 November 1911, p. 2.

[533] Istanbul aid societies sent O.L. 22,037; Konya, the highest Ottoman provincial contributor, 5,123. Russia, 19,464; Algeria, 13,803; South Africa, 13,211; Egypt, 9,807; Bosnia-Herzegovina, 6,210; Afghanistan, 3,834. *ʻOsmānlı Hilāl-i Aḥmer Sālnāmesi, 1329-1331*, pp. 311-313. In the Russian case, aid was sometimes hampered in places like Orenburg, Kazan, and Kargali by the refusal of Russian authorities to remit the money. See this point discussed in “Masʾala al-ʾiʿāna li-hilāl al-aḥmar,” *Al-Manār* (1912), p. 479.

(Ottoman Lira) 439,000, of which O.L. 185,000 came from Indian Muslims.[534] The contemporary rupee equivalent was around Rs. 25 lakhs, or approximately £168,000 - some £17,790,000 today. This was in no sense a colossal figure, but it is indicative of the broader financial infrastructure underlying pan-Islamic connections from the late nineteenth century.[535] With their immense geographic range, these financial transactions provide the opportunity to chart Indian Muslim financial histories both in the familiar contexts of Bombay, Hyderabad, and Bhopal, and - more compelling and moving still - in Dera Ismail Khān, Jalandhar, and Sylhet. While commentators today are fixated with the transformative potential of Gulf remittances on the character of South Asian Islam, this is an older history of Indian Muslim remittances with ambitions of sustaining Islamic patrimony from Ottoman Adana to Jeddah.[536]

Much of the humanitarian and fundraising work during the Balkan Wars was overseen by a core group of Indian Muslim activists, including Dr. Mukhtār Aḥmad Anṣārī, a prominent figure in pan-Islamic politics and a correspondent for Muḥammad ʿAlī Jauhar's *The Comrade*. As is well-known, Anṣārī headed a Red Crescent medical mission that set up field hospitals in

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[534] From 1844, the exchange rate was O.L. 1.1 to £1, although the Ottoman Empire preserved a bimetallic system until the adoption of a limping standard in the 1880s. However, the exchange rate of these two currencies with the Indian rupee fluctuated throughout the period of this study. In 1875, £1 equalled Rs. 9.625. With the rupee reforms of the 1890s, £1 became equivalent to Rs. 15.8. For currency information, see Anscombe, *Ottoman Gulf*, pp. xiii-xiv; Pamuk, *The Ottoman Empire and European Capitalism*, p. 211; Ellstaetter, *The Indian Silver Currency*, pp. 115-116.

[535] I have reached this figure with the help of the Bank of England inflation calculator. http://www.bankofengland.co.uk/education/Pages/resources/inflationtools/calculator/index1.aspx

[536] F. Osella and C. Osella, "Muslim entrepreneurs."

the Balkans.[537] With Ẓafar ʿAlī Khān, proprietor of Lahore's *Zamīndār*, Anṣārī and his associates also established refugee villages in Anatolia, material expressions on Ottoman soil of Indian Muslim largesse.[538] Largely unstudied, however, was the attempt by Anṣārī, Jauhar, and their collaborators to assist the Ottoman Ministry of Finance in the flotation of £5,000,000 worth of Ottoman treasury bonds in India. The Ottoman imperial decree issued in May 1913 had asserted that an Indian buyer had the option of obtaining either an interest-bearing or an interest-free bond.[539] Each bond carried five annual slips divided into two rows - one denoting the principal, the second the interest - that would be presented by Indian buyers to local exchange banks. The Ottoman Ministry of Finance would then pay the principal (with an annual interest rate of 5 percent, if so demanded by the buyer) over a period of five years. By purchasing a bond, Indian Muslims would, so the planners envisioned, bankroll numerous philanthropic and developmental projects within the Ottoman domains, including the re-settlement of Balkan Muslim refugees and the provision of monetary relief to the families of Ottoman soldiers.

In a litmus test of its financial sovereignty, these treasury bonds were to be nominally issued by the Ottoman Ministry of Finance rather than the Imperial Ottoman Bank, a British and French-owned consortium that functioned as the empire's official state and commercial bank from 1863 and, with the Ottoman Public Debt Administration (OPDA, established in 1881),

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[537] Burak Akçapar, Turkish Ambassador to India, has recently published a work on Anṣārī's humanitarian activities. My research challenges many of Akçapar's essentialist assumptions about pan-Islam and the problematic nationalist overtones of his work. Akçapar, *People's Mission*.

[538] "Hindistān Müslümānlarının Anādolu'da Köyler Tesīsī," *Sebīl al-Reşād*, Vol. 10, No. 248 (30 May 1329), p. 236.

[539] For a concise list of details see, "Ottoman Treasury Bonds," *The Comrade* (8 March 1913), p. 204.

functioned as the semi-colonial stewards of Ottoman state finance.[540] Even so, European financial competition in the Ottoman Empire and the bevy of European exchange banks in India ensured that numerous other institutions joined in the undertaking as it clumsily unfolded, making unique demands on both the Ottoman government and Indian buyers.[541] When the bonds, totaling a paltry £80,000, were finally transferred from the Ottoman Ministry of Finance to the Bombay branch of Comptoir National d'Escompte at the end of 1913, the drive had lost its momentum, sputtering along until the outbreak of the First World War.[542]

This chapter examines the logistics of the bond campaign in 1912-1913 and suggests that the fiscal discrepancies dividing the Ottoman bond drive from the Red Crescent charitable campaign highlight salient features of both Indian Muslim and late Ottoman financial history. Three questions are of concern: how did an assortment of Indian Muslim religious and commercial firms use local and international financial and print networks to participate in pan-Islamic projects in the Ottoman Empire from 1877 to 1923? How did International Financial Control (IFC) and financial decentralization in the Ottoman Empire on the one hand, and the largely unbanked status of Indian Muslims and the discordant opinions of Indian *ʿulamāʾ* on the subject of Ottoman aid on the other, circumscribe the scale of both remittances and the bond drive? Lastly, what bearing did the collapse of the Ottoman Empire and the rise of new religious economies in the post-war Middle East have on outlets of Indian Muslim capital? The chapter

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540 Eldem, *Ottoman Bank*.

541 See the article "La situation financière de la Turquie," *Le Temps*, 12 February 1913.

542 The disparate nature of the Ottoman and Indian materials means that an exact figure is difficult to obtain. The *Le Temps* piece cited above noted that bonds equivalent in value to O.L. 160,000 were sold in Egypt and India. If the £80,000 cited in Jauhar's correspondence is an indication, the split was thus 50/50 between Egypt and India.

begins with a survey of the material infrastructure of pan-Islamic financial and religious exchange, followed by an examination of Indian Muslim monetary donations to the Ottoman government between 1877 and 1912. The two subsequent sections analyze the Ottoman effort to float treasury bonds in India, with the first portion taking up the supply-side issues, and the second the difficulties on the demand end.

The relative failure of the Ottoman bond drive in India during 1912-1913 owed in principal measure to the Ottoman government's inefficiencies in supplying not merely the bonds themselves, but also accurate financial information to its consuls in India, to Indian negotiators, and to participating European banks. Overlapping and contradictory agreements were initiated simultaneously from London to Lahore, resulting in scores of crossed-wires over which Ottoman and European institutions were responsible for issuing and selling the bonds. If Ottoman factors lacked the infrastructural capacities to implement a five-year, extraterritorial bond commitment in India, several obstacles emerged on the demand end. Indian Muslims from diverse orientations struggled to secure support for the endeavor among their constituencies, displaying at times a deficient grasp of the fiscal complexities involved and a wanting literacy in financial economics.

This confusion was compounded by the swirl of English, French, Persian, and Ottoman correspondence that mediated these negotiations. Translational ambiguities were increased by the inconsistent monetary denomination of planned bond issues - varying between Ottoman piasters/lira and British pounds - in the Indian press. The tortuous mechanics of buying bonds complicated matters further, for while Red Crescent charitable remittances were made by villagers and schoolchildren at banks or post offices, purchasing Ottoman bonds required not simply a bank account, but regular correspondence with banking staff and a multi-year pledge. Although Indian princes such as the Niẓām of Hyderabad gave generously to the charitable campaign, they did not join leading Muslim merchants in buying bonds, scared off by the advice of the Viceroy of India.

Beyond these material hurdles, Indian Muslim investors harbored a multitude of religious and economic concerns towards bonds. In addition to the anxiety expressed by a minority of voices that buying bonds was tantamount to "eating interest," and thus a violation of religious dictum (a subject that garnered fierce controversy among Indian Muslims independent of the bond drive), there remained a persistent disquiet that Ottoman financial insolvency posed a real risk to any eventual repayment to bondholders. Sayyid Hasan Bilgrami, former secretary of the All-India Muslim League, spoke for many when he thanked Jauhar for assigning his "mite" to the Turkish Relief Fund rather than investing it in Ottoman bonds.[543] For Bilgrami and many others, making a multi-year commitment to the Ottoman securities market was simply too risky for the Indian Muslim investor.

Controversial too was whether Indian Muslim domestic needs must take priority over an Ottoman loan, a polemical scrum that encompassed the contemporary campaign to transform Aligarh Muhammadan Anglo-Oriental College into a fully-fledged Muslim university, a tall order considering the university's financial difficulties from Sir Sayyid's death in 1898.[544] Organized as a series of local funds with a central secretariat, that initiative boasted sums up to

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[543] Jamia Millia Islamia (hereafter JMI), Premchand Archives (hereafter PA), Maulana Muhammad Ali Papers (hereafter MMAP), "Syed Husain Bilgrami to Muhammad Ali Jauhar," 4 May 1913, MOH/L – 883-884, F. No. 1.

[544] See the 1912 issues of *Aligarh Institute Gazette* to get a sense of the great scale of university fund donations. Associates of Aligarh certainly did contribute to Ottoman relief. When Rashid Rida visited Aligarh in 1913 he made note of the money raised for Ottoman wounded and orphans in Trablusgarb. "Raḥaltinā al-hindiyya. Shukr ʿalanī...madrasa aligarh," *Al-Manār* (1912), p. 105.

Rs. 55,000,000, which were deposited at the Bank of Bengal and invested in Indian government securities at 3 ½ percent interest. When appeals were made in the Indian press to forward these funds to the Ottoman government, the university's planners maintained that the domestic needs of Indian Muslims must take priority. The Aghā Khān III initially rejected the proposal for disbursement, as did the All-India Muslim League, and a brief tussle ensued in the press. With Jauhar at the helm, the proponents of the Ottoman scheme eventually carried the day. At a meeting of the *Anjuman-i Islām* in Bombay in February 1913 the Aghā Khān himself put forward a motion, seconded by the Raja of Maḥmūdabād, to raise a loan for the Ottoman government by way of purchasing bonds.[545]

That the *imām* of the Niẓari Ismāʿīlīs and a leading Shīʿī landlord became, along with a bizarre melange of Bohras, Islamic modernists, and Memon industrialists, the key managers of a financial campaign for the defense of a nominally 'Sunni' empire is an illustration of the need to reassess some of the accepted historiographical wisdom regarding late Ottoman pan-Islam. These studies tend to privilege Indian Muslim pronouncements of religious fealty to the Ottoman caliph-sultan,[546] the Ottoman instrumentalization of pan-Islam as a check on European imperialism (or a mere bargaining chip with the Great Powers),[547] and the circulation of anti-colonial scholars between the Ottoman Hijaz and the broader Indian Ocean.[548] Still other commentators have rejected the category entirely as a product of colonial paranoia or "an

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545 Triverdi, *The Critical Triangle*, p. 77; Abbasi, *London Muslim League*, p. 295; "Turkish Bonds," *The Times of India*, 05 Mar 1913, p. 4.

546 Özcan, *Pan-Islamism*; Akçapar, *People's Mission*.

547 Karpat, *The Politicization of Islam*; Deringil, *Well-Protected Domains*.

548 Alavi, *Muslim Cosmopolitanism*; Umar Ryad, "Anti-Imperialism and the Pan-Islamic Movement."

interpretive concept developed by Western observers."[549] At once a supplement and corrective to this historiography, this study shows that the Ottoman Empire had long been a forum of pan-Islamic investment, pilgrimage, and study for a multitude of Indian Muslims, an arena for the projection of their own aspirations and anxieties.[550]

By expanding the remit of pan-Islam to include more actors, institutions, and localities, these transactions also attend to the very real material constraints that facilitated and mitigated pan-Islamic connections. The conclusion considers how the comparatively decentralized nature of the Ottoman financial system and religious economy created a less-regulated environment for the circulation of Indian Muslim capital than in Ottoman successor states. With the collapse of the Ottomans, new political and religious entrepreneurs in the region - the Saudis, the Kemalists, the Palestinians, and the Mandatory Powers – attempted to alternatively attract, curtail, and repulse Indian Muslim capital in their efforts re-make the religious landscape of the post-Ottoman Middle East. No longer would Indian Muslims be able to use their capital with such ease to embed 'Allahabads' in the very heart of Ottoman Medina and 'Hindias' in Ottoman Anatolia.[551]

Indian Muslim Capital and Pan-Islamic Exchange

[549] Schuzle, "Pan-Islamism," pp. 407-8; Jalal, *Self and Sovereignty*, p. 186;

[550] Majchrowicz, "Travelling for Reform," pp. 196-206.

[551] One contributor to the Hijaz railway requested from Ottoman authorities in 1904 that a depot in Medina be named "Allahabad" in return for his donation. Özyüksel, *Hejaz Railway*, 75. "Hindia" is a reference to a village and medical encampment established for Ottoman refugees during the Balkan Wars with the help of Indian money.

An emphasis on Muslim religious and commercial firms in these pan-Islamic charity campaigns permits us to trace the "skewness" that Peter Brown has memorably called "an iron law in religious giving."[552] Skewness took many forms - geographic, sectarian, and individual. For while schoolchildren in Etawah and *bībīs* in Lahore donated "their fives and tens," leading Indian Muslim educationalists, merchants, and princes dominated the organization and dispensation of aid to the Ottoman government. When these individuals pooled their resources to create 'supra-firms' like Red Crescent committees or *anjumans* that availed themselves of a critical mass of participants, pecuniary assistance was of a greater order of magnitude than in those instances (such as the Hijaz Railway) when lone Urdu newspaper editors or traveling Muslim bureaucrats attempted to organize independent funds. In these latter instances, such as the Hijaz Railway campaign, the same economies of scale were never attained as they were in 1877-1878 and 1912-1913 when mercantile and political notables through their weight behind fundraising efforts.

The successful mobilization of charitable capital by prominent Indian Muslims depended on individual entrepreneurs' affiliations with the institutions and norms of international finance. In part these connections compensated for the largely unbanked status of many Indian Muslim donors in the Red Crescent campaigns, who sometimes relied on the managerial hierarchies of associations to remit money in their name. But more than this, a certain intimacy with global finance was a must for the simple reason that all trans-imperial pan-Islamic charitable donations and bond purchases were forced to operate within the strictures of pre-existing global remittance

[552] Brown, *Through the Eye of a Needle*, p. 87.

chains and necessitated connections with European banking houses that were established in India and the Ottoman Empire from the mid-nineteenth century. For Indian Muslims in particular, the fact that European exchange banks financed the lion's share of foreign trade and external exchange meant that pan-Islamic financial exchange was ineluctably mediated through such corporations as the Imperial Ottoman Bank, HSBC, Deutsche Bank, Wiener Bank Verein, and the National Bank of India, Ltd.[553]

The financial woes of the Ottoman government reinforced this reliance. As Ali Çoşkun Tunçer has argued, International Financial Control (IFC) in the Ottoman context, while encouraging cooperation with foreign creditors and access to cheap foreign capital, came at the price of wholesale fiscal reform of existing Ottoman financial and political institutions.[554] Indeed, the same structural weaknesses that hampered Ottoman extraterritorial fundraising in India in 1877 materialized once again in 1912-1913, curbing the full weight of potential Indian contributions. As demonstrated below, European financial institutions were often unequal to the task of mobilizing Indian capital on behalf of Ottoman authorities. This history thus questions the tendency to view IFC in the Ottoman context as a mostly benevolent, almost altruistic, vehicle for 'peripheralization'.[555] Even as the supposed benefits of IFC are called into questions, one must remember that without these institutions the transfer of both remittances and bonds between the subcontinent and Istanbul would have been prohibitive.[556]

553 S.V. Doraiswami, *Indian, Finance, Currency, and Banking*, p. 116.

554 Tunçer, *Sovereign Debt*, p. 164.

555 An argument set forth in Murat Birdal, *Ottoman Public Debt Administration*, and Christopher Clay, *Gold for the Sultan*.

556 I leave aside the counter-factual question of whether the *hundi/hawala* system could have sustained the remittance traffic independent of the exchange banks. The documentation consulted for this paper

Contrary to many studies on the origins of pan-Islam then, these institutions confirm that the beginning of a pan-Islamic moment in the 1870s had origins beyond an instrumentalist, anti-imperialist 'turn' adopted by the Hamidian regime or the Islamophobia of European colonial officials.[557] As one commentator in *The Nineteenth Century* succinctly put it, the growing appreciation among Indian Muslims for the Ottoman sultan in the 1870s was not due to “any direct propagandism,” but stemmed from the increased circulation of foreign and domestic newspapers between both regions.[558] This focus on the material aspects of pan-Islam, as emphasized first by Takashi Oishi nearly twenty years ago, underscores that it was not simply Ottoman rhetorical or ideological claims, nor even the anti-colonial ambitions of Indian Muslims, that drove the consolidation of these links.[559] To be sure, a series of regular, if low-intensity, ties had connected Indian Muslims to Ottoman authorities from the sixteenth century. But substantial material links were forged only from the mid-nineteenth century with the expansion of British imperium into the perimeters of the Ottoman domains, which reinforced an intensified regime of circulation that accompanied East India Company supremacy in the western Indian Ocean.[560]

One key outcome over time was the growth of Indian banking firms in the Ottoman Gulf, Hijaz, and Iraq. As Juan Cole, Meir Litvak, and Julia Stephens have shown, ‘Indian money’ was

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makes scarcely any mention of the use of *hundis/hawala* within India for money transfers to the Ottoman government. Although the word ‘havale’ appears in the Ottoman record, this is most often a reference to a wire transfer carried out by a bank, rather than the Islamicate bill of exchange. IFC in the Ottoman context demanded the use of modern financial institutions.

[557] Jalal, *Self and Sovereignty*, pp. 192-194.

[558] Badger, “The Precedents and Usages regulating the Muslim Khilafate,” pp. 274-282.

[559] Oishi, “An Enquiry into the Structure of Pan-Islamism in India” and “Muslim Merchant Capital”.

[560] Rishad Choudhury, “The Hajj and the Hindi.”

crucial to the cultivation and preservation of Shīʿī sacred space in the shrines cities of Iraq. Michael Christopher Low in an excellent article has pointed to the nexus between British commercial expansion and Indian Muslim financial activity in the late nineteenth-century Hijaz.[561] These links extended to other parts of the Ottoman domains - Ottoman Baghdad was so deeply integrated into the wider Indian Ocean that its monetary system was the Indian rupee.[562] From the aptly-named 'Jabal Hindi' in Mecca to the shrines of Karbala, Indian Muslim munificence permeated the late Ottoman religious landscape, a fact that sometimes led Ottoman officials, such as the governor Osman Nuri Pasha, to lament the inordinate economic influence of Indian merchants in the Haramayn.[563]

Anxious to monitor activities within its own religious economy, the Ottoman government did its best to surveil this traffic. The Ottoman archives are dotted with directives sent to the Postal and Telegraph Ministry in Istanbul to seize and inspect objectionable "Hindi" (i.e. Indian) papers that had filtered into the empire.[564] (Readers of these very same papers subsequently raised immense amounts of money for the Ottoman government). The specter of pan-Islam was a persistent source of unease for British authorities, but Ottoman authorities also subjected Indian Muslim pilgrims and scholars to intense scrutiny.[565] As the archival record clearly bears witness, Ottoman authorities were patently apprehensive of unregulated pan-Islamic contacts, confiscating and pulping many texts of Indian *ʿulamāʾ* on the pretext that such 'Wahhabist' works

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[561] Juan Cole, "'Indian money'"; Stephens, "An Uncertain Inheritance"; Litvak, "Money, Religion, and Politics," Low, "Unfurling the Flag."

[562] Eldem, *A History of the Ottoman Bank*, p. 149; Pamuk, *Monetary History*, p. 219.

[563] Somel, "Osman Nuri Paşa'nın 17 Temmuz 1885 Tarihli Hicaz Raporu."

[564] But one example, BOA, Maarif, Mektubi Kalemi (hereafter MF.MKT), 564/13.

[565] Contrary to the claim made in Alavi, *Muslim Cosmopolitanism in the Age of Empire*, p. 21.

propagated heresy.[566] But the expansion of Indian printing networks throughout the Indian Ocean made this an arduous commerce to police. On occasion though, Ottoman authorities were content to use the works of Indian *ʿulamāʾ*, such as Raḥmat Allah Kairānwī's *İẓhār al-Ḥaqq*, to counter Shīʿī missionary activities among local tribesmen of the *ʿAtabāt*, much of which was funded from Iran and India.[567] Several works by Muḥammad Ṣiddīq Ḥassan Khān, a stalwart of Sunni reformism in the princely state of Bhopal, and a key fundraiser in 1877-78, were published in Istanbul in the 1880s.[568] The Ottoman government also granted salaries to select Indian scholars, not least Sayyid Fazal Thangal.[569] Indian Muslims only benefited from the largesse of the Ottoman religious economy after a vetting process. No visceral pan-Islamic, anti-colonial agenda dictated Ottoman relationships with non-Ottoman Muslims.

The infrastructure of Ottoman interactions with Indian Muslims expanded with the foundation of an Ottoman consulate in Bombay in 1849, followed over the next fifty years by offices in Madras, Karachi, Rangoon, Colombo and other cities. Except in Bombay and Karachi, consular heads were not Ottoman bureaucrats, but hailed from prominent local Muslim families. For example, the Badshah family, which held the post in Madras, were members of the board of directors for the Buckingham and the Carnatic Mills.[570] The consulates also helped coordinate

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566 BOA, Dahiliye Nezareti Mektubi (hereafter DH. MKT), 1700/88, BOA, DH. MKT, 1725/80.

567 BOA, Yıldız Sadaret Hususi Maruzat Evrakı (hereafter Y.A. HUS), 160/36; BOA, MF. MKT, 587/28; Çetinsaya, *The Ottoman Administration*, p. 109.

568 For example, Muḥammad Ṣiddīq Ḥasan Khān, *Nuzul al-abrār bi-al-ʻilm al-ma'thūr min al-adʻiyya wa-al-adhkār* (Istanbul: Maṭbaʻat al-Jawā'ib, 1301 [1883 or 1884]).

569 BOA, Hariciye Nezareti Mektubi Kalemi (hereafter HR. MKT), 93/59; Another report on the *shaykh* was filed four years later: BOA, Sadaret Mektubi Mühimme (hereafter A. MKT. MHM), 148/34.

570 Bagchi, *The Presidency Banks*, pp. 50-1.

the Hajj traffic departing from India and the implementation of quarantine measures.[571] In this capacity, they corresponded regularly with colonial authorities and the consuls were even integrated into the panoply of the Raj durbar, as confirmed by the Bombay consul-general's attendance at the imperial coronation in 1877.[572] Yet, if the experiences of the Ottoman novelist and short-lived Bombay consul-general, Abdülhak Hamid, are any indication, despite the consulate's prime location in Breach Candy, consular officials were largely house rich and cash poor.[573] Over time they functioned as the ineffectual stage-managers for the Hamidian regime's fumbling attempts to adorn itself as the champion of pan-Islam, whether in the form of orchestrating receptions for the ill-fated frigate *Ertuğrul*, on its way to Japan,[574] or lodging a complaint against Bombay's Police Commissioner for presiding over a meeting at the *Anjuman-i Islam* to protest Ottoman visa fees levied on Hajj pilgrims.[575] With that said, as discussed below, the Bombay consul-general functioned as a central financial intermediary between the Ottoman government, European banks, and Indian Muslim negotiators, particularly during the bond campaign of 1912-1913.[576]

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[571] "The Plague: The International Board of Health at Constantinople and the Mecca Pilgrimage," *The British Medical Journal*, vol. 1, Feb. 13, 1897. See the appeal made by the Muslims of Madras to the new Ottoman consul on behalf of Indian hajjis, "The Turkish Consul General in Madras," *The Madras Mail*, 27 July 1895; BOA, Yıldız Perakende Zaptiye Nezareti Maruzatı (hereafter Y.PRK, ZB), 16.

[572] National Archives of India (hereafter NAI), Foreign (Political), Nos. 11-2, March 1877.

[573] Wasti, "The Indian Sojourn," pp. 33-4.

[574] See the translation of the article from the Gujarati newspaper, *Kasid Bombay*, BOA, Yıldız Perakende Askeri Maruzatı (hereafter Y.PRK.ASK), 59/32.

[575] NAI, Foreign, General, File No. 18-21, Nov. 1911.

[576] Jeffrey Dyer's exceptional work is dedicated to a fuller treatment of Ottoman consular networks, see "Zanzibar: Imperial Visions and Ottoman Connections."

This section has shown that by 1870s the thick mesh of reformist associations, reading publics, consulates, and banks strewn between the Ottoman lands and colonial South Asia prepared the ground for the first manifestation of pan-Islamic financial humanitarianism in 1877-78. Indian Muslim donors had to traverse a quagmire of Ottoman and British sovereignty disputes and regimes of economic and religious coercion in the process. Although the colonial metropole remained a fulcrum in these campaigns, Indian Muslim capital was also mediated through non-colonial agencies as well, not least Ottoman extraterritorial institutions and non-British European banks. The meaning of it all was deliberated over in the heavily saturated realm of vernacular print that linked the Ottoman domains with colonial South Asia and the Indian Ocean. The next section considers how Indian Muslim firms throughout the subcontinent utilized these mechanisms before the 1912-1913 bond drive.

Relief, or Lakhs Thereof: **Indian Muslim Remittances to the Ottoman Government, 1877-1912**

Having surveyed the institutions and technologies underwriting the financial humanitarianism of Indian Muslim firms, this section analyzes the profile of Indian Muslim religious firms who participated in three Ottoman-centered remittance campaigns from 1877 to the beginning of the Balkan Wars. The principal aim here is to appreciate not only the magnitude of Indian Muslim firms engaged in these undertakings (and to deduce larger patterns on the character of Indian Muslim capital from this data), but also to emphasize some of the obstacles – religious, economic, logistical – faced by contributors. What is more, Indian Muslim fundraisers maintained variant attitudes towards the religious and political viability of the Ottoman Empire, which inflected the very act of giving itself. Monetary assistance to the Ottoman government thus became yet another polemical set-piece within contemporary debates among Indian Muslims over acceptable Muslim practice.

The inaugural 1877 remittance drive was motivated by two concerns: to help the Ottoman government pay the crippling war indemnity imposed by the Russians and to bring succor to the Ottoman wounded.[577] To achieve this, Indian Muslims utilized British aid societies, notably 'The Turkish Compassionate Fund,' which by 1882 received £9,000 from India and other colonial settings.[578] With the help of British consular authorities in Istanbul, Indian Muslims also sent aid to 'The National Ottoman Society for the Relief of Sick and Wounded'.[579] More important still was the 'Stafford House Committee for the Relief of Sick and Wounded Turkish Soldiers,' founded by the Duke of Sutherland, which served as a key intermediary between Salar Jung, the Niẓām of Hyderabad's prime minister, and the Ottoman Foreign Ministry.[580] The Stafford House Committee even printed advertisements in India for its own fund.[581] Nevertheless, as an Ottoman observer noted in a communique, the majority of funds from Indian Muslims were sent directly to Istanbul from India rather than through London.[582]

Here the European exchange banks came into play, in their role as proxies for the Imperial Ottoman Bank. After Muslim merchants in Bombay began dispatching a series of

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577 BOA, Yıldız Perakende Hariciye Nezareti Maruzatı (hereafter Y.PRK.HR), 1/23; BOA, İrade, Dahiliye (hereafter I.DH), 759/61923; BOA, I.DH. 761/62049.

578 Dunstan and W. Burdett-Coutts eds., *The Turkish Compassionate Fund*, p. 225.

579 Ollier, *Cassell's Illustrated History*, p. 368.

580 *Report and Record of the Operations of the Stafford House Committee,* p. 2.

581 Ibid., p. 183.

582 BOA, Hariciye Nezareti Sefaretler Evrakı (hereafter HR. SFR. 3), 246/13/1877

contributions to the Imperial Ottoman Bank in London from August 1877,[583] the Imperial Ottoman Bank did explore the idea of coordinating a large-scale bond drive in India, but lacked branches in India. The bank's minutes reveal its unsuccessful negotiations with the Chartered Mercantile Bank of India, "begging" it for assistance in obtaining subscriptions in India for the Ottoman Defence Loan, which was widely publicized in the European press in previous months. Sensing the desperation of the appeal, Prescott Winter, the solicitor of the Chartered Mercantile Bank of India, dismissed the notion of selling bonds in India as a hopeless endeavor. Winter's misgivings were confirmed by subsequent telegrams from Bombay revealing that the Ottoman Defence Loan garnered little interest among local merchants.[584] Moreover, although European banks were willing to wire remittances to the Imperial Ottoman Bank, none showed any inclination to carry out the bond drive on the bank's behalf. While £5,000,000 in subscriptions were eventually issued in London and Paris, in a foreshadowing of later efforts, only £5,000 worth of bonds were sold, mostly in India.[585]

Regardless of the fate of the bond drive, charitable remittances continued to filter into Ottoman coffers. For example, in November 1877 the Ottoman ambassador in London informed the head of the Ottoman Foreign Ministry that the Bombay branch of Comptoir d'Escompte had dispatched £18,400 telegram to the Imperial Ottoman Bank in London.[586] Like their Muslim counterparts in places like Sarajevo, Indian Muslims had formed fundraising suprafirms of their

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[583] Clay, *Gold for the Sultan*, p. 376.

[584] Ottoman Bank Archive, Istanbul (hereafter OBA), "Imperial Ottoman Bank: At a Meeting of the London Agency, Wednesday, 16 January, 1878," p. 26.

[585] Eldem, "Stability against All Odds," p. 110; Also see the remarks of Du Velay, *Essai sur l'histoire financière*, p. 372.

[586] BOA, HR./SFR 3 251/75/1877. An amount three times of that raised for the Ottoman Defence Loan.

own, such as the Indian War Fund Commission (*ʿiāne-i harbiyye komisyon*) that remitted £4,500 to the London branch of the Imperial Ottoman Bank. In turn, the consul-general in Bombay was ordered to express the Ottoman government's gratitude to the commission for a gesture "resulting in the protection of Islamic unity."[587] However, the language of unity only obscures the range of Indian Muslim firms involved, for more than 150 Muslim associations sent aid to the Ottoman government, raising some O.L. 124,843, an equivalent to some £113,000 or Rs. 10 lakhs.

Their contributions are collated in 'The Inventory of Indian Contributions' (*Defter-i ʿIāne-i Hindiyye*), a 115-page work compiled for Abdülhamid II.[588] Based upon an extensive, if not entirely exhaustive, survey of Indian donations compiled by Ottoman bureaucrats, with the aid of the Ottoman Parliament and Refugee Association, the inventory was divided into fourteen separate installments, listing the names of donors by locality.[589] It was commissioned by the Ottoman government because many Indian donors demanded confirmation that their donations had successfully arrived in Istanbul. The geographic breadth is tremendous, ranging from Himalayan hill stations to *mohalla* quarters in Bombay and small principalities in Punjab.[590] Mercantile groups, such as Memons, Bohras, and Nakhodas stand out, as do the heads of leading princely states like Bhopal and Hyderabad. Bhopal's contributions, which in one installment exceeded Rs. 205,000, were overseen by Siddiq Hasan Khān, who was honored by the Ottoman government for his actions.[591] Such munificence is suggestive of the broader fiscal resources

[587] BOA, DH/MKT. 1319/28.

[588] İstanbul Üniversitesi Kütüphanesi (Istanbul University Library; hereafter IUK), *Defter-i ʿIāne-i Hindiyye*, no. 79834. Citations from Özcan, *Pan-Islamism*, 68-9 led me to this extraordinary source.

[589] IUK, *Defter-i ʿIāne-i Hindiyye*, p. 100.

[590] Nainital, Qazi Mohalla, and Malerkotla respectively.

[591] BOA, Y.PRK.ZB, 15/53.

underwriting Khān's reformist and educational efforts that extended via print from Bhopal to Istanbul.

The range of post-1857 reformist associations also feature prominently in the inventory. The denizens of Aligarh donated by means of a committee and subscriptions raised by Sir Sayyid Aḥmad Khān, who went to great pains in the *Aligarh Gazette* to reassure the Indian Government that these activities did not contravene Indian Muslim loyalties.[592] Displaying the precocious enthusiasm of later drives, the rectors of *dar-ul-ʻulum* Deoband penned a letter to the Ottoman grand vizier thanking him for confirming the receipt of the money.[593] Only the Ottoman translation of the letter survives, but the directors were gracious for the "acceptance of the insignificant amount that we had the audacity to present without reservation to the struggle for the defense of Islam."[594] In the inventory itself, one of Rashīd Aḥmad Gangōhī's contributions earned its own bracket.[595] Thus, Deoband's 'global turn', in the guise of wire transfers to Ottoman authorities in Bombay, London, and Istanbul, dates to its first decade, a reflection of the unique financial model adopted by the organization from its inception.[596]

Yet more remarkable than the funds sent by reformist titans are the diverse array of remittances from associations in the Carnatic, Hyderabad, Malabar, and Burma. Unfortunately, the inventory reveals nothing of how the funds were raised locally, but one can assert confidently that even Muḥammad Dargāhī Qāżī and Munshī Ghulām Aḥmad of little Pimpalgoan Raja, who

[592] Özcan, *Pan-Islamism*, pp. 73-4.

[593] BOA, Yıldız Perakende Sadaret Maruzatı (hereafter Y.PRK.A), 1/88.

[594] BOA, Hariciye Nezareti Tercüme Odası (hereafter HR. TO), 126/93; BOA, Yıldız Perakende Elçilik ve Şehbenderlikler Tahriratı (herafter Y. PRK.EŞA), 1/59; BOA, Y.PRK.EŞA, 1/73.

[595] IUK, *Defter-i ʿIāne-i Hindiyye*, p. 50. For a more extensive Deoband contribution, p. 51.

[596] Brannon Ingram, "Deobandis Abroad."

together contributed a modest Rs. 215, were sufficiency imbricated in wider material networks stretching, however torturously, to Istanbul.[597] The same can be said of ʿAẓīmābād (Patna), where a sizable number of local Muslim worthies formed the 'Turkish Aid Committee', which printed a fourteen-page booklet in Urdu listing its members.[598] A motley assemblage of bigwigs organized in a single firm, they were representative of the hundreds of Indian Muslims who participated in the religious and financial economy of pan-Islam from the Ottoman Balkans to Arabia. The experiences of Patna's Turkish Aid Committee reflects the critical mass in donations that even contributors in smaller urban centers could achieve by pooling their resources into a single firm.

Despite the scale, some members of the Indian Muslim press expressed their disappointment in the low volume of aid, blaming poor organization and official restrictions.[599] Remittances quickly slowed to a trickle, perhaps largely because of the labyrinthine infrastructure involved. Some time later authorities in Istanbul called for the preparation of a new regulation (*niẓāmnāme*) calling on Indian Muslims to make additional donations.[600] But the fitful Ottoman gesture towards pan-Islamic solidarity did nothing to solve the insurmountable logistical problems faced by the Ottoman government and the Imperial Ottoman Bank. In the end, these factors acted as a curb on the scale of Indian Muslim capital fundraising, which fell almost entirely on the shoulders of Indian Muslims.

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[597] IUK, *Defter-i ʿIāne-i Hindiyye*, p. 92.

[598] British Library (hereafter BL), Ḥussain, *Kamīti muʾayyad-i Turkīyya.*

[599] Özcan, *Pan-Islamism*, p. 69.

[600] BOA, Yıldız Perakende Arzuhal ve Jurnaller (hereafter Y. PRK. AZJ), 2/53.

For the next twenty years, Indian Muslim financial activities from Ottoman Iraq to the Hijaz permeate the Ottoman archival record, but not until the Greco-Ottoman War of 1897 was there a charitable campaign comparable to 1877. This conflict witnessed the printing of epic-length Urdu accounts of Ottoman military campaigns in Rawalpindi, Lahore, and other cities.[601] Money in turn was raised for the Muslim refugees of Crete under the supervision of Muḥammad Inshāʾ Allah, the editor of Amritsar's *Vakīl*.[602] Unhappily, as Mīrzā Ghulām Aḥmad had reputedly prophesied,[603] the Ottoman consul in Karachi, Kāmil Bey, and his associate in Kandahar embezzled the funds, and were never punished, to Inshāʾ Allah's chagrin.[604] All the same, a table of donors in a March 1898 issue of *Vakīl* shows that the number of donors were rather meek.[605] Involuntary contributions were also extorted by Ottoman authorities in the Hijaz from Indian pilgrims to fill the caissons of the Ottoman war fund.[606]

If such incidents had the character of a shakedown, within three years the Hijaz became the recipient of Muslim philanthropy from all over the globe. Unlike other Ottoman railway projects, the Hijaz Railway was to be funded entirely by donations rather than European financial consortiums, a demonstration of Ottoman financial independence and religious

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601 Aḥmad, *Jang-i ṭurki o yunān*.

602 The Bombay consulate was part of negotiations considering the creation of a soldier's aid commission. BOA, Haritalar (hereafter HR. TH), 195/18; BOA, HR. TH, 203/33.

603 He made this prediction after a meeting with Kamil ensured him "that this man was neither trustworthy nor honourable in character." *The Essence of Islam*, pp. 179-81.

604 A letter from an Ottoman official informed Inshāʾ Allah that Kāmil Bey was cleared after a short investigation; Inshāʾ Allah, *Hamidia Hedjaz*, pp. 22-3.

605 "Fihrist-i candah menʿasākir-i ʿos̱māniyya o maẓlumīn-e krīṭ....," *Vakīl*, Vol. 3, No. 49, 4 March 1898, p. 9.

606 NAI, Foreign (External) Progs., Nos 74, July 1897, Part B; NAI, Foreign (External) Progs., Nos 235-249, August 1897, Part B.

leadership.[607] A full range of Ottoman financial institutions and consulates were mustered for the task.[608] The Hijaz Railway campaign underlines best how Indian Muslim firms negotiated the difficult question of aiding the Ottoman government. Historians of the Hijaz railway have noted these donations, but have not consulted the wider range of relevant Ottoman and Indian documentation.[609] Once again Urdu newspapers were key fundraisers and platforms for debate. In numerous issues, Bombay's *Pānch Bahādur* listed contributors from Bhagalpur to Bijnor under the headline, "The Generosity of Indian Muslims" and printed unequivocal articles such as "What is the Hijaz railway?"[610] One piece boasted that the contributions showed the strength of the Indian rupee on international markets,[611] and elsewhere Indian Muslim capital was held up as a catalyst for Ottoman progress.[612] In this view, Ottoman Muslims were the poor relations of their Indian 'co-religionists'.[613] But all agreed with such gestures, especially a writer from Lucknow's *Oudh Akhbar* who complained "we ourselves are starving, why should we help?"[614]

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607 Özyüksel, *The Hejaz Railway*, p. 213; Landau, *The Hejaz Railway*.

608 BOA, Yıldız Perakende Komisyonlar Maruzatı (hereafter Y.PRK.KOM), 11/22 is a report of contributions to the *ʿIāne Komisyon Sandığı* in Şubat 1320. There the Ottoman consulate in Bombay is recorded as having raised 18,240 *kuruş* or O.L. 182.40.

609 Of particular note are Özyüksel, *The Hejaz Railway,* pp. 73-75. Ochsenwald, "Financing the Hijaz Railway."

610 "Hejāz railvay kya hai," *Pānch Bahādur* no. 21, 16 June 1902, p. 3.

611 "Qudretī rupīye," *Pānch Bahādur,* no. 38, 17 September 1900, p. 1.

612 "Turkī taraqqī," *Pānch Bahādur*, no. 30, 12 August 1901, p. 1. See list of donors on left.

613 Still, charity sometimes traveled in the other direction as well. In 1900 Ottoman citizens from a handful of Anatolian cities raised sums for Indian famine victims. BOA DH.MKT, 11/8/1900; BOA DH.MK, 12/7/1900.

614 Özyüksel, *The Hejaz Railway*, p. 76.

Sharply opposing this position were two of the leading Indian fundraisers: the aforementioned Muḥammad Inshāʾ Allah and Hyderabad's Mullā ʿAbd al-Qayyum. Before the advent of the project, Inshāʾ Allah calculated that via subscriptions Indian Muslims could collect a staggering £300,000,000 for a railway line from Basra to Aleppo and thence to Syria, the Hijaz, and Yemen.[615] Some of this unrestrained ambition can only be understood in the context of Inshāʾ Allah's opposition to *swadeshi* in the belief that it would undermine the material progress British rule bestowed upon Indian Muslims.[616] Inshāʾ Allah had also toiled as a translator of Ottoman histories, receiving praise from no less a luminary than A. Vambery, the prolific Hungarian Orientalist.[617] But Inshāʾ Allah's most impressive intellectual labor was an extensive comparative work on the contemporary condition of the Ottoman Empire.[618] In time, he opened a charity office in Lahore, where he began printing another paper, *Waṭan*, that sent funds in over thirty-five installments.[619] Whatever his pro-Ottoman sympathies, he did not hide his contempt for certain Ottoman bureaucrats involved in the scheme, voicing sentiments not out of step with contemporary European tropes of Ottoman corruption.

The leader of Hyderabad's campaign was Mullā ʿAbd al-Qayyum, an erstwhile education minister who became honorary secretary of a Central Committee of the "Hijaz Railway Fund." Judging from contemporary British reports, Qayyum had fallen from the Niẓām's graces for

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615 Inshāʾ Allah, *Hamidia Hedjaz*, p. 12.

616 *Waṭan*, 28 February 1908; Reprinted in Inshāʾ Allah, *Hamidia Hedjaz*, pp. 49-58.

617 *Muḥābarāt-i Plevna; Muḥābarāt-i T̠essalī*; "A. Vambery to Inshāʾ Allah, 27 April 1907," printed in Inshāʾ Allah, *Hamidia Hejaz*, pp. 32-3.

618 Raza Rampur Library (hereafter RRL), Printed Books Collection, Inshāʾ Allah, *Salṭanat-i ʿoṡmāniyya.*

619 "Vatan Gazetesi Sahibinin Müdafaası (Lahor-Pencab'dan)," *Sebil al-Reşad*, Vol. III, No. 69 (1325 [1908-9]), pp. 268-69. Inshāʾ Allah was decorated by the Ottoman government for his services, BOA, BEO, 3651/273768; BOA, BEO, 3762/282079.

obstructing plague measures and writing "exceedingly offensive letters" to British officials.[620] Qayyum first traveled throughout Hyderabad collecting signatures to present to the Niẓām,[621] but was unsuccessful in his attempt to secure the Viceroy as patron of the fund.[622] Undeterred, he established several aid committees in Behar, Calcutta, and Saharanpur, and eventually moved onto Mysore, Madras, and Malabar, corresponding along the way with the Ottoman consulate in Bombay.[623] In a broader missive on Indian contributions from Lahore to Madras, Ottoman authorities singled out Qayyum.[624] In one instance Qayyum requested permission from Ottoman authorities to send funds raised in Hyderabad for the renovation of a resting area in Mina, another reminder of Indian Muslim capital's potential to transform the sacred space of the Ottoman Hijaz itself.[625]

Meanwhile, the Ottoman consulate in Madras, founded in 1890 and administered by the industrial tycoon Padishāh Khān, vindicated its foundation by accumulating and transferring money to the Ottoman government.[626] But two of the city's most prominent newspapers, *Shams al-Akhbar* and *Muḥammadan*, functioned as the most vigorous mouthpieces for the cause.[627] In an article in the latter - reprinted in Cairo's *Al-Liwāʾ*- readers were reprimanded for their meagre

[620] NAI, "Bayley to Secretary of Government of India, 16 June 1906."

[621] Andhra Pradesh State Archives, APSA, English Newspaper Cuttings."The Sultan's Railway Project," *The Advocate of India*, 6 December 1900, n. pag.

[622] "Petition from the Central Committee, Hedjaz Railway Fund, praying that H.E. the Viceroy may become the patron of the Fund," NAI, Foreign (Secret) Progs., Nos. 485-490, Part E, August 1906.

[623] BOA, BEO, 1524/114286; Özyüksel, *The Hejaz Railway*, pp. 74-5.

[624] BOA, BEO, 1960/146955.

[625] BOA, DH. MKT, 632/65.

[626] BOA, BEO, 1549/116150; BOA, BEO, 1552/116358.

[627] *Shams al-Akhbar*'s editor, Muḥammad Nasr al-Din, was awarded the prestigious *Nişan-ı Mecidi* by the Ottoman government in recognition of his support; BOA, İrade, Taltifat (hereafter İ. TAL.), 439/1325.

contributions to the railway fund and compared unfavorably to European Jews who raised millions for Alfred Dreyfus. "We cannot imagine a greater shame," the writer exclaimed, "than seeing the Jews spending millions of pounds for the sake of an individual while Muhammadans are unable to finish a line sacred and concerning the interest of millions."[628]

Some of the restraint may have stemmed from the ambiguous status of these donations as forms of almsgiving. In an *istiftāʾ* (request for legal clarification) sent to Deoband's Rashīd Aḥmad Gangōhī, a petitioner, who had noticed Hijaz Railway contributions in the newspapers, asked whether "*zakāt* is permissible in this or not; whether this is a requirement for a particular person or not; and whether this subscription constituted transfer of ownership (*tamlīk*) or not?" Gangōhī replied that "any *ṣadaqa* for the Hijaz Railway subscription cannot be compulsory. *Zakāt* [and] *ṣadaqa al-fiṭr* etc. indeed ought to be given voluntarily."[629] (In 1912-13 Gangōhī's successors among the Deobandi *ʿulamāʾ* asserted that it was mandatory for *zakāt* and *ṣadaqa* to be given to the Ottomans, even if Ottoman bonds were simultaneously deemed *haram*).

Historians claim that throughout the construction of the Hijaz Railway somewhere between O.L. 15,000 and O.L. 100,000 were contributed by Indian Muslims.[630] The first figure is suspiciously low and based not on a systematic study of Ottoman sources, but rather on British reports and Ottoman Arabic newspapers. Unfortunately, comparable to the 1877 inventory exists for the Hijaz Railway. Because of the disparate nature of the evidence, and the lack of central coordination on the Ottoman end, exact estimates are impossible to make, but it is not likely that Indian contributions were below O.L. 60,000. If the 1877 campaign had demonstrated the

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[628] See a translation of the extract dated 23 February 1905 in NAI, 1-2.

[629] Rashīd Aḥmad Gangōhī, *Kāmil Fatāwā-i Rashīdīyya*, p. 440.

[630] Özyüksel, *The Hejaz Railway*, 252, n. 32 cites Ochsenwald, "Financing," p. 142.

failings of IFC institutions in mobilizing pan-Islamic funds, the Hijaz Railway campaign reflected the ineffectual extraterritorial reach of intermediary Ottoman institutions, the Hamidian regimes' impotency in attracting pan-Islamic support, and the misgivings of many Indian Muslims towards the Ottoman cause. The Hijaz Railway campaign was also marred by an inability to attract the upper crust of Indian Muslim investors, who might have supplied the badly needed infusion of capital that Inshāʾ Allah thought Indian Muslims capable of giving. In the end, the financial resources of those individuals who did participate were too diffuse and atomistic to even equal the 1877-78 amounts.

This portion of the article has appraised the sweep of Indian Muslim actors who had a hand in Ottoman remittance campaigns and has shown that furnishing aid was subject to considerable calculation that varied from firm to firm, individual to individual. After an initial moment of enthusiastic charity in 1877-78, Indian Muslim communities were divided starkly over their perceived financial obligations to the Ottoman government. Fundraising in the years after the Russo-Ottoman War was mainly the preserve of select entrepreneurs, typically with links to political patronage, networks of print, and liquid capital. Each worked more or less without sustained Ottoman patronage and few could lay claim to the merchant and princely capital on offer in 1877-78.

If 1877-78 saw the mobilization of firms and associations throughout north, central, and southern India, subsequent drives seem to have been confined to specific urban clusters - such as Amritsar, Hyderabad, and Lucknow - and never attained the same geographical breadth. This stemmed from changing attitudes towards Ottoman governance, sharpened by the difficulties of Indian pilgrims in the Hijaz and simmering criticism of Hamidian despotism. With these factors in mind, it is therefore unexpected that the Balkan Wars of 1912-13 elicited such an immense outpouring of monetary aid in the form of charitable remittances from hundreds of locations, drawing in groups that had hitherto never contributed to Ottoman humanitarian causes.

The Supply Side: Bond Drive Negotiations, 1912-1913

The next two sections contrast the liberality shown by Indian Muslims in the Red Crescent campaign in 1912-13 with the lackluster execution of the bond drive. Using the language of religious economy, here the bond drive is conceived of as a process of reciprocal exchange comprised of a supply side and a demand side. On the supply side stands several actors. Chief among these is the Ottoman government, which in this instance acted as the supplier of Ottoman bonds. However, because the Ottoman government was dependent upon intermediaries in India to disseminate these instruments, the supply side also includes the range of Indian Muslim religious entrepreneurs in the subcontinent who both carried out negotiations with the Ottoman authorities and the European exchange banks and tried to encourage Indian Muslim commercial and religious firms to purchase the bonds. These latter two groups comprise the demand side of the equation, and their role is examined in the next section.

Given the bountiful donations made by Indian Muslims to the Ottoman charitable campaigns, their reluctance to make a deeper commitment and purchase bonds raises several questions about their motivations. An initial answer is found in the woeful orchestration of bond negotiations on the supply end, owing in part to European financial rivalry and Ottoman fiscal decrepitude, and torturous negotiations involving a plurality of parties. On the demand side, Indian Muslim firms reacted with alarm to this improvidence, but as they began to submit the bond drive to intense scrutiny, many continued to contribute the parallel Red Crescent charitable campaign. While they chronicled lists of participants in the Red Crescent drive in issue after issue, those Indian Muslim print entrepreneurs in favor of the bond drive were hard-pressed to convince Muslim constituencies that such an endeavor was the best use of Indian Muslim capital. They also struggled to educate their readership in the proper means for purchasing bonds. As a result of their inadequate financial proficiency, many found the financial technicalities too arduous to convey, relying instead on the interventions of European financiers and leading Muslim capitalists like the Aghā Khān III. Eventually, critical reactions in the Indian and European press, as well as the negative legal opinions of various Indian *ʿulamāʾ*, intensified these demand-side objections. Growing malaise surrounding the bond drive, coupled with emerging political controversies in the subcontinent, led to a flight of Indian Muslim capital away from Ottoman-centered humanitarianism and towards causes closer to home, such as the fund for the restoration of the Kanpur mosque.

In 1912 a confederation of Balkan states declared war on the Ottoman Empire and within weeks had nearly pushed the Ottomans entirely out of southeastern Europe. Both the Ottoman Prime Minister's Archive and the Turkish Red Crescent contain thousands of documents detailing the immense outpouring of Indian Muslim charity stirred up by these events.[631] For example, Seth Ḥaji ʿAbd Allah Hārūn, a Memon businessman known as the "Sugar King" - a title he earned for being the largest importer of Java sugar[632] - featured prominently in the pages of the press in his capacity as Karachi's Red Crescent committee chair.[633] Meanwhile, the rectors

[631] Because of the sheer weight of documentation related to remittances this section will concern itself only with the bond drive.

[632] Markovits, "Muslim Businessman in South Asia," pp. 114-5.

[633] But one example is BOA, BEO, 4185/313820.

of Deoband corresponded with leading members of the Committee of Union and Progress, including Dr. Bahāʾ al-Dīn Ṣākir and Rifaʿat Bey, and remitted funds via the National Bank of India, Ltd.[634] In Lahore, Muḥammad Inshāʾ Allah was a leading donor, while the readers of the city's women's paper, *Taḥzīb al-Niswān*, gave vigorously, as did uncounted contributors stretching from Quetta to Singapore.[635]

In light of these figures, how did the Ottoman bond drive turn out so dismal?[636] From the moment Ottoman relief funds were established, the Ottoman government and Muḥammad ʿAlī Jauhar corresponded via telegraph. In fact, it was Jauhar's responsibility to gain the Viceroy's consent for the "Muslim loan to Turkey."[637] As early as January 1912, Jauhar's paper, *The Comrade*, had sought the assistance of the Bank of Bengal in Calcutta, Deutsche Bank in Istanbul, and the Imperial Ottoman Bank to remit funds to the Grand Vizier.[638] That month the Ottoman government also approached Jauhar to open talks with the Alliance Bank of Simla, the Bank of Bengal, and Comptoir National d'Escompte, but by March Jauhar was impatiently imploring the Ottoman government "[for] Allah's sake assure Indian Mussulmans trying secure loan for Turkey."[639] This frustrations was shared by Anṣārī, who handled negotiations in Istanbul

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[634] Turkish Red Crescent Archives (Türk Kızılay Arsivi, hereafter TRC), 231/63.

[635] BOA, BEO, 4137/310275.

[636] For the role of the Imperial Ottoman Bank in Ottoman bond markets, Pamuk, *Monetary History*, p. 221; Pamuk, *The Ottoman Empire and European Capitalism,* pp. 62-81.

[637] BOA, BEO, 4109/308110/4 is Jauhar's telegraph to the Ottoman government confirming the Viceroy's mandate.

[638] The bank then contacted the branch of the Imperial Ottoman Bank in Istanbul with the details of a £400 demand draft payable at the local Deutsche Bank branch. BOA, BEO, 4014/301013/3.

[639] BOA, BEO, 4109/308110/3; For Ottoman summary of *The Comrade* telegraph correspondence BOA, BEO 4109/308110/1. BOA, BEO, 4138/310319.

proper with the help of Ẓafar ʿAlī Khān. During his first meeting with the Ottoman Minister of Finance, Anṣārī was informed that the bonds would not be available for several months and therefore was encouraged to contact banks in India and to inquire "if it was possible to receive money from the people for these Treasury Bonds and give them receipts for their money to be changed for these bonds when they were ready." Further foot-dragging on the part of Ottoman ministers followed this directive, leading Anṣārī to write to Jauhar: "the Turks have got absolutely no business capacity, and in arranging the issue of Bonds on such favourable terms they are not as prompt as they might be."[640] By April Anṣārī learned the bonds would not be ready for another two months, while the Ottoman consul-general in Bombay communicated to Jauhar that an Ottoman functionary had to be sent to Leipzig to obtain the necessary stereotype plates.[641]

This was a crucial reminder of how IFC shaped the entire enterprise. Indeed, in the existing records there appears to be a fair amount of ambiguity over what institution would be responsible for issuing the bonds, which were deemed "National Defence Treasury Bonds." Whatever its position as the official state bank of the empire, and a key recipient of Red Crescent remittances, the Imperial Ottoman Bank was surely not at the helm. Rather the Ottoman Ministry of Finance saw the bond scheme as its own prerogative. Yet, like the Imperial Ottoman Bank, that ministry hardly had the extraterritorial means to execute such a campaign. For that reason, the Ottoman Minister of Finance turned to two European exchange banks - Alliance Bank, Delhi and the Bank of Bengal - to issue the first provisional receipts of bonds (not the bonds

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[640] "The All-India Medical Mission: Chanak Kila, Dardanelles, 3 March 1913," *The Comrade* (29 March 1913), p. 238.

[641] "The Ottoman Treasury Bonds," *The Comrade* (19 April 1913), p. 307.

themselves) in February 1913, leading Jauhar and a group from Delhi's Jama Masjid to buy 150 bonds totaling £75.[642] At the bidding of Indian negotiators, a string of other European exchange banks in India agreed to receive deposits in turn.[643]

Far from a transaction involving two or three parties, Ottoman correspondence reveals that other negotiations between Ottoman officials and other Indian Muslim entrepreneurs were occurring simultaneously. For one, the consul-general in Bombay produced a report on a meeting convened by the *Anjuman-i Ṣanaʻi al-Islām* for the formation of a committee to facilitate the redemption of treasury bonds and the transmission of loans to the Ottoman government.[644] The Ottoman elder statesman, Ferid Pasha, prepared a memo for the Ottoman Ministry of Finance after some Indian Muslims asked to be exempt from the O.L. 500,000 of interest accruing on the O.L. 2,000,000 worth of treasury bonds designated for sale.[645] At the same time, the Grand Vizier, Saʿīd Ḥalīm Pasha, initiated talks with the Aḥmad Ḥassan, head of Lahore's Muslim Orient Bank. In exchange for Ottoman permission to open branches of his bank in the Hijaz, Ḥassan offered to to sell Ottoman securities in India without interest at the rate of O.L. 5, 10, 50, and 100. Saʿīd Ḥalīm thereafter promised Ḥassan that the Ottoman government would send him treasury bonds in the amount of O.L. 5,000,000 without interest and redeemable in five years.[646]

Ḥassan's bonds were advertised in the *Aligarh Institute Gazette* as "Interest-free Islamic bonds for the Ottoman sultanate (*Tamassukāt-i Islāmī-i qarẓ-i ḥasna*)," but confusingly so were

[642] See the letter reprinted in "Ottoman Treasury Bonds," *The Comrade* (15 February 1913), p. 131.
[643] "The Ottoman Treasury Bonds," *The Comrade* (22 February 1913), p. 157.
[644] BOA, BEO, 4153/311429.
[645] BOA, BEO, 4138/310331.
[646] BOA, HR.SFR, 689/21/3.

the bonds sponsored by Sayyid Amīr ʿAlī and the Aghā Khān III.[647] Indeed, in one of many disconcerting turns to come, an article in *The Comrade* stated that the agreement between the Muslim Orient Bank and the Ottoman government had nothing whatsoever to do with the parallel campaign to disseminate Ottoman treasury bonds in India. While an Ottoman land tax would act as a security for the National Defence Treasury Bonds, in Ḥassan's scheme his own bank's credit fulfilled this role. No interest would be charged on the bonds.[648] The article vehemently criticized the financial viability of Ḥassan's plan, condemning it as a distraction from the leading act and encouraging Indian Muslims to put their trust in Ottoman treasury bonds rather than the credit of the Muslim Orient Bank.[649] While European banks would charge commission from Indian bond purchasers in the National Defence Treasury Bond undertaking, Ḥassan was subjected to criticism for his decision to extract a commission from the Ottoman government instead.

Ḥassan earned the further ire of the Aghā Khān III in a piece written in February 1913, where the latter stressed the religious obligation of all Muslims to send charitable remittances to the Ottoman government, but rejected the proprietor of the Muslim Orient Bank's suggestion to advance an interest-free loan to the Ottoman government, saying that "Loans without interest are out of the question." In its place, the Aghā Khān III advocated that banks, including the Muslim Orient Bank, sell as brokers for the bond campaign with the Ottoman government acting as their guarantor. He further acknowledged that if religious sentiments were offended by interest-

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[647] "Tamassukāt-i Islāmī-i qarẓ-i ḥasna barāy-i imdād-i sultanāt-i ʿosmāniyya," *Aligarh Institute Gazette* (5 March 1913), p. 15; "Tamassukāt-i Islāmī-i qarẓ-i ḥasna barāy-i imdād-i sultanāt-i ʿosmāniyya," *Aligarh Institute Gazette* (26 February 1913), p. 16.

[648] "Ottoman Treasury Bonds," *The Comrade* (8 February 1913), p. 110.

[649] "The Orient Bank's Scheme and its Patrons," *The Comrade* (15 February 1913), pp. 131-2.

bearing bonds "there should be a condition by which a loan of 100 would be issued at 75 and repaid at par after five years."[650] In the end, Ḥassan's elaborate plans came to nought, and by September 1914 the Muslim Orient Bank, one of the few banking institutions in India owned by Muslims, collapsed along with a torrent of other native banks.[651]

Ottoman officials continued to seek support through diverse channels. After learning that committees had been established in India to mediate bond purchases, the Ottoman Minister of Finance noted that all efforts had to be made to validate the zeal of Indian and Egyptian Muslims.[652] Maḥmūd Şevket Pāsha, the Grand Vizier who obtained celebrity status in the Indian Muslim press, personally thanked Jauhar and the readers of *Hamdard* for sending £3000.[653] Other overtures were made to Indian Muslims, such as that of an Ottoman parliamentarian from Basra, ʿAbd al-Wahāb ibn Qirtās, who wrote an extended letter to Ẓafar ʿAlī Khān, editor of Lahore's *Zamīndār*, where he suggested, among other points, the abolition of the duty placed upon Indian pilgrims and the appointment at Jeddah and Mecca of an Urdu-speaking official.[654] Ḥüssain Ḥilmī Pāsha, the head of the Ottoman Red Crescent, asked Ẓafar ʿAlī to publish an aid appeal in his newspaper.[655] Meanwhile, the Ottoman Ministry of War used the pages *Ṭanīn* to thank Indian contributors like Calcutta's ʿAbd al-Laṭīf for contributions.[656] But collaboration

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[650] "India and the Balkan War: Position of Muslims," *The Times of India* (14 February 1913), printed in K.K. Aziz, *Aga Khan III*, p. 406.

[651] "Names of Banks Liquidated...," *Statistical Tables Relating to Banks in India with an Introductory memorandum* (Calcutta: Superintendent Government Printing, 1916), p. 15.

[652] BOA, Sadaret Eyalat-ı Mümtaze Kalemi Belgeleri (hereafter A. MTZ.(05)), 29.4/89.

[653] The funds were sent via the Chartered Bank of India, "Resīd-i zar," *Hamdard* (9 April 1913), p. 1.

[654] *Zamīndār,* 6 March 1912; translation included in BL, India Office Records, (hereafter IOR), L/PS/10

[655] It was reprinted as "An Appeal to Muslims," *The Comrade,* 26 October 1912.

[656] "Hindistān'dan ʿIāne," *Ṭanīn* (4 Kânûn-ı S̲ānī 1912), No. 1199, p. 2

masked deeper misgivings, as is clear in an article by S.M. Tevfīk for the Ottoman newspaper, *Sebīl al-Reşād*. The piece concerned the participation of Caʿfer Bey at a Indian Red Crescent meeting held in Bombay before Dr. Anṣārī's departure for Istanbul.[657] Tevfīk was impressed by the proceedings, but he ended his article on a curious note: "Indian Muslims are not democrats, they are all aristocrats. Therefore, unless they are satisfied by our activities, which do not conform to their tastes, we will not be able to utilize them. Several times I have written this. Unfortunately, I don't see any hope of leverage."[658] This sentiment points to the irreconcilable agendas pursued by Ottoman and Indian Muslim factors throughout these years, none of which expedited the implementation of the bond drive.

Ottoman dithering did delay the possible resolution of this mistrust, which was not aided by continued discrepancies in bond information and dizzying technicalities. Near the end of 1912, Bombay's Ottoman-consul general, Caʿfer Bey, cabled Jauhar: "We shall pay through the agency of the Imperial Ottoman Bank and the Public Debt interest at the rate of 6 per cent, and we shall redeem the stock in three years at the rate of two instalments [sic] per year. We should like to know the quantity required in India. We shall send to the Banks mentioned by you as many Bonds as you require..."[659] After Jauhar and others protested the prohibitive value of bonds, the Ottoman government agreed that the lowest bond would be issued "for half a sovereign which is equal to Rs. 7-8-0" for the sake of poor Muslims.[660] The effort to include unbanked Muslim bondholders led to considerable headaches for the planners. *The Comrade*

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[657] "Hindistān Hilāl-i Aḥmer Heyʾetī: Mühim Bir Konferans," *Sebīl al-Reşād*, Vol. X, No. 259 (15 Ağustos 1329), pp. 406-409.

[658] Ibid., p. 409.

[659] "Ottoman Consul-General, Bombay, " *The Comrade* (16 November 1912), pp. 394-5.

[660] "Ottoman Treasury Bonds," *The Comrade* (8 February 1913), p. 110.

reported with some consternation that many bond purchasers had deposited money at the British-owned Alliance Bank of Simla, but neglected to give the bank the authority to remit the funds.[661]

For Jauhar, financial illiteracy was tantamount to assisting the enemy, and he rebuked his readers upon hearing reports that Comptoir National d'Escompte in Bombay and the Alliance Bank of Simla had been regularly visited by prospective bond-holders "with five rupees and ten rupees and waste an hour or two each in asking silly questions, after which they stolidly return home – with their fives and tens."[662] Muḥammad Fażl-i Matīn, a session judge from Patiala, attributed these complications to the fact that many purchasers did not know English and were irregular in their communication with the banks.[663] Furthermore, because of the Ottoman consulate-general's unwillingness to pay for wire transfers to the Ottoman Ministry of Finance, a sizable portion of money languished in Indian banks.[664]

To surmount some of the unease brought on by these affairs, the Aghā Khān III stepped into the foray with an article on the benefits of buying Ottoman bonds:

> It may be asked whether the Mussalmans of India will find two or three millions. I think the Mussalmans all over the country have money in various banks and in various kinds of securities, and where will they find better investment than transferring their holdings to the 5 per cent. Turkish Bonds? Personally, I would not hesitate to get out of every

[661] See Jauhar's own letter to the Alliance Bank of Simla authorizing it to remit funds to the Ottoman consul-general in Bombay and requesting Ottoman treasury bonds of Rs. 7.8. JMI, PA, MMAP, "Manager of Comrade to Alliance Bank of Simla," (23 April 1913).

[662] "Ottoman Treasury Bonds," and "What to do?", *The Comrade* (1 March 1913), pp. 178-9.

[663] JMI, PA, MMAP, "Muhammad Fazl-i-Matin to Jauhar," MOH/L – 844-5.

[664] "Ottoman Treasury Bonds," *The Comrade* (12 April 1913), p. 289.

investment that I possess and that does not bring me more than 5 per cent. and buy the 5 per cent. Turkish Bonds.[665]

He then asserted that if Indian Muslims contributed generously than the Ottoman government could rely on an additional £12,000,000 per annum, an amount nearly equal to that which the Ottoman government drained every year from its ‘Asiatic’ provinces for the defense and maintenance of its European holdings. With that money, he continued, Indian Muslims could contribute to the rapid development of Mesopotamia, a region that would be “what the Argentines have been for Europe” and whose commercial value was greater than “five East Africas.”[666] As with the Hijaz railway then, Indian Muslim capital was to be a vehicle for Ottoman progress in its 'backward' regions, and by implication, a vehicle for Indian colonization.

True to his word, the Aghā Khān III eventually purchased some Rs. 90000 (£6000) in Ottoman bonds. In that same issue, Jauhar commended the Aghā Khān III's intervention, noting that by his reckoning the status of Ottoman credit was better than Japan's. Still, he did chide the Aghā Khān III for his fixation with number crunching, assuring his readership that many Muslims held Indian government paper at a mere 3 ½% interest. They would be content, Jauhar added, to accept a lesser rate from the Ottoman government paid the principal on time. While in his 1918 *India in Transition*, the Aghā Khān III looked forward to a time when the Indian empire extended “from Aden to Mesopotamia, from the two shores of the Gulf to India proper,”[667] these

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665 H.H. The Agha Khan, G.C.S.I., “The Turkish Treasury Bonds,” *The Comrade* (1 March 1913), pp. 182-3.

666 Ibid.

667 Cited in Devji, *Muslim Zion,* p. 71.

1913 remarks suggest that his ambitions to incorporate Ottoman Iraq into the ambit of Indian Muslim capital - or at the very least his own financial empire - preceded the war itself. This is an important reminder of the need to reckon with the competing motives of Indian Muslim firms in these pan-Islamic philanthropic movements.

Besides an acquaintance with global markets, the bond drive demanded an intimacy with international finance journalism. In one instance, Jauhar was forced, at the insistence of the Ottoman Minister of Finance, to quell rumors stoked by an anonymous article in *Capital* asserting that the Ottoman government was hopelessly bankrupt and that the holders of the supposedly £2,000,000 of Ottoman bonds circulating in India (this figure was grossly exaggerated) could expect the same fate that befell holders of Ottoman bonds in 1868.[668] Jauhar scrambled to enlist the help of Dalzell, the Delhi branch manager of Alliance Bank, to contradict these claims.[669] Dalzell's intervention forestalled the collapse of Jauhar's elaborate blueprint, but this episode served as another reminder that Indian Muslim capital had many dissenting voices regarding Ottoman financial solvency.[670] Nonetheless, Jauhar remained committed to the bond drive as a preferred form of pan-Islamic activity than boycotting and protests against Balkan aggression.[671] Above all, he was convinced that the moment required a display of confidence in Ottoman credit by Bombay's Muslim captains of industry, from whom he solicited 25 lakhs, a sum partially dictated by "the fact that the money market is tight owing to large quantities of

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[668] "Ottoman Finance," *The Comrade* (19 April 1913), pp. 307-8.

[669] "The Real Situation," *The Comrade* (19 April 1913), pp. 308-9.

[670] See Jauhar's blast against Urdu journalists opposing the fundraising, "The Turkish Relief Fund," *The Comrade* (14 June 1913), pp. 478-80.

[671] For an extended polemical discussion of this point see, "Bonds or Boycott," *The Comrade* (15 March 1913), pp. 222-4.

opium lying unsold in China."[672] Even so, as discussed below, neither Jauhar nor the Aghā Khān were able to sway the Indian princes and the middle classes with such overtures.

To recapitulate the argument of this section, the execution of the bond drive on the supply end was hampered by Ottoman attempts to alternatively circumvent or rally the edifice of IFC, the rivalries of European institutions in the empire, the surfeit of pledges made to Indian Muslim firms, and the conflicting agendas of the many religious firms promising the Ottoman government the full force of Indian Muslim capital. The following section turns to the demand-side and considers how the merits of the bond drive were assessed by a spectrum of Indian Muslim scholars and politicians beyond the key negotiators. Compared to the supply side, unique problems reared their head that Ottoman planners never seem to have countenanced.

The Demand Side: Indian Muslim debates over Ottoman Loans

To reiterate the distinction made above, the demand side constitutes the array of Indian Muslim religious and commercial firms that were the intended consumers of the Ottoman bond drive. The irreconcilable positions these firms took on the subject of purchasing Ottoman bonds exemplified the very real tensions that stood at the heart of the effort by a select group of entrepreneurs to unite Indian Muslim capital under a single institutional banner and to subordinate it to the objective of pan-Islamic activism. In divvying up the study of the demand side into competing firms instead of a monolithic bloc, the religious economy framework allows the historian to best apprehend the depths and limits of financial literacy among a plurality of

[672] "Bombay and the Bonds," *The Comrade* (1 March 1913), p. 179.

Indian Muslim constituencies. While many, as a consequence of their devotion to a number of religious firms, were long inured to utilizing charitable funds and trusts, many were less familiar with modern banking institutions and purchasing debentures. When added to the dilemma of donating capital to international pan-Islamic concerns or more local Muslim causes, this significantly modulated the scope of participation in the Ottoman bond drive.

The obstacles that emerged on the demand-side of the bond campaign require special clarification, not least because the Balkan Wars stirred up such intense financial and emotional energy. Muḥammad Iqbāl first recited the following lines from his celebrated *jawāb-i shikvah* at a *mus̱ẖāʿirah* near Mochi Gate in Lahore in early 1913:

> The tumult caused by the Bulgar onslaught and aggression
> Is to rouse you out of complacency and gird your loins for action.[673]

The poem seems to have had the intended effect, for thousands of copies of Iqbāl's famous "Response to a Complaint" were purchased that night, and the proceeds dispatched to the Ottoman government.[674]

But not even the forcefulness of Iqbāl's language could quite sway the serious material and religious obstacles the bonds presented to many Indian Muslim investors. Not only was the bond a potential bearer of usurious capital, it also was susceptible to forgery and default. The Red Crescent campaign was certainly not immune from these fears, with rumors afloat that

[673] Khushwant Singh ed., *Shikwa and Jawab-i-Shikwa*, pp. 59, 90.
[674] Ibid., p. 59.

hostile Ottoman Christians were in charge of the Ottoman Red Crescent.[675] The circulation of shadowy political operatives did not help matters. In fact, British intelligence kept tabs on Ottoman officials sent to India to disseminate treasury bonds. A report produced at the time stated that "one is named Fazli and belongs to Salonica cripto (sic) Jewish sect; second wearing a green turban and Dervish dress is named Ali Khulki Effendi." In the report a second hand has crossed out "cripto" and written "Coptic?"[676] Fazlı was likely a member of Salonika's Dönme community, a reminder of the diverse Muslim constituencies that the bond drive mobilized.

The unease aroused in colonial circles by louche Ottoman political agents was matched by misgivings among Indian Muslims over the authenticity of Red Crescent remittance receipts. As noted in Abū al-Kalām Azād's *Al-Hilāl* in March 1913, several readers had written letters to the editor to the effect of: "Having amassed rupees for the fund of the Red Crescent, we have left them in the trust of some gentlemen. They have stated that they will send them direct to Istanbul. Now they are showing a printed receipt and they say that this has come from the Society of the Red Crescent, Istanbul. Nevertheless, we remain uncertain. Something definitive ought to be said regarding with what means an original receipt can be recognized." To alleviate the concerns of buyers, *Al-Hilāl* printed an example of a receipt and bid readers to inform the paper immediately of any discrepancies.[677] The fears surrounding paper instruments were made known to Ottoman officials. In one instance the Ottoman consul-general in Bombay informed the Ottoman Ministry of Finance that "in spite of entering into negotiations with Alliance Bank and Eastern Bank, the

[675] A letter from the Ottoman consul-general to Qamar Shah Khān of Rampur effectively quashed this rumor."The Ottoman Red Crescent Society," *The Comrade* (3 May 1913), p. 353.

[676] Ibid; For internal Ottoman discussions on whether the British government would object to the sending of treasury agents to India, see BOA HR.SFR.3, 692/18.

[677] "Anjuman-i ḥilāl-i aḥmer-i kosṭanṭaniyya kī resīd," *Al-Hilāl* (19 March 1913), p. 180.

people [Indian Muslims] prefer the originals of the treasury bonds" and stressed the necessity of dispatching these.[678] Not soon after, however, the Ottoman consul-general in Bombay was again writing to the Ottoman Ministry of Finance requesting a motion to reassure Indian Muslims - apprehensive about the delays in Leipzig – that the printing would be accelerated and that buyers would receive a good rate of return on their bonds.[679]

Among the hardest to convince were the Indian Muslim princes, with the Viceroy's cool response to bond purchases having the predictable effect of driving away the capital the princes might have invested. As in earlier humanitarian movements, the support of the Viceroy was enlisted and Lady Hardinge herself organized a relief fund.[680] On the other hand, when it came to the bonds, the Viceroy himself was "doubtful whether there is adequate security for the repayment of monies so invested and considers that he is duty bound to make this view known to the political officers who may be consulted by chiefs who are approved in this matter."[681] While British officials did nothing to actively hamper the scheme (in many instances they were crucial intermediaries for the relief funds), the Niẓām of Hyderabad was commended for declining Jauhar's request for a loan to be raised for the Ottoman government.[682] Without the support of the princes, the same numbers achieved in the charitable campaign were never obtained.

Besides speculative concerns and threats of embezzlement, Ottoman debt presented an awkward predicament for middle-class Muslims, as captured best by Nawāb Viqar al-Mulk Bahādur, general secretary of the All-India Muslim League, who lent his pen to the task of

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[678] BOA, BEO, 4161/312006/1.

[679] BOA, BEO, 4161/31203/8.

[680] See issues of *The Comrade* for more information.

[681] NAI, Foreign, External, Part B, Nos. 28-31, August 1913.

[682] Ibid.

urging readers to invest in Ottoman government securities.[683] Addressing the *muṭawassat al-hāl* (the middling classes), his "The Red Crescent Donations and Turkey's debt: the means by which the rupee can be supplied," noted how the poor had raised funds beyond their station, while middle-class donors had given little. Bahādur conceded that this stemmed from the low financial reserves of most middle-class Muslims. But with fundraisers expecting enormous donations, many from the middle class declined to take part rather than endure the indignities of contributing a quantity incommensurate with their social status.[684] Fortunately, two methods of financial assistance were now available: the Red Crescent committees, whose organizational structure Bahādur praised, and treasury bonds. To Bahādur bonds were preferable as they permitted a middle-class Muslim to use a portion of his daily wage in separate installments, thus sparing the shame of giving beneath one's status. But was it morally permissible for such individuals to profit from Ottoman debt? Bahādur vacillated over this issue, but concluded that no profit should be taken in light of the tribulations faced by the Ottomans.

Whatever Bahādur's assertions, religious objections to the purchase of interest-bearing Ottoman treasury bonds were resolute. None matched Aḥmad Riżā Khān (head of *Ahl-i Sunnat wa Jamāʿat,* or Barelwī, by which their many detractors labelled them) in the sheer verve with which he tackled the subject of Ottoman aid.[685] This is curious given his famous condemnation of the ecumenism of ʿAbd al-Barī Farangī Mahallī's *Anjuman-i Khuddām-i Kaʿba*, an association

[683] "Chanda-i ḥilāl-i aḥmer aur turkī qarẓa," *Hamdard* (12 April 1913), 3; The piece also appeared in *Akhbār Madīna Bījnūr*, Vol. 2, No. 15 (15 April 1913), p. 9.

[684] Ibid., "...they considered against their rank and status to give such small amounts in their name..."

[685] "Tadbīr-i Falāh wa Najāt wa Iṣlāḥ," in *Fatāwā-i Raẓawiyya*, Vol. 15, pp. 142-57. Brief discussion is found in Sanyal, *Devotional Islam*, pp. 281-2.

that made Ottoman monetary relief one of its programmatic aims.[686] To be sure, Khān's rivals at Deoband were by no means silent on the matter. The head of Deoband's *fatw*ā department, ʿAzīz al-Raḥman ʿUs̱mānī, was asked on several occasions whether Muslims were obliged to donate to the Ottoman Red Crescent. They were duty-bound to do so, ʿUs̱mānī asserted, citing two *hadīth* from *Jāmiʿ al-Tirmidhī* to bolster his answer. The first narrated by Khurraim bin Fātik was "Whoever spends a sum in the cause of God, it is recorded for him seven-hundred fold."[687] The second, handed down by Abū Umāma, was "The best form of *ṣadaqa* is to furnish a tent in the way of God, to reward a servant in the way of God, and to furnish a camel in the way of God." From this, ʿUs̱mānī concluded that *zakāt*, whether in the guise of prayer or material goods, should be allocated for Ottoman relief, even stating that the Red Crescent deserved precedence over the poor, the *ʿulamāʾ*, and madrasa students in the receipt of alms. Only in extreme cases, such as encountering a poor soul dying of hunger, should there be exceptions.[688] It is therefore puzzling to learn that when asked whether buying Ottoman debentures was permissible for Muslims, ʿUs̱mānī declared "this is not suitable according to the law for there is the 'taint' (*ishtibāh*) of both 'interest' (*ribā*) and 'gambling' (*qimār*) in this. Thus, abstaining from buying the aforementioned bonds is incumbent upon Muslims."[689]

[686] Sanyal, *Ahmad Riza Khan*, p. 78. See ʿAbd al-Bārī's telegram to the Ottoman cabinet asking it to guarantee that the money raised would be spent on territorial development and military organization. He also requested information on how to purchase bonds safely. BOA, BEO, 4163/312208/1-4.

[687] "ḥilāl-i aḥmer ko canda denā kaisā hai - suʾāl 540," pp. 195-6.

[688] See "j," Ibid., p. 196.

[689] "Saḻtanat ṭurkī ke temessukāt ki kharidārī – suʾāl 232," in ʿAzīz al-Raḥman ʿUs̱mānī, *Fatāwa Dārulʿulūm Diyoband*, p. 146.

Aḥmad Riżā Khān was less circumspect – and more prolix. In a larger *fatwā* composed in reply to a question posed by Ḥajī Munshī Laʿl Khān of Calcutta on the best means of assisting the Ottomans during the Balkan Wars, Riżā Khān stressed that boycotts of European goods were not in the interest of Muslims. Instead he suggested that Muslims create their own banks as a means of launching Indian Muslim economic revival and Ottoman aid. If establishing "Islamic banks" was one avenue to undercut the Hindu moneylender and, in his view, the still more rapacious Muslim usurers,[690] Khān further encouraged every Muslim to donate a month's salary to the Ottoman cause and, as ever, took the occasion to berate the worldliness of his fellow Muslims.[691] He was in no doubt that the money raised for the Muslim university should be sent to the Ottoman government as an interest-free loan.

The quantitative effect of these contrasting opinions is impossible to state, but the polemical aspect of these debates show how Indian Muslim firms and individual donors wrestled at length with the conundrums posed by Ottoman bonds. For while the desire to help Muslim refugees remained paramount and fueled the vitality of the charitable remittance campaign, the specter of *ribā* that bonds presented remained such a source of unease that the learned opinion of religious scholars was sought. These judicial opinions reinforce the imperative to incorporate sources such as *fatāwā* into histories of Indian Muslim financial life, not least for what they reveal of how interpretations of Islamic law were brought to bear on the instruments and institutions of global capitalism.

As the *ʿulamāʾ* tussled over the legality of bonds, only on 10 May 1913 was the Ottoman imperial *irāde* announcing the sale of bonds printed in *The Comrade*, followed by *Hamdard*

[690] "Tadbīr-i Falāh wa Najāt wa Iṣlāḥ," *Fatāwā-i Rażawiyya*, p. 146.

[691] Ibid., p. 148.

three days later.[692] The Ottoman government did eventually honor its commitment to its Indian bondholders in early 1914. On 5 March the Comptoir National d'Escompte informed Jauhar that it had been authorized by the Ottoman government to pay the first installment of the principal and the interest in relevant cases.[693] But Jauhar's private correspondence from this time reveals letters from bondholders, such as the *Anjuman-i Ḥimāyat al-Islām* in Bhairab, imploring him to send their long-awaited bonds.[694] Bhairab's *anjuman* seem to be one of the few who maintained an abiding investment in the Ottoman cause into mid-1914. Two years had passed since the Ottomans opened negotiations with Jauhar. As the ferment around the Kanpur Mosque incident gathered steam, donations appear to have been re-directed to Muslim causes closer to home.[695] The last donation worthy of the name was sent via a draft of the Comptoir National d'Escompte by Jauhar on 16 July 1914 for the Indo-Ottoman Colonization Society based in Erzine in the *vilāyet* of Adana.[696] Soon thereafter London had begun to experience its own financial crises that the onset of the war in late summer exacerbated.[697] Three decades of financial de-globalization followed that reoriented the geographies of Indian Muslim capital, but not before an

[692] "Ottoman Treasury Bonds: Copies of the Law and Decree," *The Comrade* (10 May 1913), p. 375; *Hamdard* (13 May 1913), p. 4.

[693] JMI, PA, MMAP, "Letter to the Manager, *The Comrade* from the Manager, Comptoir National d'Escompte de Paris, Bombay," 5 March 1914, MOH/L – 1444 F. No. 1. The bank had asked Jauhar as early as December 1913 to send the first-year coupons to the Bombay branch for redemption.

[694] The *anjuman* had earlier written to Jauhar in February asking for him to dispatch their bonds in the amount of Rs. 75.2. JMI, PA, MMAP, "Letter to Jauhar from Secretary, Anjuman Hammaiyat al-Islam, Bhairab," 6 April 1914, MOH/L – 1483, F. No. 1.

[695] This seems to be so particularly from August 1913. See the issues of *The Comrade* from this month.

[696] The amount was Rs. 15,000 or 998.0.11. JMI, PA, MMAP, "Letter from *The Comrade*" (16 July 1914), MOH/L-1546-1547, F. No. 2.

[697] Roberts, *Saving the City*.

infrastructure of Muslim activism, sustained by uncounted firms with links to complex webs of print and fluid capital, had come into being.

This section has demonstrated that the competing Indian Muslim religious firms debated intensely over not only the legality of buying Ottoman bonds, but also their financial viability. Even those who maintained the centrality of Islamic legal texts as a source of inspiration in the life of the average believer were in conflict over whether Ottoman bonds were permissible according to the strictures of Islamic law. Nearly all firms shared a preoccupation with protecting the integrity of Indian Muslim capital, but disagreed whether that resource would be better used for more immediate Muslim interests in the subcontinent or as part of a wider show of solidarity with international Muslims. These conflicts would only blossom from the First World War onwards when the question of subservience to British imperial power became much more acute.

A Study in Contrasts: The Imperial War Loan and the Khilafat Movement

While the previous two sections displayed the logistical difficulties associated with the Ottoman bond drive, this portion of the chapter contrasts the underwhelming Ottoman bond-drive with the run-away success of the Indian War Loan in 1917-1918 to which Indian Muslims subscribed in great numbers, and secondly with the Indian Muslim charitable campaigns during the Khilafat movement. When the Ottoman government rescinded its payments to its bondholders in the course of the First World War, it attempted as part of its own wartime strategy to turn "Indian Muslim capital" into political capital. But Indian Muslims instead allocated funds to Britain's war effort, not least the Raja of Maḥmūdabād and Aghā Khān III, both of whom had advocated sending university funds to the Ottomans in 1913.[698] The Begum of Bhopal now contributed to the Belgian Relief Fund and sent donations to Indian troops at the front.[699] The war loan drive was on a much grander scale, although it was not without its controversies. In a further check to narratives of institutional path-dependence, Muslim members served extensively on war funds, particularly in the United Provinces, with elite members of other religions.

Numerous members of the old Mughal *ashrāf*, and scholars of Arabic and Persian, assisted not just in lending to war funds, but also in recruiting soldiers throughout their district and contributing to charities such as the Red Cross.[700] In Bangalore, Ḥajī Ismāʿīl Saiʿt, a highly successful Cutchi Memon businessmen and director of Mysore Bank, furnished a Rs. 10,000 donation - amounting to half of his bank's fixed deposits - to the War Loan.[701] These displays of support for the Indian government led him into hotwater during the Khilafat movement, when the heads of fifteen mosques in Bangalore attempted to excommunicate him for not giving up his titles.[702] This was despite the fact that he had donated generously to the Khilafat fund.[703] Predictably, the Muhammadan Anglo-Oriental College at Aligarh published numerous

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[698] The Raja of Maḥmūdabād was a benefactor of the Indian War bond drive in 1916 and 1917. SBI, "No. 41 – N. Warren to the Agent, Bank of Bengal, Lucknow, 30 July 1918," in State Bank of India Archives (hereafter SBI), *Bank of Bengal, Lucknow Branch: Half-Yearly Reports, No. 499.*

[699] NAI, Foreign and Political (Internal- B), 1915/589/592; NAI, Foreign and Political (Internal- B), 1915/246/254.

[700] *India's Services In The War*, Vol. 1 (Lucknow: Nawal Kishore Press, 1922).

[701] *Report of the Chief Inspector of Mines in Mysore*, *1918-1919*, p. 31.

[702] "Bangalore Mosque Case - High Priest Examined - Khilafat Excommunication," *The Pioneer Mail* (31 December 1920), p. 22.

[703] M. Naeem Qureshi, *Pan-Islam in British Indian Politics: A Study of the Khilafat Movement, 1918-1924* (Brill: Leiden, 1999), p. 245, n. 82.

advertisements for the war loan from 1917.[704] Other Memon constituencies refused support, such as the Srutis of Burma, slowly coming under the influence of Deoband, who refused to participate out of an aversion to accepting interest.[705] By contrast, the Dāwūdī Bohras subscribed to the War Loan in 1918 to tune of Rs. 181,300.[706] In one instance, a leading Dāwūdī Bohra wrote that "as the taking of interest was against the tenets of their religion, no interest would be drawn on the amount subscribed by them."[707]

There were members of the north Indian gentry who were happy to accept interest on their war loan bonds. One of them even penned a work advocating the permissibility of doing so. Beneath a subtle 786 - the numerical cypher for the *Bismillāh* - Mawlwī Sayyid Āl-i Aḥmad began his defense of purchasing war bonds stressing that Britain had been forced by German depravity and naked aggression to become a participant in the "abominable war."[708] The war loan had witnessed, he wrote, the participation of all from the "lords of the land (*walīyān-i mulk*) to the cultivator." It was as a colonial citizen that Āl-i Aḥmad wrote, believing that no type of service must be spared to support the sultanate in a war that had been forced upon it and that was being fought in support of freedom (*azādī*) and truth (*sachaʾī*). Lakhs upon lakhs of soldiers (*sipāhī*) had already participated in the epic battles of the war, showing great courage in the face of the enemy. Āl-i Aḥmad saw India as a poor country "on account of the indolence and carelessness [of the people]," but echoed the colonial government's belief that in a country of 40

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704 "India's War Loan," *Aligarh Institute Gazette* (30 May 1917).

705 "British War Loan," IOR/L/AG/14/17/1-2

706 "Surat Notes: War Loan Investments," *Times of India* (30 Aug 1918), p. 7.

707 "Second War Loan: 15,53 Lakhs Subscribed," *Times of India* (25 June 1918), p. 8.

708 Mawlwī Sayyid Āl-i Aḥmad, *Qarẓa-i jang ke mutaʿlliq ek mufīd mashwirah* (Moradabad: Amroha Press, 1917).

crore inhabitants, if the war loan acquired fifteen crore in rupee contributions than it would be a successful scheme. Yet, according to Āl-i Aḥmad, such was the pride and glory of the Hindustani cultivators that they gathered for the loan three times as many rupees as that predicted by the government's finance experts. He lamented, however, that if means were provided to open local branches for the dispensation of funds then the loan targets would have been exceeded by leaps and bounds. In a moment of unguarded hyperbole, he asserted that it was the first time in the history of India in which money was collected out of sheer personal desire rather than any self-regard.

For all this, Āl-i Aḥmad lamented that India's dire financial condition had rendered its own contributions far below those of other parts of the British Empire, but he conceded "In any event we ought to be overjoyed that which India and the Indians have done. They have exceeded their capacity and their means."[709] But Āl-i Aḥmad was not one to gloat or be complacent. He recognized that many Indians had not participated in the war loan out of sheer financial literacy, not knowing the difference between subscriptions "in which nothing is returned," and the war loan. "My conviction is that if those benefits which are obtained by those who participate in this loan were more readily publicized than they have been until now and every person was made aware of this," he proclaimed, "then greater participation in this would be made manifest." Whereas subscriptions were of benefit only to the state, the automatic interest accrued on bond purchases would of made the individual Indian better off, while demonstrating his or her gratitude to the government for protecting their wealth. Given that the government's expenditure was not less than five crore daily, if Indians contributed forty or fifty crore this would not be

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[709] Ibid.

enough to meet expenditure for a single week. He bid his readers to think of the war loan, not as solely for the benefit of the government, but for one's own self-preservation, for it would hasten the end of the war and strengthening a belief in peace and well-being. Otherwise the war would extend all the way to the shores of India.[710]

Until now, grandees and men of means had contributed to the loan, but those branches in which large amounts of money was collected had been closed, while the groups of post offices that accepted funds only dispensed bonds in limited amounts. For the revival (*tajdīd*) of the scheme, Āl-i Aḥmad recommended a war loan branch for the general public: "Should a wealthy man make a loan of one lakh, then a poor man could purchase a bond at a post office branch. Then he would be more justified (*haqq-i bi-jānib*) to claim that he was a supporter of the government. In this way, if a poor man purchased a bond at the value of ten rupees at 12% interest than this would grow after five years to forty [rupees]," he beamed. In plain terms he laid out that the interest-rate (*manāfiʿī sūd*) accrued on the principal would be after two years 11, after three 20, and after four, 100.[711] Within two years, this open support of the government and an insistence on the legitimacy of accepting interest would become nearly indefensible in the court of Muslim public opinion.

By the time the Khilafat movement broke out in 1920, the popularity of the war bond drive was so intense that, among the conditions (ranging from the abdication of titles to the boycott of government offices) for joining it and the larger non-cooperation movement was to abstain from participating in war loan campaigns. *Jamāʿat-i ʿUlamāʾ-i Hind*, a new consortium of Indian Muslim scholars founded in 1918, felt compelled to issue a fatwa against subscribing to

[710] Ibid.

[711] Ibid.

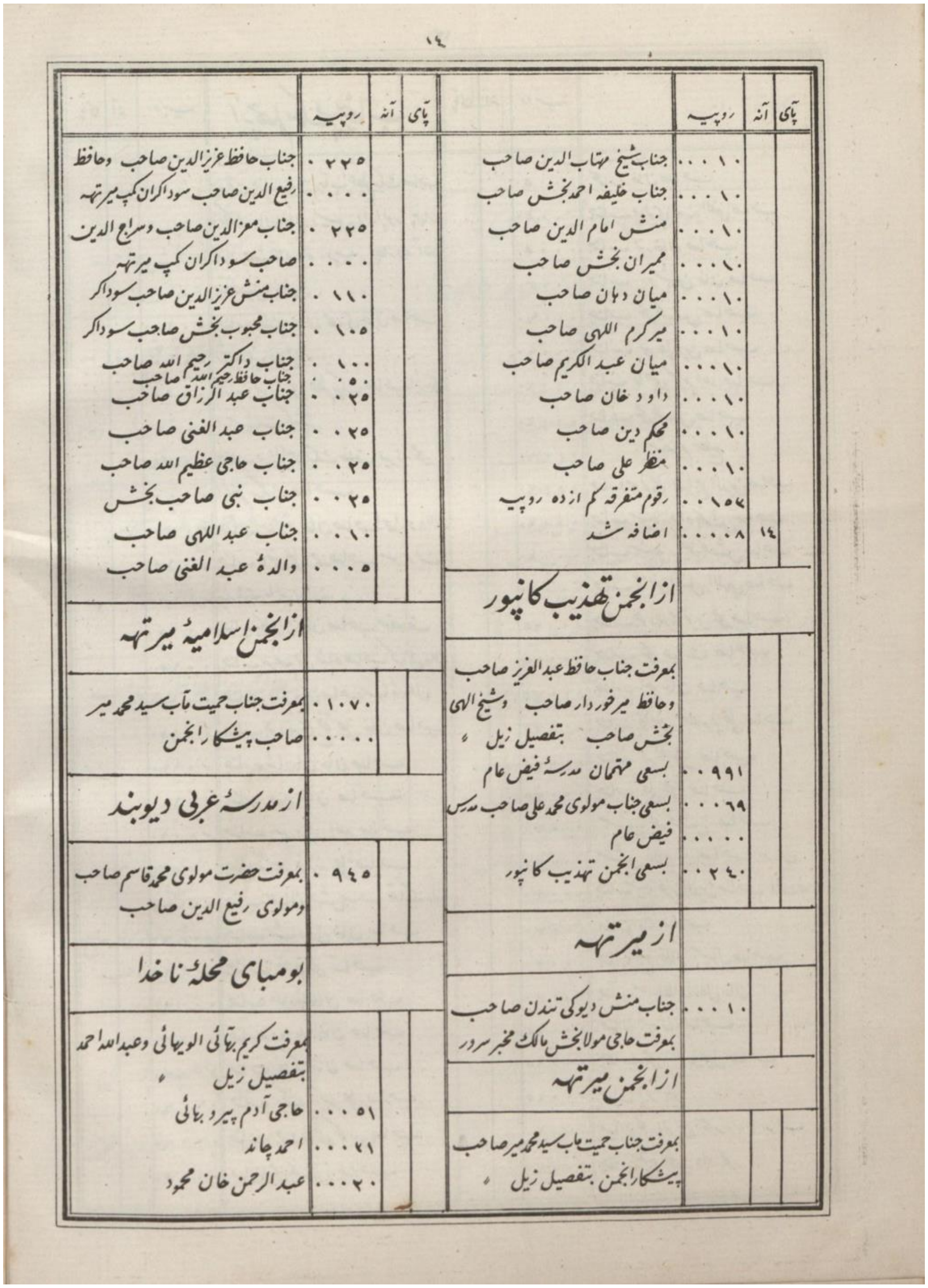
war loans. Theirs was a strident view of economic activity that would gain additional traction from this period and offer a strongly anti-colonial and anti-capitalist program that would dovetail with a new discourse of Islamic economics.

When contrasted with the Ottoman bond drive, popularity of the war bond drive had shown how many Indian Muslim merchant groups regarded their capital as bound up with the imperial enterprise, which had facilitated the extension of Muslim firms into several regions of the globe before the war's outbreak. To be sure, not all Indian Muslim mercantile consortiums responded with equal enthusiasm. Even those like the Agā Khān III, who did support for the war loan campaign and had called for expansion into Ottoman Iraq, were vocally frustrated by the fact that contributors to the war fund seemed to be coming out of the woodwork, whereas in earlier years the attempts to raise funds for the Muslim university had progressed at a glacial pace. Such conflict was expressive of the well-entrenched differences among Indian Muslim firms examined in earlier chapters, which took on a new valence in the interwar period as the mass anti-colonial campaigns gained traction.

Conclusion

This chapter has examined, from the perspective of charitable remittances and bond drives, the complex engagement of a host of Indian Muslim religious and commercial firms with the Ottoman government over a fifty year period. The motivations of these parties were not dictated by knee-jerk anti-colonial animus or necessarily pro-Ottoman sentiment, but by a tangled amalgam of financial ambition and religious duty, by considerations of thrift and profit, charity and sin. The enormous remittances sent in 1912-1913 demonstrated how pan-Islamic humanitarianism was actualized through both the structures of global finance, but also through the auspices of the hundreds of religious firms whose entrepreneurs had the institutional capacities to mobilize Indian Muslim capital in service of the Ottoman Empire. The lackluster implementation of the parallel bond drive was as much a commentary on the limitations presented by the largely unbanked status of many Indian Muslim religious firms, as it was on the inordinate financial influence of a select Indian Muslim commercial elite whose leadership was pivotal to the mobilization of middling and poor constituencies. These same factors also marred the Ottoman Ministry of Finance's attempts to function as a supplier. On both supply and demand sides, European financial control, for better or worse, shaped the contours of pan-Islamic exchange. The next chapter looks at how by the end of the First World War the political economy of Indian Muslim business enterprise had changed irrevocably, with distinct implications for the subcontinent's religious economy during the interwar period.

Figure 1 -Donors from Kanpur, Meerut, Deoband, and Nakhoda Mohalla, Bombay listed in *Defter-i ʿIāne-i Hindiyye*.



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	روپیه	آنه	پای
جناب شیخ مهتاب الدین صاحب	٠٠٠١٠		
جناب خلیفه احمد بخش صاحب	٠٠٠١٠		
منش امام الدین صاحب	٠٠٠١٠		
ممیران بخش صاحب	٠٠٠١٠		
میان دهان صاحب	٠٠٠١٠		
میر کرم اللهی صاحب	٠٠٠١٠		
میان عبد الکریم صاحب	٠٠٠١٠		
داود خان صاحب	٠٠٠١٠		
محکم دین صاحب	٠٠٠١٠		
مظفر علی صاحب	٠٠٠١٠		
رقوم متفرقه کم از ده روپیه	٠٠١٥٧		
اضافه شد	٠٠٠٠٨	١٤	
از انجمن تهذیب کانپور			
بمعرفت جناب حافظ عبد العزیز صاحب وحافظ میر فوردار صاحب وشیخ الهی بخش صاحب بتفصیل زیل ء			
بسعی مهتمان مدرسهٔ فیض عام	٠٠٩٩١		
بسعی جناب مولوی محمد علی صاحب مدرس	٠٠٠٦٩		
فیض عام	٠٠٠٠٠		
بسعی انجمن تهذیب کانپور	٠٠٢٤٠		
از میرتهه			
جناب منش دیوکی تندن صاحب	٠٠٠١٠		
بمعرفت حاجی مولابخش مالک مخبر سردر			
از انجمن میرتهه			
بمعرفت جناب حمیت ماب سید محمد میر صاحب پیشکار انجمن بتفصیل زیل ء			

	روپیه	آنه	پای
جناب حافظ عزیز الدین صاحب وحافظ	٠٢٢٥		
رفیع الدین صاحب سوداگران کمپ میرتهه	٠٠٠٠		
جناب معز الدین صاحب وسراج الدین	٠٢٢٥		
صاحب سوداگران کمپ میرتهه	٠٠٠٠		
جناب منش عزیز الدین صاحب سوداگر	٠١١٠		
جناب محبوب بخش صاحب سوداگر	٠١٠٥		
جناب داکتر رحیم الله صاحب	٠١٠٠		
جناب حافظ رحیم الله صاحب	٠٠٥٠		
جناب عبد الرزاق صاحب	٠٠٢٥		
جناب عبد الغنی صاحب	٠٠٢٥		
جناب حاجی عظیم الله صاحب	٠٠٢٥		
جناب نبی صاحب بخش	٠٠٢٥		
جناب عبد اللهی صاحب	٠٠١٠		
والدهٔ عبد الغنی صاحب	٠٠٠٥		
از انجمن اسلامیهٔ میرتهه			
بمعرفت جناب حمیت مآب سید محمد میر	٠١٠٧٠		
صاحب پیشکار انجمن	٠٠٠٠٠		
از مدرسهٔ عربی دیوبند			
بمعرفت حضرت مولوی محمد قاسم صاحب ومولوی رفیع الدین صاحب	٠٩٤٥		
بومبای محلهٔ ناخدا			
بمعرفت کریم بهائی الوبهائی وعبد الله احمد بتفصیل زیل ء			
حاجی آدم پیرو بهائی	٠٠٠٥١		
احمد چاند	٠٠٠٢١		
عبد الرحمن خان محمود	٠٠٠٢٠		

Figure 2 - Ottoman Red Crescent receipt sent to donors in India, *Al-Hilāl*, 19 March 1913

انجمن هــــلال احمر قسطنطنیه

کي رسيــد

—:*:—

متعدد مقامات سے بکثرت خطوط اس مضمون کے آے هیں :

" هم نے چندہ هلال احمر کا روپیه جمع کرکے بعض صاحبوں کے سپرد کیا انهوں نے بیان کیا که براہ راست قسطنطنیه روانه کر دینگے - اب وہ ایک چهپي هوئي رسید دکهلاتے هیں ' اور کهتے هیں که یه انجمن هلال احمر قسطنطنیه سے آئي هے ' مگر هم لوگوں کو اطمینان نهیں - کوئي ایسي شناخت بتلائي جاے ' جس کے ذریعه اصلی رسید کو پهچان سکیں "

(الهـــلال)

شناخت کیا بتلائي جاے - انجمن هلال احمر قسطنطنیه کی ایک رسید کا بجنسه عکس چهاپ دیا جاتا هے - اسے دیکهه لیجیے اور خدا را مشتبه اور خدشے کے مواقع سے بچهیے :

انجمن هلال احمر قسطنطنیه کي رسید

اصلي رسید اس عکس سے طول و عرض میں دگني هے - وہ نهایت قیمتي طباعت کا نمونه هے ' اور جس طرح بینک کي چک بکوں ' یا کرنسي نوٹ پر مختلف رنگوں کي نقاشي هوتي هے ' اسي طرح کي چهپي هوئي هے - چاروں طرف چهوٹے چهوٹے سرخ هلالوں کي جدول هے - اندر کي سطح هلکے آسماني رنگ کي ' اور وسط میں سرخ دائرہ هلال کے اندر هلال احمر کے دو والنٹیروں کي

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Figure 3 - An image of Indian donors. Printed in the Ottoman Navy League magazine, *Donanma Mecmuası*, no. 38 (April 1913), p. 633.

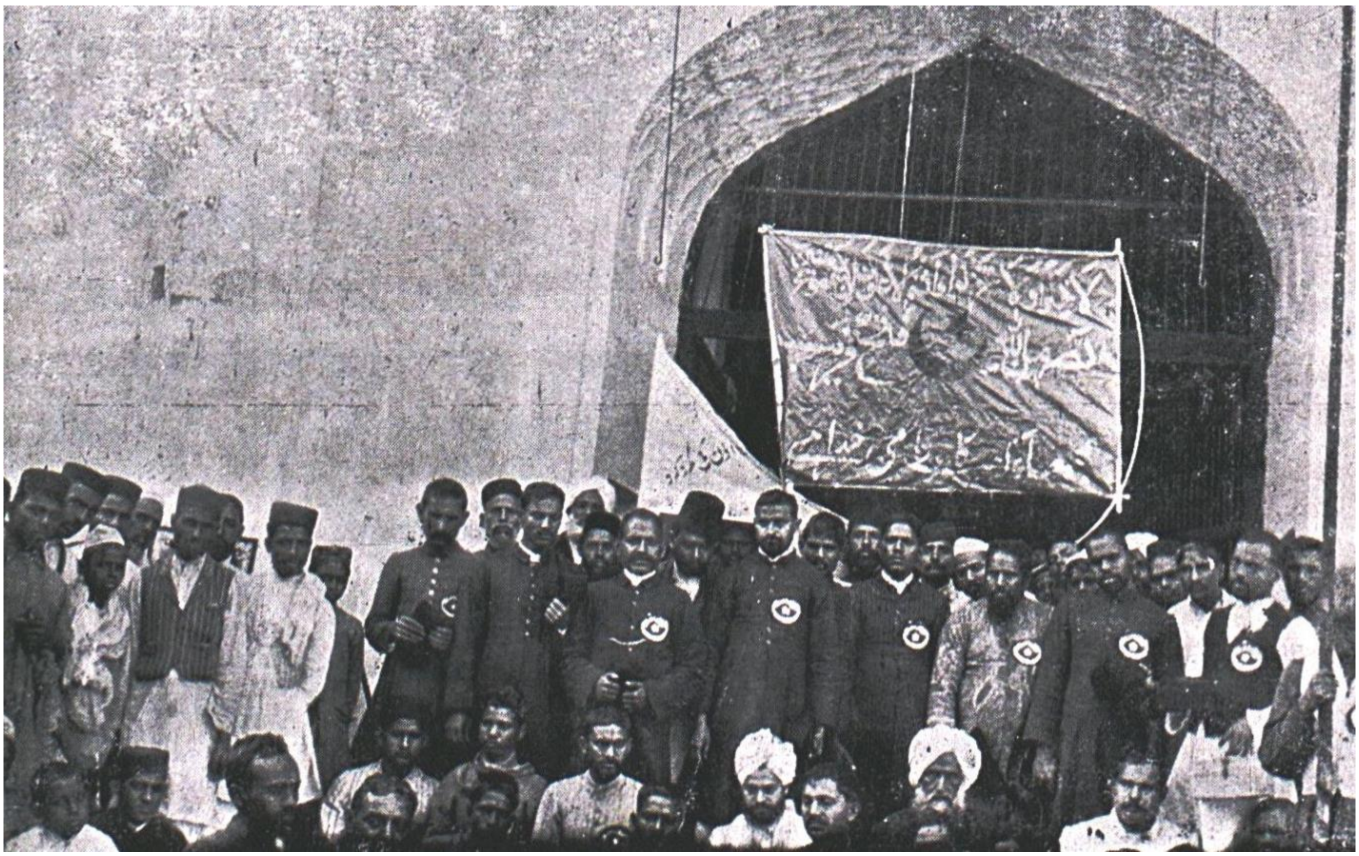
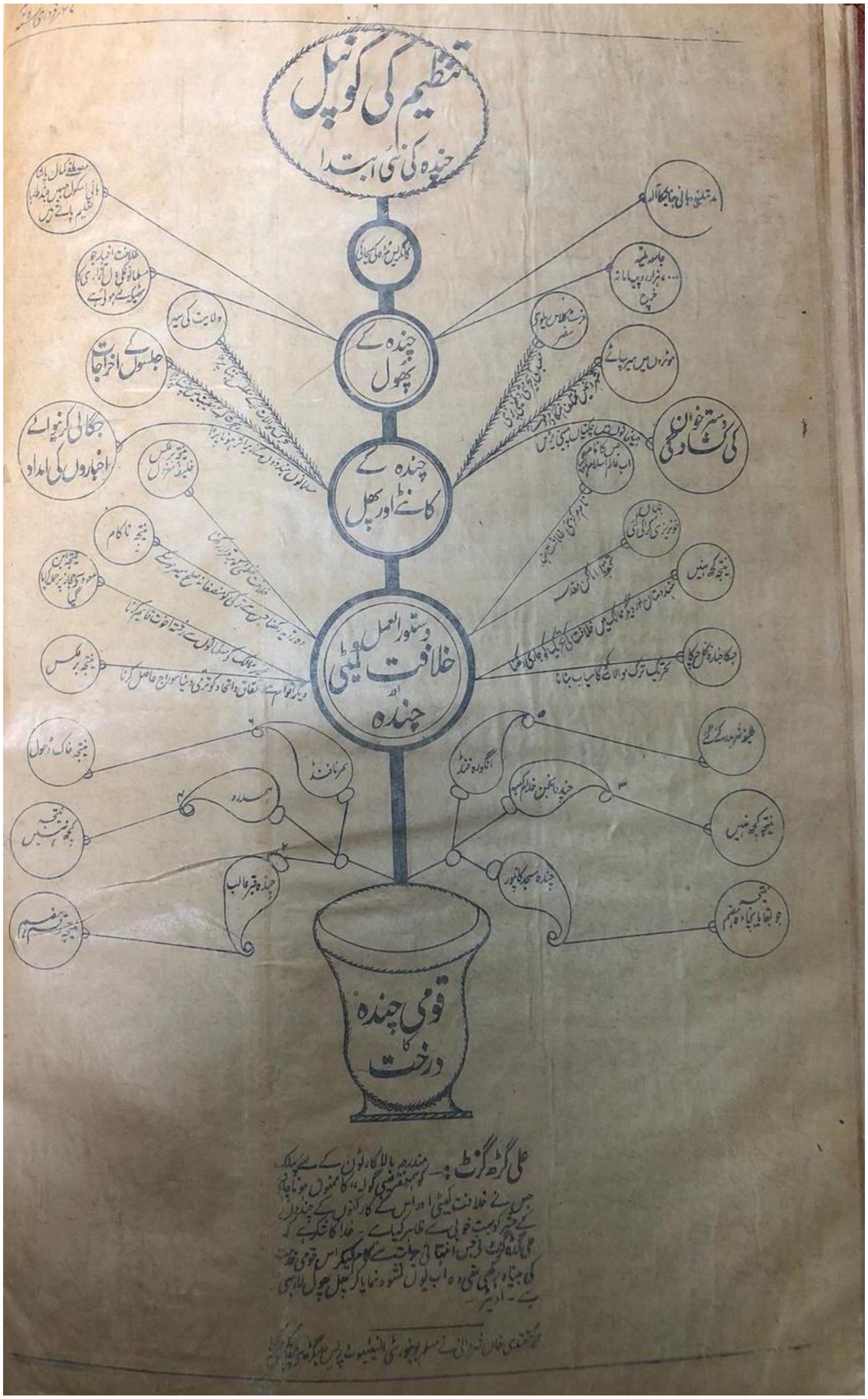


Figure 4 – Aligarh's Giving Tree Warning



Ch. 5 - Financial De-Globalization and Indian Muslim Commercial Firms, 1914-1947

This chapter analyzes the political economy of Muslim entrepreneurship in the interwar period. It demonstrates several key points that have been overlooked in the existing historiography. The first is that, contrary to the assertion of a straightforward Hindu-Muslim disparity, the history of Muslim business in the interwar period was highly checkered. Many firms continued to expand, despite the dire economic conditions of the interwar period, not least the Global Depression and the financial de-globalization that accompanied it. However, from the early 1920s some of the largest Muslim-owned firms in Bombay and Rangoon folded, which came as a great shock to the business community. Many of these individuals were tightly integrated into the imperial political system, and they were replaced by a novel breed of Muslim entrepreneur whose brand of business was more identitarian and their politics more closely aligned with the Muslim League.

At the same time, new industries and global linkages facilitated the creation of numerous medium-sized Muslim commercial firms, particularly through the auspices of the managing agency. Muslim firms established deeper ties with Japan, America, and even expanded into new geographies, such as Czechoslovakia. Select firms were able to confront European rivals head-on, partially as a consequence of the tariff protection that the colonial government supplied. But as Muslim entrepreneurs made forays into new markets, they also experienced tremendous difficulties as a consequence of the changing political climate in the subcontinent and beyond. In the post-Ottoman Middle East colonial direct governance and new states played a significant role in curtailing the activities of Indian Muslim enterprises. Although select Muslim commercial firms made some forays into Iraq and Saudi Arabia, there were high costs for many Indian Muslims operating in these territories.

The years after the First World War also marked the first time that Indian Muslim businessmen joined the nationalist movement in an emphatic way. Despite this, very little is known about the role of Indian Muslim business in interwar politics. No study of interwar Muslim business exists on a scale equivalent to Claude Markovits' pioneering work on business and the Indian National Congress, with Markovits one of the few who has written on the subject, albeit only in broad strokes.[712] Muslims, of course, had been affiliates of the Indian National Congress and Muslim League since their inception. But the new assertive brand of Gandhian nationalism demanded that Indian Muslim businessmen put their company's assets in the service of the nationalist cause. During the Khilafat and Non-Cooperation movements, Memon mill-owners like Seth Chottānī and ʿUmar Shobānī lent their capital to Gandhi, part of a wider plan to stimulate home-grown economic production. This facilitated their rapid downfall. Even so, the vicissitudes of the market meant that other leading Muslim firms, whose proprietors had tried to swear loyalties to both Britain and Khilafat, were not spared a similar fate. The passing of these firms from the scene prompted the rise of a younger generation of Muslim entrepreneurs, who sponsored institutions intended to propel Muslim economic development.

To be sure, this did not mark the birth of a sectarian business climate. As late as the years of the Second World War, only a handful of Muslim merchants had emphatically thrown in their lot with the League. But even if the League did not garner the support of many leading Muslim merchants, the growth of Muslim-specific institutions, such as banks, chambers of commerce,

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[712] See the essays in Claude Markovits, *Merchants, Traders, Entrepreneurs: Indian Business in the Colonial Era* (Basingstoke: Palgrave Macmillan, 2008).

and cooperatives supplied a forum for the articulation of economic goals that were aimed specifically at Muslim constituencies. In turn, these institutions transformed the diffuse idea of a Hindu-Muslim wealth gap into an explicit program. In an age in which Muslim economic actors had to negotiate the currents of confrontational nationalism, economic protectionism, and legislative homogenization there were bound to be changes to the religious economy. With Muslim businesses forced to declare for one political ideology or another, they were also increasingly hemmed in by the demands made on them by new Muslim religious firms.

As this chapter shows, Hyderabad also emerged as an industrial and commercial power in its own right, largely as a consequence of government policies that distinguished the princely state from the economic stagnation of many regions of British India. Chief among the reforms, which were led by a Sulaimānī Bohra Minister of Finance, was the development of a robust financial infrastructure almost without parallel in the subcontinent. The absence of a sound banking system in earlier decades had undermined business expansion in the territory. Nevertheless, if banking in Hyderabad provided an example of successful state-led banking reform, the range of Muslim entrepreneurs operating in British India who hoped to create community banks could not rely on state support and had to navigate a severely undercapitalized financial market. Undoubtedly, state sponsorship would have been of great utility in forestalling the high-rate of bank liquidation in inter-war British India. But the large number of banks founded by non-Muslim Indians suggests that there were some conditions conducive to banking creation. By contrast, the near absence of Muslim-owned banks is a real surprise. Many Muslim commentators at the time blamed religious attitudes for this. This, as the following chapters reveal, furnished the crucible for the articulation of an Islamic finance shorn of non-Muslim elements.

Indian Muslim Business and the Khilafat and Non-Cooperation Movements

The onset of the Khilafat movement demanded that Indian Muslim business owners declare for an overt political position, one that put their assets and persons at risk. Many of those who wished to stay on the sideline, or to hedge their bets and remain simultaneously imperial loyalists and Khilafat supporters, faced boycott and public denunciation. From 1919, a new brand of nationalist politics increasingly altered the political economy of Indian Muslim business activity. Chapter 1 demonstrated how Gandhi had made significant alliances with Memon merchants in South Africa. Upon his return to India in 1915, he cultivated closer ties. These connections now paid significant dividends, with ʿUmar Shobānī (d. 1926) and Seth Chottānī (d. 1933) offering their business assets for the non-cooperation campaign. Within a couple of years, both had gone into liquidation, largely as a consequence of their participation as leaders in the movement. Their examples illustrate both the dear price of political involvement for Muslim commercial actors, but also the fragile position of Muslim and non-Muslim industrialists willing to tow the nationalist line. Their failures not only foreshadowed the difficulties experienced by other leading Muslim merchants in the interwar period, but also the disadvantages of supra-firm participation. Supra-firm participation meant that one's accounts were left open to others outside the business community.

From the first, Chottānī was a catalyst for the formation of the institutions that rendered the Khilafat movement into a formidable political force. A Halai Memon, Chottānī had made his fortune as a timber magnate and had branches in Bombay and Karachi. Advertisements for his mills printed in the Gujarati newspaper, *Islām*, give a full sense of the sprawling mercantile confederation he oversaw (see figure 1). From such elevated heights, Chottānī pivoted into politics by the end of the First World War. As early as May 1919 he suggested that a delegation be sent to the Viceroy to discuss the issue of Ottoman sovereignty, and created the Central Khilafat Committee soon thereafter, on which he served as president and eventually treasurer.[713] He also traveled extensively between Europe and India in these years, attending the London Conference. While in London, Chottānī advocated sending arms to Ottoman troops fighting against the Greeks in Anatolia, and issued appeals for the raising of funds for Ottoman relief.[714] This led to the formation of the Angora and Smyrna Funds. To raise subscriptions, numerous Urdu and Gujarati pamphlets were circulated that brought attention to the plight of Ottoman Muslim refugees expelled from Greece.[715]

These donations were handled by Chottānī in his capacity as the treasurer of the Central Khilafat Committee. To remit the funds to Istanbul, Chottānī worked primarily through the Netherlands Trading Society, which would become the unofficial state banker to the Saudi government within a matter of years.[716] According to his son's account, he also kept extensive receipts for these transactions.[717] Chottānī was also conspicuous for his generous donations to Gandhi. On one occasion, he sent over Rs. 300,000 to the Swaraj Fund.[718] But perhaps

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713 P.C. Bamford, *Non-Co-operation And Khilafat Movements* (Delhi: Government of India Press, 1925), p. 143.

714 Ibid., pp. 176, 182.

715 Ḥajī ʿAbd al-Ajīz, *Payāme Mazlūm Yaʿnī Mazlūmane Smyrna kī Chīkh-o-Pukār* (Surat: Sayyid Ghīyā̱s al-Dīn Qādirī, 1922). The original, which I have been unable to find, was in Urdu.

716 Fārūq Aḥmad Chottānī, *Nāṣir al-Islām: Miyā̱n Muḥammad Ḥājī Jān Muḥammad Chottānī (*Bamba'ī : Chottānī, 1982), p. 24.

717 Ibid., p. 25.

718 Ibid., p. 21.

Chottānī's most impressive contribution was his forfeiture of his own spinning-wheels and looms used to Gandhi in October 1921. Gandhi's own correspondence reveals that Chottānī donated as many as 100,000 of these, though the Mahatma noted that "it is not a simple matter to distribute one lakh of charkhas in a useful way."[719] Sometime later he instructed Chottānī to distribute "the spinning-wheels donated by him among poor Mussalman women in Panchmahals, East Khandesh and Agra."[720] At the same time, the timber magnate tried to convince the Memon Jama'at to accept khadder (home-spun cotton cloth), and divided spinning wheels among several Halai Memon anjumans.[721] Other Memon-owned firms, like that of A.E. Matcheswala, sought to cash-in on the enthusiasm by producing matchboxes featuring the likeness of Mustafa Kemal.[722]

As shown in chapter 1, Shobānī was the scion of a pioneering Memon industrialist firm which had purchased the Elphinstone Mills around 1900. At his father's death, ʿUmar expanded the family's operations. In 1919 the mills had been converted into a joint-stock company with a capital of Rs. 5,000,000 subdivided into 25,000 ordinary shares and 25,000 preference shares, each at Rs. 100. If many Muslim business ventures faced the perennial problem of under-subscription, then this over-subscribed venture proved the exception.[723] Shobānī's commitment to the Khilafat and the Non-Cooperation movements was borne out of a broader desire to stimulate domestic production in India and to make swadeshi a viable economic program. At a meeting in Allahabad on June 1, 1920 a "Swadeshi sub-committee" was created consisting of Gandhi, Seth Chottānī, ʿUmar Shobānī, and numerous other Muslim and Hindu businessmen and

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[719] *Collected Works of Mahatma Gandhi*, Vol. 21, p. 383.

[720] *Collected Works of Mahatma Gandhi*, Vol. 23, p. 136.

[721] Chottānī, *Nāṣir al-Islām*, pp. 22-23.

[722] Items in author's personal collection.

[723] *Commerce and Industries*, Vol. 1, No. 2 (August 1919), p. 40.

dignitaries.[724] With other Indian magnates like G.D. Birla, Shobānī was willing to put his own business on the line for this cause. In 1921 his works at Parel in Bombay became the for the enormous bonfire of foreign cloth, an event attended by some 200,000 people.[725] Shobānī worked actively to raise funds for the Swarajya Fund by canvassing mill-owners in Bombay, from whom he hoped to collect Rs. 20 lakhs. In the event that he failed to raise this sum, he promised to pay the difference himself.[726]

Not all Muslim business owners and princes were so committed to the nationalist cause, even if they were sympathetic to the Khilafat movement. In 1922, the princely state of Bhopal's *darbār* filed a claim against the Ottoman government for Rs. 22,000 in unpaid treasury bonds, seemingly one of the few bondholders still bothered by Ottoman debentures.[727] The fate of Bangalore's Ḥajī Ismāʿīl Saʿīt illustrates best the new constraints to which Muslim business was subjected. A highly successful Cutchi Memon businessmen, Saʿīt's Electric Saw Mills was but one plinth in an enormous industrial conglomerate. Saʿīt was the chairman of several joint stock companies, and even ran gin and whiskey distilleries in Calcutta. It was with the money gained through these enterprises that Saʿīt was able to build an exquisite mosque in his own name in Bangalore. As director of Mysore Bank, which he ran in conjunction with his son, Saʿīt also furnished a Rs. 10,000 donation - amounting to half of his bank's fixed deposits - to the War

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[724] "The Non-Cooperation Agitation," in H.N. Mitra ed., *The Indian Annual Register*, Second Edition (Calcutta: Annual Register Office, 1921), p. 196.

[725] *Collected Works of Mahatma Gandhi*, Vol. 20, p. 472.

[726] *History of the Freedom Movement*, Vol. 03, Part 1, p. 410.

[727] NAI, Bhopal Agency, General, File No. 19/26, 1922.

Loan.[728] These displays of support for the Indian government led him into hot water during the Khilafat movement, with the heads of fifteen mosques in Bangalore attempting to excommunicate him for not giving up his titles.[729] This was despite the fact that he had donated generously to the Khilafat fund.[730] Such denunciations not only reflect a changing business climate, but also illustrate the strident demands placed on Indian Muslim firms to support wider Muslim national causes.

Many religious firms objected to wasting hard-earned capital on Ottoman and nationalist causes. In the midst of all this, the *Aligarh Institute Gazette* published a graphic of a tree which at its base reads "The Tree of Community Donations." As the eye travels up to the pinnacle of the stem one reads "The Sprouting Leaves (*koṅpal*) of Coordination: A New beginning of Donations," but the individual branches are more telling. Lower down these branches bear the names of funds examined in this chapter - the Angora Fund, the Kanpur Mosque Fund, *Anjuman-i Khuddām-i Kaʿba* Fund, all of which radiate out from a central nucleus titled *Dastūr al-ʿAmal Khilāfat Komitī Chanda* (Handbook of the Khilafat Committee Funds). But the illustrator was adamant that all invariably these led to dismal ends, inserting such captions as "no result" (*natija kuch nahī̃*). The implication was that Indian Muslim capital was best spent on the community's educational needs and not frittered away on foreign adventures.[731]

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[728] *Report of the Chief Inspector of Mines in Mysore*, *1918-1919* (Madras: Higginbotham & Co., 1919), p. 31.

[729] "Bangalore Mosque Case - High Priest Examined - Khilafat Excommunication," *The Pioneer Mail* (31 December 1920), p. 22.

[730] M. Naeem Qureshi, *Pan-Islam in British Indian Politics: A Study of the Khilafat Movement, 1918-1924* (Leiden: Brill, 1999), p. 245, n. 82.

[731] "Qawmī chanda darakht," *Aligarh Institute Gazette* (26 February 1925).

Few Indian Muslims agreed with this sentiment, and several mechanisms in place that permitted them to send money. Earlier institutional creations - like the Ottoman Red Crescent - undergirded much of this, but the Central Khilafat Committee also introduced new instruments to drum up support. Foremost of these was the circulation of so-called "Khilafat notes", which like the Red Crescent receipts circulating in India in 1913-1914, became a subject of intense unease in the Indian Muslim press and beyond. For a Halai Memon merchant, paper currency had already long been assimilated, but as chapter 3 demonstrated, the permissibility of paper currency was a subject of fierce debate among many Indian Muslim religious firms. Complicating the situation was the fact that Muḥammad Kifāyat Allah, president of *Jami'at ʿUlamāʾ-i Hind* which was a central prop of the Khilafat movement, had declared the use of the currency note *ḥarām* sometime early in his tenure, a ruling expressive of his larger attitude forbidding Muslims the use of government banks or accepting interest on their deposits.[732] Although these appear to have been certificates confirming a donor's charitable donation to the Khilafat Central Committee, many Indians, both Muslim and non-Muslim, believed that the Khilafat notes were legal tender. Here is how a 1920 article in the *Pioneer Mail* recorded one such instance:

> A peculiar looking note was taken to one of the banks in Rangoon by a Mahomedan who wanted it cashed. The note was larger in size than ordinary one rupee currency note. The free was printed in purple ink on a red background with a facsimile of a medallion of a one rupee note at the left end and a medallion showing temple at Mecca at the other. In

[732] Muḥammad Kifāyat Allah Dihlawī, *Kifāyat al-muftī*, vol. 8 (Karāchī: Dār al-Ishāʿat: Milne kā pata, Idāra al-Maʿārif, 2001), p. 112.

> each of the corner the note was the Turkish Star and Crescent, while the red background and purple are all of one word in Urdu, “Khilafat” which appears large and small over a thousand times. In the centre is a circular print of a rubber stamp bearing the following inscription: “Issued by the Bengal Khilafat Calcutta.” In the centre of the circle is an inscription in Urdu referring to the Khilafat. The matter was brought to the notice of the Commissioner of Police. Inquiries elecited [sic] the fact that in India these notes were issued “to the faithful” for every rupee subscribed towards the Khilafat fund by the Bengal Khilafat Committee, Calcutta, and throughout India subscribers are told that he who lends to God and Mahomet will be greatly rewarded, and will get his money back with great interest. Large numbers, of these notes have been issued in India and 25,000 of them have been sent Rangoon for issue as fast as subscriptions come in. Some of those who have subscribed have tried to cash these notes not only at the bank but in the bazaars as well, but without success.[733]

Burma was an appropriate site for the circulation of Khilafat notes, considering how embedded paper money was in the rice trade, an industry that boasted a sizable number of Memon firms.

As the article remarked, the very iconography of the Khilafat notes was intended to appeal to Muslim religious sensitivities. Along with a picture of the *Kaʿba*, the Calcutta variant had the following verse from the Qurʾān inscribed in both Arabic and Urdu: “Who is he that will lend Allah a goodly loan, then Allah will increase it twice fold to his credit, and he will have as

[733] “‘Khilafat Notes’: Attempted Encashment at a Rangoon Bank,” *The Pioneer Mail* (19 Nov. 1920), p. 23.

well a reward."[734] Supposedly, the notion was that these notes would be "repayable when Swaraj was attained."[735] Another incident from Calcutta remarked that Khilafat notes were freely available in the city's Chandney Bazar, and that a lawyer at the city's Central Police Court rejected his client's attempt to pay him in 34 Khilafat notes, demanding instead real legal tender.[736] As for the Bombay variety of Khilafat notes, these were supposedly the work of a former employee for a German lithograph press in the city, which partially explains their highly sophisticated and convincing appearance. Apparently, they bore the signature of Seth Chottānī himself.

Still, other leading Indian industrialists saw an opportunity for investment. Upon coming across the notes, Bombay's leading mill-owner and the Congress Party's main donor, G.D. Birla, wrote to the editor of the *The Times of India* in his own secular version of an *istiftā'* asking "whether such notes can be issued in India without violating any law. I would also like to know whether these notes are backed by bullion or silver coins in reserve."[737] Though Birla's stated purpose was to protect innocent people from fraud, his queries also betray his sense of a potential investment opportunity. In the end, Birla was right to be circumspect. By 1921, Gandhi himself remarked that "[A] friend finds fault with me for not commenting on rupee-receipts for the Khilafat [Fund] being used as currency notes. I have said nothing because I knew that the Khilafat Committee itself had taken effective measures to stop it. This is the first complaint I have received in the matter. Thousands of one-rupee receipts have already been sold. But only a

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[734] Tariq Omar Ali, *A Local History of Global Capital: Jute and Peasant Life in the Bengal Delta* (Princeton: Princeton University Press, 2018), p. 117.

[735] Bamford, *Non-Co-operation and Khilafat Movements*, p. 183.

[736] "Khilafat Notes as Lawyer's Fee," *The Pioneer Mail* (19 Nov. 1920), p. 24.

[737] "Khilafat Notes: to the Editor of *The Times of India*," *The Times of India* (Feb. 21, 1921), p. 12.

few persons must still be using them as currency notes. This mistaken idea did get about in the beginning. The practice resulted in loss to the Committee itself and so, on its own, it took strict measures to put an end to it."[738] These efforts were largely a dead letter, for numerous court cases in Bombay and Calcutta transpired over the next few years with Khilafat notes at their center.

In one instance a young Bengali was brought before the court for trying to swindle an "illiterate Hindu woman" by exchanging two Khilafat notes for Rs. 10."[739] In 1927 a Marwari from Poona was swindled into accepting a Khilafat note of Rs. 10,000, prompting a writer in *The Times of India* to remark: "It is incredible how a Marwari of all persons permitted himself to be thus hoaxed, because a Khilafat note is not calculated to deceive any person of ordinary intelligence, much less a shrewd and wary marwari."[740] The writer also stated that the notes were still "current" in several places and were used as "a token of greetings between friends, like Christmas or New Year cards."[741] A copy of one Khilafat note even made it into the collection of London's Institute of Bankers, which noted that "the receipts [were] given in exchange [for subscriptions] have been taken to be a form of currency note by the more illiterate Mahommedans…"[742] In an economic environment in which Muslim communities had widely dissimilar economic repertoires, the introduction of such instruments by the Central Khilafat

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[738] The Collected Works of Mahatma Gandhi, Vol. 23 (Publications Division, Ministry of Information and Broadcasting, Government of India, 2000), p. 176.

[739] *Pioneer Mail and Indian Weekly News*, Vol. 50 (1923), p. 30.

[740] "A Khilafat note: Poona Grain-Dealer's Complaint," *The Times of India* (Apr. 30, 1927), p. 16.

[741] Ibid.

[742] "The Institute Collection of Old Bank Notes, etc.," *Journal of the Institute of Bankers*, Vol. 42 (1921), p. 207.

Committee speaks to the real stresses and strains that compromised the broad effort to mobilize Indian Muslim capital for political ends. These tensions soon surfaced right at the top of the Khilafat organization.

Whispers began to circulate in mid-1922 that Chottānī had diverted funds to the tune of Rs. 17 lakhs meant for Ankara into his private account. By October Chottānī was forced to hand over two saw mills as compensation to the Central Khilafat Committee. However, the valuation of these mills at Rs. 18 lakhs appears to have been overinflated, which meant the committee had a difficult time disposing of them.[743] The remaining members of the Khilafat Committee were left the unenviable task of explaining to the Muslim public what happened to the donations. As Muhammad Ali Jauhar told a session of *Jamāʿat-i ʿUlamāʾ-i Hind*, a new consortium of Indian Muslim religious scholars, it was impossible to convert the 16 ½ lakhs in Chottānī's possession into liquid cash.[744] Although unwilling to fully exonerate him from the lesser charge of depositing the money in his business account, Jauhar went on to defend Chottānī by remarking that, contrary to popular opinion, the funds were not misappropriated.[745] He made this remark despite the fact that Chottānī and the Khilafat Committee were not on good terms. Despite the wide use of banks during the Ottoman bond drive, Jauhar stated that it was not thought appropriate to store the money in the bank. Not only was there a fear of government seizure, but the recent liquidation of Alliance Bank and the fact that banks might utilize the deposit for "other purposes" (that is anti-national or anti-Islamic ones) demanded that the funds be kept under

743 Ibid., pp. 207-208.

744 Chottānī, *Nāṣir al-Islām*, p. 26.

745 Ibid., pp. 26-27. Writing in the 1980s, Chottānī's son maintained that Jauhar's speech should silence his father's critics. Ibid., p. 28.

separate management.[746] Meanwhile, Memon journalists rallied to defend their own, with one declaring that "certain jealous and Satanic individuals" had impugned the great name of Seth Chottānī. The Memon community, the author continued, had time and again shown its religious and national loyalties during the Tripoli, Balkan, Khilafat, and Non-Cooperation campaigns.[747] Allegiance to one's own *jamāʿat* was not so easily dispensed with.

Several other Muslim politicians on the Khilafat Committee speculated about what to do with the funds accruing from the liquidation of the mills. Shawkat ʿAlī was adamant that a 'Saw Mill Fund' ought to be created that would be utilized to purchase a permanent office in Bombay for the Khilafat Committee. Mawlānā Azād and the Aligarh-educated journalist, Mawlānā Ghulām Rasūl Mehr, objected to this, with Mehr stating that "according to the law and custom of public opinion" the Angora funds could not be utilized for any other purpose other than for the work of the Khilafat Committee.[748] In the end, the so-called "Angora Fund" remitted only O.L. 55,439, less than a fourth of the sum sent by Indian Muslims the Ottoman Red Crescent during the Balkan Wars.[749] Amidst these events, relations soured between the Khilafatists and the emergent Turkish nationalists and in February 1924, a Turkish Red Crescent mission was reluctantly granted permission to journey to India to raise funds for post-Ottoman Muslim

[746] "The All-India Khilafat Conference, Tenth Session: Khilafat Fund," in *All-India Muslim League*, p. 609.

[747] See the article reproduced in a letter by Shawkat ʿAlī and Ismāʿīl Basīn, head of the Turkish Red Crescent. Ibid., p. 35.

[748] Ibid., p. 31-33.

[749] Ada, "Red Crescent," p. 111.

refugees flooding into Anatolia, but had to return after arriving in Bombay following the abolition of the caliphate.[750]

For both Shobānī and Chottānī, participation in Khilafat and non-cooperation came at a dear cost. Neither of their businesses survived 1924. Shobānī's fate was particularly tragic. In a later commentary on his *Gandhi and Lenin*, originally published in 1921, the Communist leader, Shripad Amrit Dange, wrote: "The British ultimately ruined Umar in the cotton market by deceitful means. So he had to sell his two best mills to Sir Victor Sassoon, an international financier, who had newly entered the financial world in India on a very big scale. Our holdings in the Elphinstone Mills became the holdings under the new control of the Sassoons. After some years, ʿUmar committed suicide."[751] As for Chottānī, while on *ḥajj* in the early 1930s, he expressed to the prominent scholar, Mawlānā ʿAbd al-Mājīd Daryābādī, that he regretted that the amounts raised for the Smyrna and Angora Funds were never dispatched to Turkey.[752]

The demise of two Memon merchant princes encapsulated the great costs of political confrontation with the colonial state. But it also exhibited the drawbacks of collaboration with Indian Muslim religious supra-firms, who had distinct financial repertoires and espoused competing notions of how to manage assets and accounts. There were certainly costs for Muslim industrialists, like Ḥajī Ismāʿīl Saʿīt, who attempted to ride out the storm by giving generously to the Khilafat fund, while refusing to renounce his support for the colonial government. Yet the loss of face within one's community was a markedly lesser evil compared to the risks one took in

[750] Triverdi, *The critical triangle*, p. 204, n. 15

[751] G. Adhikari ed., *Documents of the History of the Communist Party*, Vol. 1, 1917-1932 (New Delhi: People's Publishing House, 1972), p. 307.

[752] Chottānī, *Nāṣir al-Islām*, p. 45.

allying closely with nationalist schemes. Even so, Shobānī and Chottānī were not the last Muslim industrialists to meet their end in the interwar period, and even those who were actively involved in the colonial legislature were not immune from market volatility. If British India was now one arena where Indian Muslim capital was subjected to the scrutiny of both Muslim and colonial factors, then the testy relationship with the nascent Kemalists throughout 1923-1925 also foreshadowed the barriers that Indian Muslim business would face in the post-Ottoman Middle East.

Contracting Markets in the Middle East: The Case of Saudi Arabia

The fall of the Ottoman Empire and the rise of new nation-states in the Middle East led to the creation of more tightly regulated political and religious economies in the region. Whether independent or under colonial stewardship, these were far more heavily monitored than in the Ottoman period, and the transregional character of many Islamic associations in the late empire came under suspicion in the eyes of new governmental authorities. The acquisition and incorporation of Britain's new empire in the Middle East, and its support for nascent rulers in the region, prompted stricter regulation of Indian Muslim capital. The immediate post-war years were a moment of brief expansion, with a few Bohra and Khoja traders (both Ismāʿīlīs and Ithnā ʿAsharī) managing to set up businesses in Basra. In fact, while in Karachi in 1918, the Aghā Khān gave a speech bidding his followers to do just that, and one firm, Messrs. Pesan Allana Bros., not only set up a successful business in the city, but constructed a *jamāʿat khāna*.[753] From

[753] Mumtaz Ali Tajddin Sadik Ali, *101 Ismaili Heroes: Late 19th Century to Present Age, Vol. 1* (Karachi : Islamic Book Publisher, 2003), p. 16.

the latter group there was Jethbhāʾī Gokāl, who also moved from Karachi to Basra in 1918. The firm was a crucial part of the Khoja Ithnā ʿAsharī presence in the city until 1968, when the proprietor, Jethbhāʾī's son, was murdered on the orders of Ṣaddam Ḥussain.[754] Even in the interwar period, there were Iraqi religious firms who were not pleased with the increased presence of Indian Shīʿa, including a prominent Imami cleric, Muḥammad Karīm Khurāsānī, who wrote a biting polemic against the Bohras and Khoja Ismāʿīlīs in 1932 that opened "it must not remain hidden that in this time when the armies of Satan have invaded the abode of faith, the sect of the Ismailis are among the most numerous."[755]

For all of Khurāsānī's fire and brimstone, Britain's new Middle Eastern possession also fostered opportunities for Britain's Muslim clients to attract Indian Muslim capital. From the mid-1920s the Saudis and Palestinians sent emissaries to tap into Indian Muslim munificence, but they were largely rebuffed.[756] Two of Ibn Saud's closest aides, a Syrian named Tawfīq Pāsha, and an Egyptian Ḥāfiẓ Wahba journeyed to India for this purpose.[757] The Saudis did solicit funds from the Niẓām of Hyderabad for infrastructural improvements in the Hijaz in the 1930s,[758] and

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[754] This act which precipitated the seizure of all Khoja Ithnā ʿAsharī property in Iraq. It was restored to the community in 2004. "Letters to the Editor: Victim of Saddam's cruelty," *Dawn* (12 January 2004).
[755] Muḥammad Karīm ibn Muḥammad ʿAlī al-Khurasānī, *Kitāb tanbīhāt al-jalīyya fī kashf asrār al-bāṭinīyya* (Najaf: al-Maṭbaʻah al-Murtaḍawīyah, 1351 [1932 or 33]).
[756] NAI, Foreign and Political, Near East, Nos. 240-M (1925); "Tour of H.E. Haj Amin Eff. al Husseini, Grand Mufti in Jerusalem, in certain Mohammedan States in India, with a view to Collect funds for a Moslem University in Jerusalem," NAI, Foreign and Political, Nos. 12-N (1934). The Saudis later sent a delegation that sought the "disposal of monies accruing from *wakf* institutions in India for benefit of Holy Places in Hejaz." NAI, Home (Judicial), Progs., Nos. 345, 1935.
[757] Tawfīq Pāsha also journeyed with Shawkat ʿAlī to Patna and gave speeches in defense of Ibn Saud. See the various correspondence in NAI, Foreign and Political, Near East, Nos. 240-M (1925).
[758] NAI, Foreign and Political (Near East), Nos. 38-N, 1936.

other Indian princes sought amnesty from Saudi regulations passed in 1935 banning foreigners from owning property.[759] Throughout the 1920s, the Saudis received large-scale remittance transfers from the Indian government to help solidify their precarious hold, gestures accompanied by Saudi efforts to mobilize Indian capital in the service of its own political and religious aims.

If the late Ottoman and early Hashemite Hijaz was relatively friendly to an international Muslim presence, this was not the case after the Saudi conquest. Even if one should be cautious in attributing too much to the Saudi capacity to re-make the religious scene in the Hijaz according to its image, it is undeniable that Sufi groups and scholars from various *madhahib* came under special opprobrium.[760] As John Willis has shown, Indian Muslims associated with the Barelwi movement initiated by Riẓā Khān became among the most vocal critics of Saudi religious policies in the 1920s.[761] While opposition of international Muslim constituencies to Saudi religious policies in these years is well-documented, less appreciated is how some these critiques had an explicit economic dimension.

For example, the *Jāmi'at-i ʿUlamāʾ-i Hind* - which had once stressed how the *ʿulamāʾ* of the Hijaz had initially rejected Ibn Saud, but "because of his tyranny" were browbeaten into quiescent obedience[762] - later protested Saudi cooperation with British commercial firms. They

[759] NAI, Foreign and Political (Near East), Progs., Nos. 310-N, 1935.

[760] On this point see Madawi al-Rasheed, *A History of Saudi Arabia* (Cambridge: Cambridge University Press, 2010), pp. 65-66; Michael Farquhar, *Circuits of Faith: Migration, Education, and the Wahhabi Mission* (Stanford: Stanford University Press, 2017), pp. 47-48.

[761] John M. Willis, "Governing the Living and the Dead: Mecca and the Emergence of the Saudi Biopolitical State," *The American Historical Review*, Vol. 122, No. 2 (1 April 2017), pp. 346–370.

[762] Masrūr Ḥussain, *Tarīkh-i Najd kā ek khūnī waraq* ([No clear place of publication], [1930]), p. 38.

were spurred on by the protests of the Lahore-based Muslim nationalist party, *Majlis-i Aḥrār-i Islām*, which condemned the kingdom's granting of a concession to the Saudi Arabian Mining Syndicate Ltd. For many Indian Muslims, the new Saudi state was to supply a forum for Muslim capital only. Yet for all the periodic pronouncements to this effect, the Saudi government thought distinctly otherwise: in 1931 King ʿAbd al-Azīz himself requested the assistance of a British bank to act as "state Bank in the Hijaz", however this never materialized.[763] Perhaps the one long-term success story was the Netherlands Trading Society, the same institution Seth Chottānī had utilized to send funds to the Ottoman government during the Khilafat movement. Operating with royal authority, the trading company was meant to assist pilgrims from the Dutch East Indies when on Hajj, but eventually was put in charge of managing the currency administration of the nascent sultanate of Najd and Hijaz, and later the kingdom of Saudi Arabia. It was emphatically not a bank, as this was a label rejected by the Saudi authorities on the grounds that it had links to *ribā*.[764]

Despite the Saudi cultivation of European capital, throughout the interwar period, numerous Indian Muslim entrepreneurs had tried to capitalize on the paucity of banks in the Hijaz. In the Hashemite interregnum, one Yasīn Khān sought to open banking facilities for Indian Muslim pilgrims.[765] A hallmark of Saudi policy, however, was either an outright

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[763] "Mr. A. Henderson to Mr. Hope Gill," (August 7, 1931), in *British documents on foreign affairs--reports and papers from the Foreign Office confidential print: From the First to the Second World War. Series B, Turkey, Iran, and the Middle East, 1918-1939*, Vol. 7 (Bethesda: University Publications of America, 1985), p. 249.

[764] Rodney Wilson, *Economic Development in Saudi Arabia* (London/New York : RoutledgeCurzon, 2004), p. 57.

[765] NAI, Health & Lands, Repository 2, 3-12 (December 1924).

opposition to financial reform, or a lukewarm support for it. This came at the cost of projecting its own power in its shaky new acquisition. As Kiren Aziz Chaudhury has stressed in her discussion of the limits of early Saudi authority, "The lack of a uniform measure of value, in short, forestalled the government's ability to exercise political power through economic means and to shape the rules that governed the economy."[766] The decentralized nature of the Saudi currency meant that Bank Misr and Indian commission agents based in Jeddah (such as Haji Abdullah Alireza and Co., which had operated since the late nineteenth century) had an important role in importing gold sovereigns and rupees, managing the revenue from the *ḥajj*, and easing the monetary woes of pilgrims.[767] For all this, many Indian Muslims going on *ḥajj* in the 1930s complained about the banking situation in the country. Still, there were some Indian commentators willing to laud Ibn Saud's progressive tendencies, especially his promotion of transportation and infrastructure development, and to stress the *ʿulamāʾ*'s consultative role in these changes.[768]

One of Ibn Saud's most prominent Indian supporters, Ismāʿīl Ghaznawī, the leader of the Ahl-i Ḥadīth movement also unsuccessfully tried to create an international Muslim bank under Saudi leadership. Reputedly, one of the banks that Ghaznawī recommended to Ibn Saud was the Muslim Orient Bank of Lahore managed by Aḥmad Ḥassan.[769] As shown in the previous chapter,

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766 Kiren Aziz Chaudhury, *The Price of Wealth: Economies and Institutions in the Middle East* (Berkeley: University of California Press, 1997), p. 48.

767 Penelope Tuson ed., *Records of Saudi Arabia: 1935-1938* (Slough: Archive Ed., 1992), p. 35.

768 Abū al-Mukkarim Faiż Muḥammad Ṣiddīqī, *Ibn Saʿūd: Sulṭān-i Najd o Ḥijāz kī mukammal sawāniḥ ʿumrī* (Ḥaidarābād, Dakan: Aʿẓam Isṭīm Pres, 1936), pp. 204-205.

769 IOR/L/PS/12/2073, Coll 6/9 'Jeddah Reports Jany 1931–', p. 2; IOR/R/15/1/575, 61/13 I (D 133) Wahabis and Pilgrimage to Hedjaz, p. 127.

this bank had attempted to open up branches in the late Ottoman Hijaz, but its efforts floundered after it went into liquidation with several indigenous exchange banks in Punjab on the eve of the First World War. When business was modestly booming again in the mid-1920s, Ḥassan petitioned both the British and Saudis to open up branches in Mecca and Medina, just as he had the Ottomans a decade earlier. British authorities sent spies into the *bazārs* of Lahore to obtain information about him, ascertaining that he was insolvent and locked in a court battle with his ex-wife. Ḥassan's bank shortly after failed a second time. By the time Ghaznawī attempted to establish connections between Ḥassan's bank and the Saudis, the bank's finances were not auspicious, the reasons for which are explained in a later section below.

It was not for lack of trying, however, that Indian Muslim businesses tried to expand their operations into Saudi Arabia. Messrs. Ibrahim Jewan Baksh Co. of Calcutta, a firm with strong links to Japan, made several overtures to the Saudi government in the hope of establishing an electricity infrastructure in Mecca, while several Muslim merchants in Hyderabad raised money in India for the creation of a textile industry in the Hijaz.[770] The firm's proprietor, Jawān Bakhsh, also made several charitable donations to the Saudi Ministry of Finance, and promised to supply an X-ray machine for a hospital in Mecca.[771] Others were able to obtain concessions from the Saudi government, including Sayyid ʿAbd al-Qādir Gilānī, a follower of the Aḥl-i Hadīth who hoped to resurrect the Hijaz railway scheme. Gilānī, a Madras native, went on *ḥajj* in 1932 and, upon returning to Saudi Arabia the following year, wrote up a prospectus for the Mecca Jeddah Railway Company, Ltd. The agreement between the company and the Saudi government, which

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[770] IOR/L/PS/12/2085, Coll 6/19 'Arabia: (Saudi Arabia) Hejaz-Nejd Annual Report,' p. 167.

[771] IOR/R/15/1/575, 61/13 I (D 133) Wahabis and Pilgrimage to Hedjaz, p. 135; IOR/R/15/1/575, File 61/13 I (D 133) Wahabis and Pilgrimage to Hedjaz, p. 137.

was published in ʿ*Umm al-Qurā*, the official Saudi government mouth-piece, explicitly stated that its ambition was to create "an all-Moslem company." As outlined in the agreement between Gilānī and the Saudi government, the capital of the venture would be Rs. 5,000,000, partitioned into 100,000 shares, a portion of which would be reserved exclusively for Saudi citizens.

To ensure that the entity remained a purely Muslim venture, the statues of the company ordained that, in the event of share transfer, the company would have to ensure that shares were "being held by Moslems only," with a preference given for natives of Saudi Arabia. If these were not purchased within a set period, only then could they be sold to Muslims abroad. The firm's headquarters were to remain in India until such a point that they could be moved to the Hijaz.[772] In the process of vetting Gilānī, the special branch of police in Madras composed a report on him. He was proprietor of Messrs. Khader & Yousuf Bros., a watch-making company in Madras valued at some Rs. 350,000, although the concern was mortgaged at the time the report was composed, and interest being paid was Rs. 7000 a month. Beyond this, Gilānī's two sons, who lived elsewhere, were insolvent.[773] The report further noted that, after failing to secure the financial backing of Muslims in Madras, he had embarked on a tour throughout India to raise subscriptions, securing promises from backers in north India, as well as one Ḥamīd Allah, supposedly a secretary of the Ahl-i Ḥadīth, and Dāwūd Ismāʿīl Atta, both of Rangoon. The Niẓām of Hyderabad was less than supportive and refused to see Gilānī. Shawkat ʿAlī too

[772] IOR/R/15/1/568, 61/11 V (D 95) Hejaz - Nejd, Miscellaneous, p. 118-119.

[773] IOR/L/PS/12/2116, Coll 6/49 'Railways and Communications: Proposed Jedda-Mecca Railway. Motor Transport Arrangements, p. 70.

rebuffed him. Frustrated by the smooth reception in India, Gilānī also attempted to use the pages of Cairo's *Al-Balāgh* to whip up further support.[774]

The views of potential Indian Muslim shareholders come through in a polemical exchange with one C. Muḥammad Ṣibghat Allah in the pages of Madras' *The Indian Express*. Ṣibghat Allah's letter to the press threw aspersions on the scheme, to which Gilānī felt compelled to respond. Fresh off his all-India tour, Gilānī responded that "even Muslims who are against Sultan Ibn Saʿūd, and differ with him on some religious matters, are in favour of this scheme, merely to help the cause of the pilgrims, of which India sends out the largest number."[775] He further assured readers that the scheme would be highly beneficial both to the Saudi government, whose revenue was largely dependent on the *ḥajj*, and to prospective shareholders.[776] As a riposte, Ṣibghat Allah argued that any limited company had to first obtain public confidence in the scheme. As part of this, the public had a right to see the details of any agreement for which their funds were solicited, challenging Gilānī to produce the text of the agreement for review.[777] In Ṣibghat Allah's mind, the whole success of the venture depended upon the managing agency's independent capacity to instill this sense of security in the public, with both Gilānī and the Saudi government's proclamations counting for little.[778] By June 1934, however, the Saudi regime had

[774] Ibid., p. 71.

[775] "The Mecca-Jeddah Railway Scheme," *The Indian Express* (15 July 1933), reprinted in IOR/L/PS/12/2116, Coll 6/49 'Railways and Communications: Proposed Jedda-Mecca Railway. Motor Transport Arrangements., p. 59.

[776] Ibid., p. 60.

[777] Ibid., pp. 62-63.

[778] Ibid., p. 63.

reneged on its side of the deal, citing Gilānī's failure to live up to the deadlines fixed in the agreement, and his inability to secure financial backing in India.[779]

The travails of Indian Muslim business in Saudi Arabia points to several salient characteristics of Indian Muslim firms operating in the inter-war Middle East. The late Ottoman Hijaz was surely no business haven, but Indian Muslim commercial and religious firms operated with greater independence than they did after the Saudi conquest. Any Indian Muslim venture faced several debilitating constraints. Foremost of these was the barriers posed by the weakness of the Saudi financial system. Added to this was the Saudi crackdown on Muslim constituencies in its territory with international ties, the capriciousness of the Saudi government in honoring contracts with Indian Muslim businessmen, and the fact that colonial authorities in London, Cairo, and Delhi kept tight watch over these negotiations, which had the predictable effect of weakening already shaky Saudi resolve. On the Indian side, there was the persistent problem of raising sufficient capital from Indian constituencies, many of whom were reluctant to back capital-intensive projects outside the subcontinent. Bad publicity in the Indian press further undermined the case that Muslim entrepreneurs attempted to make to the public. However, despite the general trend of financial de-globalization during the inter-war period, there were some instances in which Indian Muslim commercial firms had success in expanding into new markets.

Expanding Markets in Afghanistan, Japan, and Czechoslovakia

[779] IOR/L/PS/12/2116, Coll 6/49, Railways and Communications: Proposed Jedda-Mecca Railway. Motor Transport Arrangements', p. 54.

While the post-Ottoman Middle East, with its mix of colonial surveillance and protectionist regimes, blocked the schemes of many Indian Muslim firms, there were several regions where Indian Muslim capital found fertile soil. Afghanistan, Japan, and Czechoslovakia were among the leading examples. These were territories outside the control of the British Empire, although by the late 1930s/early 1940s, two of these (Japan and Czechoslovakia, as part of Nazi Germany) would be at war with the empire. Nevertheless, from the early 1920s Indian Muslims had forged partnerships with commercial actors in each of these countries. In a crowded environment, these ventures lacked the ambitious scale of the projects endorsed by Indian Muslims itching to break into the Saudi scene, which was more or less a blank slate. Nonetheless, these relationships, particularly with Japanese producers, were nonetheless decisive in boosting the fortunes of several Indian Muslim commercial firms, particularly in Calcutta and Burma.

On the face of it, post-Habsburg Czechoslovakia seems like an unexpected place for Indian Muslims to establish commercial connections. Nevertheless, the lands of Bohemia and Moravia were some of the most industrialized of pre-war Europe. By the inter-war period many Czechoslovak firms established close trading ties with India. Indian firms reciprocated, and no less than Subhas Chandra Bose, the Bengali Indian National Congress political and later wartime collaborator with Japan and Nazi Germany, participated in the inauguration of the Indo-Czechoslovak Society in Prague in 1934, and later sponsored the foundation of a sister institution in Bombay in 1938.[780] By the time of the German invasion of Czechoslovakia that year, there was a sizable Czech population in Calcutta. One of these expatriate Czechs published, during the course of the Second World War, a small volume titled *India and Czechoslovakia*, featuring a contribution from Sir Ṣādiq Muḥammad Khān Bahādur ʿAbbāsi, the Nawab of Bahawalpur.[781] As the volume described, Sir Muḥammad Ẓafar Allah Khān, a member of the Indian Government's commerce department, toured several factories in Czechoslovakia and gave evidence at a session of the Indian Industries Conference on the quality of Czech manufacturing in 1937.[782] Yet another contribution highlighted that India imported from Czechoslovakia porcelain, glass, ironware, jewelry, locomotives, machine, and factory equipment, among others, noting that many a teacup in India bears the mark "Made in Czechoslovakia."[783]

This large export-trade provided an opportunity for Indian Muslim commission agents. One entity that found a productive base in Czechoslovakia was S. Muhammad Din Co., a Calcutta-based firm based at 56 Rattu Sarcar St. The company had established a branch of its operations in Czechoslovakia sometime in the early 1930s, and it is likely that, like other Indian entrepreneurs at this time, its proprietor received on-site technical training in Czech factories.[784] There it manufactured tin lithographs, complete with an Islamic crescent and the likeness of S. Muḥammad Dīn himself on either side (see figure 2).[785] These were then exported to Calcutta,

[780] "Indo-Czechoslovak Society," *Calcutta Municipal Gazette* (14 July 1934), Vol. 20, p. 299; Miloslav Krása, *Looking Towards India: A Study in East-West Contacts* (Prague : Orbis, 1969), p. 102.

[781] Jan Braos, *India And Czechoslovakia*, pp. 99-100.

[782] Ibid., p. 24.

[783] Ibid., p. 30.

[784] Krása, *Looking Towards India*, pp. 90-91.

[785] Item in author's private collection.

along with a host of other Czech products. At the time that S. Muḥammad Dīn began operating in the city, a Muslim association, *El-Ittihad el-Islami*, had established itself in Prague. The association was comprised of local converts and Muslims from Albania, Russia, and India. This group campaigned the deposed Egyptian Khedive ʿAbbās II in the late 1930s, right before the German invasion of Czechoslovakia, for the creation of a mosque in the city.[786] (Around this time, the Khedive was also approached by the Aḥmadī leader, Khwāja Kamāl al-Dīn, for an advance to set up an import-export business that would boost the Woking Islamic Mission in London).[787] Once again, Indian Muslim merchant capital was expanding the infrastructure of Islam in new regions, even as it contracted in the post-Ottoman Middle East.

Afghanistan was another region where Indian capital was sought after, and a market Indian Muslim capitalists hoped to expand into. The creation of an Afghan sovereign state following the Third Anglo-Afghan War in 1919 led to many schemes among Indian Muslims for cross-border economic collaboration. Several Urdu works published in India, one by an Aligarh graduate who went to work in the Afghan Ministry of Public Instruction, hailed the Amīr's economic reforms as a fulfillment of Islamic precepts, music to the ears of those Indian Muslims looking for a religious solution to their own economic woes.[788] Among these reforms included the creation of *Shirkat-i Afghān*, a limited liability company. Although Afghan citizens were given priority in the purchase of company shares, the prospectus called for the creation of branches outside Afghanistan.[789]

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[786] Durham University (hereafter DU), Abbas Hilmi II Papers, HIL/36/149.

[787] Durham University, Abbas Hilmi II Papers, HIL/36/103.

[788] Muḥammad Ḥussain Khān, *Afghān Bādshāh: ʻAlāḥaẕrāt Ghāzī Amān Allah Khān ... kī ʻazīmushshān chashmdīd dāstān* (Lāhaur: Maṭbaʿa Fīroz Prinṭing Varks, 1346 [1928]).

[789] *Lāyiḥa-i Shirkat-i Afghān* (Kabul: Maṭbaʿa-i Ḥurūfī-i Riyāsat-i Shirkat-i Rafīq, 1305 [1926]).

In the 1930s many Indian Muslims tried to encourage further investment in Afghanistan. As Robert Crews has demonstrated, during this decade Afghan ex-patriate businessmen returned from Germany and elsewhere to create a national bank in Kabul.[790] At the same time, some Indian Muslims tried to stir up enthusiasm for all things Afghan, and some even marketed products as Afghan in origin. The Veraval Match Works, based in the city of that name in Junagadh State, and owned by a string of different Muslim proprietors in the 1920s and 1930s, disseminated matchboxes with the likeness of Amīr Amān Allah, or "Afghan Pasha."[791] It was in these years that Ibrāhīm Sulṭān ʿAlī Paṭhānwāla, a Dāwūdī Bohra entrepreneur originally from Rajputana, began marketing his world-famous beauty line, 'Afghan Snow.' After establishing his own oil and perfume business in Bombay in 1910, Paṭhānwāla converted the enterprise into a limited liability company in 1914, and promoted two other Bohras, Khān ʿAlī ʿAlī Muḥammad and and Mūsajī R. Rāmpūrī, as co-directors.[792]

In the 1920s, Paṭhānwāla had, like S. Mohamed Din Co. from Calcutta, entered into partnerships with European firms, in this case Leon Givaudan, a Swiss chemical company, with whom he developed a new formula for beauty cream. According to Paṭhānwāla's company history, the company acquired its trademark name during the Indian tour of the Afghan king, Ẓahir Shāh. During his audience with Ẓahir Shāh, Paṭhānwāla asked the Afghan ruler whether he

[790] Robert D. Crews, *Afghan Modern: The History of a Global Nation* (Cambridge: Harvard University Press, 2015), ch. 5.

[791] A.B. Trivedi, *Kathiawar Economics* (Bombay: Bombay Vaibhav Press, 1943), pp. 137-138.

[792] "The House of Patanwalla," Francis Low ed., *The Indian Year Book*, Vol. XXIX (Bombay and Calcutta: Bennett, Coleman & Co. Ltd., 1942), pp. 1430-1431.

could name his product after the country.[793] From the 1930s 'Afghan Snow' had become a household name in India. By 1939, Paṭhānwāla's products were in demand not only in Afghanistan, but Iraq, Iran, Palestine, Syria, and Burma.[794] In the tough market for cosmetics, allusions to Afghanistan helped a Muslim-owned business lure Indian consumers to its product line, not least the followers of the latest fashions coming out of Bollywood.[795] But in further confirmation of the global links that made the product of Afghan Snow possible, while the cream was produced in Bombay, the bottle was imported from Germany, and the labels from Japan.[796]

In some cases, support for Afghan companies was pitched as a religious duty incumbent upon all Muslims. The Afghan Company Ltd. was one such enterprise. An Urdu-work newspaper titled *Afghān*, edited by one ʿAbd al-Maʿāni Azād and published in Peshawar, featured advertisements for the company. The appeal was made directly to the Indian Muslims of the regions bordering Afghanistan. It remarked that in the current age, although every person is struggling heartily for the acquisition of freedom, the Muslims of the (Northwest) frontier provinces until now have remained stupefied by the sleep of negligence and carelessness. Having turned their backs on religion, having reconciled themselves with slavery, they have been overcome by all sorts of spiritual ailments." What the current climate called for was the reinvigoration of the frontier's intellectual life, primarily through the dissemination of religious

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[793] https://www.petalsesp.com/about/heritage.aspx. There seems to be some confusion about the chronology of the company's formation. According to the official narrative, the name 'Afghan Snow' was coined in 1919, but Ẓahir Shāh's reign did not begin until 1933. This leads me to believe that Paṭhānwāla actually met with Amīr Amān Allah.

[794] "The House of Patanwalla," *The Indian Year Book*, p. 1432.

[795] "Royal Selection," *FilmIndia* (November 1942), n.p.

[796] https://www.petalsesp.com/about/heritage.aspx

texts. To render such a service to religion and nation, the Afghan Company Ltd. had been set up, with a capital of Rs. 50,000 divvied up into 2,000 shares. By participating, not only would shareholders support the community, they would also make a handsome profit, and facilitate the expansion of Islamic learning on both sides of the border.

In the interwar years, no country outside the formal and informal boundaries of the British Empire saw a livelier Indian Muslim expatriate commercial presence than Japan. Chapter 1 demonstrated that numerous Indian Muslim firms, largely Khoja and Bohra in background, had moved into Japan from the 1870s. Japan had also been an object of fascination for Punjabi commercial and religious entrepreneurs in the first decade of the twentieth century. To inaugurate its multi-volume Urdu global history series, Muḥammad Inshāʾ Allah's Waṭan-o-Ḥamadīyya Press published a history of Japan in 1903 by Sayyid Muḥammad Ibrāhīm ʿAjamī, complete with sections on food, clothing, demographics, government and even a Japanese translation of a Christian prayer.[797]

But in the interwar period the proportion of Indian Muslim firms in Japan grew by a considerable degree. The catalyst for this was the growing presence of Japanese firms in Bombay and Calcutta from the First World War. They were assisted, as Tirthankar Roy and others have demonstrated, by "competitive shipping, efficient information exchange between Bombay and Osaka, partnership with Indian businesses...and the role of Indian merchants in Kobe, Singapore, and Hong Kong in conducting the import trade from Japan."[798] Muslim commercial firms were,

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[797] Sayyid Muḥammad Ibrāhīm ʿAjamī, *Japān* (Lahore: Daftar-i Akhbār-i Waṭan-o-Hamadīyya: 1903), p. 43.

[798] Tirthankar Roy, "Trading Firms in Colonial India," *Harvard Business Studies*, 2014. http://www.hbs.edu/businesshistory/Documents/roy-trading-firms-colonial-india.pdf, p. 20.

according to Takashi Oishi, central players in Japanese-Indian cooperative ventures.[799] As Nile Green has shown, a significant byproduct of these intense linkages was the creation of the first mosque in Japan, built in Kobe in 1935.[800]

Kobe's resident Indian Muslim companies, who had benefited greatly from the trebling of Indian-Japanese trade, and its local Sunni association, many of whose members included the small population of Sunni Bohras, were the main drivers of the mosque's creation. In this they utilized their business contacts among Muslim mercantile communities throughout the Indian Ocean to fund its construction.[801] In fact, contemporary issues of the *Indian Directory for Japan* reveal names familiar to any historian of Indian Muslim commercial firms from Mombasa to Rangoon - Lakhani, Laljee, Bawany, Bochia.[802] One can easily imagine the Japan-based firms calling out to factors across the globe for funds. Indeed, Singapore-based firm of Z.A. Mahmood Achay even advertised for the mosque on one of its matchboxes.[803] Among the many merchants on the board of trustees for the mosque was Fairūz al-Dīn, proprietor of the hosiery firm J.B. Ferozuddin. Operating out of Calcutta, but with branches in Osaka and Kobe, J.B. Ferozuddin produced many products for the Indian market with a Japanese twist. One of these was "J.B. Feroze's Handy Diary," a journal manufactured by Osaka's Nippon Meriyasu Co., Ltd. that

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[799] Takashi Oishi, "Indo-Japan Cooperative Ventures in Match Manufacturing in India: Muslim Merchant Networks in and Beyond the Bengal Bay Region, 1900-1930," *International Journal of Asian Studies*, 1 (2004), pp. 49-85.

[800] Green, *Terrains of Exchange*, p. 260.

[801] Ibid.

[802] *The Indian Directory of Japan, 1936: Firms, Residents, General Information* ((Kobe: The Kobe & Osaka Press Ltd, 1936), p. 67.

[803] Item in author's personal collection.

contained, in addition to blank pages for daily entries, commercial information for doing business between Japan, India, and Europe, and advertisements for Ferozuddin and Meriyasu.[804]

The Japanese-connected trade also helped spur industrial progress in Calcutta and its environs. In 1923 Esavi Match Co., an outgrowth of the earlier Khoja Ismāʿīlī firm Essabhoy & Co., set up shop in Calcutta, shortly after the implementation of tariffs.[805] Esavi's proprietor was C.A. Muḥammad, who also set up a rubber shoe factory not long after the firm's match factory found its footing. His other Indian partners included Muḥammad ʿAbd al-Qādir (discussed in chapter 1), son of a merchant from Chittagong, a long-time resident of Burma and former owner of Fujii & Co., with whom he split a 70% interest in the concern. The remaining 30% stake was picked up by a Japanese partner named Harima.[806] By 1928, Esavi was producing some 1,275,000 matchboxes per annum, with the help of imported German and Swedish machinery and a factory laid out on the Japanese model.[807]

The links that Esavi and other Indian Muslim firms had with Japan facilitated the growth of a consumer industry in India for Japanese-manufactured goods, particularly matches. To better appeal to the changing tastes of an interwar Indian consumer base, and to better stand out in a crowded market, Indian Muslim firms commissioned a multitude of artistic matchbox designs in collaboration with their Japanese partners. Some of these matchboxes have India-specific motifs, whether in the form of the Esavi boxes bearing Bengali writing or the depiction of a mosque on the Mota Sultan matchboxes (see figure 3). These were distinct designs from those made in the

[804] Item in author's personal collection.

[805] Oishi, "Indo-Japan Cooperative," p. 65.

[806] *Report Of The Indian Tariff Board*: *Match Industry, Vol. I* (Calcutta: Government of India Central Publication Branch, 1928), pp. 87, 194.

[807] Ibid., pp. 194-195.

pre-war period (and reproduced in ch. 1). Whatever their motifs, all these matchboxes imported manufactured in Japan prominently displayed the name of the Indian Muslim commercial firms that imported them (see examples). Like S. Mohamed Din Co.'s imported tin from Czechoslovakia, or Patanwala Co.'s Afghan Snow, Indian Muslim commercial firms in Japan were attempting to forge 'vernacular' products whose iconography would allow them to appeal, just as their European counterparts were, to the fickle tastes of an ever-growing consumer base within the subcontinent.[808] Of course, the irony was that, although these commodities were depicted as 'native' manufacturers, they were the result of interactions among Indian Muslim and their global partners. At the same time as these imports hit their peak, Japanese firms and commercial bodies like the Indo-Japanese Association sponsored the training of Indian personnel in Japan, part of a public relations campaign to undermine what was perceived as a widespread resentment to Japanese manufactured goods among Indians.[809]

This section has shown that for many Indian Muslim companies in the inter-war period success was dependent on international cooperation. In spite of the barriers placed by tariffs and the Global Depression, these linkages were actively pursued in select regions, although Indian Muslims always remained middle or low-level players in these arrangements, lacking access (with rare exceptions) to sufficient capital that would allow them to be high-rollers in their own right. Even so, Indian Muslim firms did sponsor unique innovations and product lines, and the commercial vacancies that they exploited permitted them to fund mosque construct in Japan,

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[808] Kajri Jain, "Mass reproduction and the art of the bazaar," Vasudha Dalmia and Rashmi Sadana eds., *Cambridge Companion to Modern Indian Culture* (Cambridge: Cambridge University Press, 2012), pp. 184-205.

[809] *A Glimpse of Japan's Business and her Trade with India* (Tokyo: The Indo-Japanese Association, 1934), p. 32.

infrastructural development in Bengal, and Islamic education along the Northwest Frontier. But if more humble concerns found success in these conditions, the largest Indian Muslim commercial concerns had a much more torturous record.

The Death of the Old Guard and the Rise of a New 'Muslim' Business Culture

The ambitious movement of middle-level Indian Muslim merchants into new territories must not obscure the fact that two of the largest Muslim commercial concerns went into liquidation: the Memon firm, Jamal Brothers, headquartered in Burma and owned by A.K.A.S. Jamāl, and Currimbhoy Ibrahim, an enormous and sprawling consortium run by the Khoja Ismāʿīlī, Karīmbhāʾī Ibrāhīm, out of Bombay. Proprietors of both firms had been critical to the Indian Industrial Commission during the war years, and unlike Shobānī and Chottānī, had not been as forthright in their support of the Khilafat and non-cooperation movements. Both Jamāl and Karīmbhāʾī had been imperial loyalists, but they also gave readily to various Muslim philanthropic causes, principally the Anglo-Muhammadan Oriental College at Aligarh, and had been members of the Muslim League.[810] Furthermore, in the early 1920s Karīmbhāʾī had participated in various sessions of the League of Nations as a representative for British India. These failures far outweighed in magnitude the collapse of the Chottānī and Shobānī in the mid-1920s, prompting considerable panics in the Indian financial markets. This also had implications for the rise of new Muslim economic entrepreneurs, such as Mīrzā Abū Ḥassan Ispāhānī and

[810] A.M. Zaidi ed., *The Emergence of Jinnah*, Vol. 1 (New Delhi: Michiko & Panjathan, 1959), pp. 235, 485, 527, 573.

Adamjī Dāwūd, who became leading supporters for the creation of separate Muslim Chambers of Commerce and later the primary merchant backers of the Muslim League.

The collapse of Jamal Bros. happened with alarming rapidity between 1923 to 1925. As late as 1922, a featurette in *Calcutta Review* praised 'the Rice King of Burma' as equal to Tata and "an object lesson to many capitalists having their wealth locked up either in Government papers or in jewellery or in landed property."[811] The death of its founder, A.K.A.S. Jamāl, in 1924 struck one blow, and his family's speculation on the rice market supplied the knock-out blow.[812] According to one narrative, the European firm that Jamal Bros. had long cooperated with, Steel Brothers and Company, Ltd., came to the rescue by taking over both Jamal Bros.'s sale offices and their managers.[813] Contemporaries saw matters in another light, with one nationalist commentator asserting in 1935: "We know how Jamal Brothers were ruined by their own partners and how gradually their business passed into the hands of the British merchants who were settled down there."[814]

There were some warning signs that one of the largest Muslim-owned enterprises in the entire Indian Ocean stood at risk. In 1921 a fire destroyed the firm's rice mill at Kanaungto, which instigated a staggering loss of twenty lakhs, while the following year another

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[811] P. Das, "Development of Chemical Industries and its Necessity," *Calcutta Review*, Vol. 2 (January 1922), p. 138.

[812] H.E.W. Braund ed., *Calling to Mind: Being Some Account of the First Hundred Years (1870 to 1970) of Steel Brothers and Company Limited* (Oxford: Pergamon Press, 1975), p. 61.

[813] Ibid.

[814] *The Legislative Assembly Debates: Official Report of the First Session of the Fifth Legislative Assembly*, 1935 (New Delhi: Government of India Press, 1935), p. 2811.

conflagration had destroyed the firm's new paper mill.[815] The firm's failure was so dramatic that it stirred up numerous rumours about the liquidity of Central Bank, one of the largest indigenous exchange banks and managed by the Bombay Parsi Sir Sorabji Pochkhanawala. Central Bank had extended an enormous amount of loans to Jamal Bros., likely with no second thought given to the possibility of repayment.[816] With the end of Jamal Bros., not only did the foremost Muslim merchant of Rangoon disappear from the scene, but the firm's monthly subscriptions to many Islamic and Anglo-Indian institutions in Burma and India ended with it. Other Muslim commercial and religious entrepreneurs were to take up the slack.

Far more dramatic than Jamal Bros.'s demise was the implosion of the business empire run by the Currimbhoys. This failure had reverberations throughout business circles in the subcontinent, not least because leading Jewish, Parsi, and Muslim businessmen were on its board of directors.[817] Despite the death of the firm's founder, Karīmbhāʾī Ibrāhīm, in 1924, the decade was a time of continued expansion for the firm, now under the tutelage of the first baronet's namesake. Two years before the firm went into administration a report on the mill industry in Bombay painted a happier picture of the firm's health, and Muslim mill ownership more generally. There the firm's holding were listed as 12 mills, over 500,000 spindles, and nearly 10,000 looms, making Currimbhoy second only to the Bombay-based Baghdadi Jewish firm of

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[815] "The up-country Paper Mills," *The Report Of The Indian Tariff Board: Paper And Paper Pulp Industries* (Calcutta: Government of India Central Publication Branch, 1925), p. 4; "Fire Brigade," *Report on the Municipal Administration of the City of Rangoon* (Rangoon: Rangoon Times Press, 1922), p. 9.

[816] Bakhtiar Dadabhoy, *Barons of Banking* (London: Random House India, 2013), pp. 19-28.

[817] S.M. Ratnugar, *Bombay Industries: The Cotton Mills* (Bombay: Indian Textile Journal Ltd., 1927), p. 158. Sir David Sassoon and Sir Jamshetjee Jeejebhoy were two of the five.

David Sassoon.[818] Currimbhoy's 1928 calendar (figure 4) radiated confidence, depicting the *navaratna* (the nine gems) of the Emperor Akbar's court. Evidently, the Karīmbhāʾīs imagined that their position at the apex of India's mill industry was as sacrosanct and untouchable as the leading lights of Akbar's inner circle.

There were earlier signs of disquiet. Its balance sheets throughout the early 1920s show wide fluctuations in its debts and profits, a situation that by 1924 meant that the firm had failed to turn a profit and took on substantial losses.[819] Eventually, the firm had to be bailed out by a timely loan from the Niẓām of Hyderabad in the mid-1920s, but this was quickly exhausted in the process of fulfilling existing liabilities. The firm's failure to diversify beyond cotton proved to be its undoing, and its collapse in 1933 after a decade of very public decline caused panic in the Bombay Stock Exchange, and runs on the Bank of India, the National City Bank of New York and the Central Bank of India.[820] The full scale of the disaster becomes clear when one examines table 3. By 1933, the Depression had already caused the collapse of top Muslim firms: Premier, Currimbhoy, Crescent, and Pabaney. The remaining mills were merged, though remained in a highly precarious state.[821]

The Niẓām of Hyderabad's unwillingness to yet again ride to the rescue of the "premier Moslem business house in India" in 1933 came as an additional surprise. But amidst the liquidation of the company, the Currimbhoy group mortgaged their managing agency commission to the Niẓām, who appointed a committee to decide the mill's future. A portion of

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818 Ibid., p. 58.

819 Ibid., p. 158.

820 P.R. Srinivas and C.S. Rangawsami eds., *Indian Finance*, Vol. XII, No. 15 (7 October 1933), pp. 825-826.

821 Ibid., pp. 881-882.

the Currimbhoy concern, the Osman Shahi Mills, were in turn "hypothecated" to the Hyderabad Government.[822] The Osman Shahi Mills had been headquartered in the princely state from 1922 after an agreement was signed between Currimbhoy and the Niẓām's government. In 1934, however, the mills were signed over to the trustees of the Industrial Trust Fund of Hyderabad State.[823] This body was created in 1930 in order to provide state aid to local industries in the state, including women's home industries, part of a broad-based financial strategy examined in the section on banking below.[824]

The accent on protectionism and tariff barriers was omnipresent in the 1920s and 30s, and particularly after the downward plunge of Currimbhoy, became irreversible. The decline of the cotton-mill industry was so stark by 1930 that, during his inaugural address as President of the Indian Merchants' Chamber, Ḥussainbhāʾī Laʿljī, leader of the Khoja Ithnā ʿAsharī *jamāʿat*, called for a "vigorous scheme of industrialisation" that he hoped would make India self-sufficient.[825] As cotton became a lost cause, the fierce competition with Japan in the match industry spurred what can rightly be called a version of import-substitution industrialization *avant la lettre*. As mentioned in chapter 1, that industry was one of the few in which Muslims played a dominant role before the First World War. Its leading lights included Ahmedabad's Gujarat Islam Factory, which began operations in 1895. Its operations continued into the

822 P.R. Srinivas and C.S. Rangawsami eds., *Indian Finance*, Vol. XII, No. 20 (4 November 1933), p. 1079.

823 *Memorandum Of Association Of The Osman Shahi Mills Limited: With Articles Of Association And Managing Agency Agreement Annexed (Hyderabad: No Publisher, 1922).*

824 *Some Economic Facts And Figures Of H.E.H the Nizam's Dominions: Prepared for the All-India Economic Conference Hyderabad-Deccan* (Hyderabad-Deccan: Government Central Press, 1937), pp. 80-81.

825 "Re-organization of Industries," *The Indian Review*, Vol. XXXI (January to December 1930), p. 133.

interwar period, but it began to suffer setbacks with the onslaught of Swedish and Japanese manufacturers in the 1920s.

These rivalries were particularly fierce in Burma. The Muslim Match Factory, a private, unregistered firm founded in 1925 with a capital of Rs. 150,000, was among the new firms who felt the squeeze. The factory was initially started by the Memon Industrial Company, but they were unable to make a profit out of it, so the concern was sold to the firm of M.C. Abowath. In testimony given to the Indian Tariff Board, the head of the firm stressed that Indian matchwoods were inferior to foreign counterparts in places like Poland and Siberia.[826] To offset this disadvantage, the firm imported German machinery, and though most of the laborers were Muslims, and hired one B. Banerjee as works-manager, who had a degree in chemistry from Calcutta University and had previously worked in Quetta before moving to Burma.[827] Unfortunately, the business landed on hard-times when it was forced to copy the practice of Swedish manufacturers and that of another Muslim firm, Adamjee Hajee Dawood Co., in selling matches on credit instead of cash, which left it undercapitalized.[828]

Adamjee Hajee Dawood Co. was the leading Indian Muslim firm of interwar Burma, and the only concern large enough to fill the vacuum left by the collapse of Jamal Bros. It was founded by Adamjī Ḥajī Dāwūd, a Memon originally from Kathiawar in the early part of the century. It too possessed strong ties with Japanese manufacturers, despite its testy relations with Swedish competitors, who it eventually bested as Adamjī's latter-day biographers like to

[826] "The Muslim Match Factory," *Indian Tariff Board: Match Industry*, Vol. 1 (Calcutta: Government of India Publication Branch, 1928), p. 486.
[827] Ibid., pp. 490-491.
[828] Ibid., p. 497.

boast.[829] By creating a diverse portfolio in several industries from the First World War onwards, thanks partly to close contacts with local Chettiars (see figure 5), the company was the one Indian Muslim firm in Burma to transition into an industrial powerhouse in its own right. The firm had begun match manufacturing in 1924, with a capacity of 6,000 matches a day.[830] Integral to its success was a dramatic reduction of wastage between 1924 and 1927 from 40% to 15%. With its reputation solidified, the Swedish Match Company initially approached Adamjī to form a partnership, but once the talks fell apart, a veritable "trade war" commenced. Adamjī was even accused of stealing trademark designs from his competitors.[831] The rivalry became so fierce that eventually compelled Adamjī to lower the wages of his workers, which precipitated a labor action against him.[832] It was not just the Swedes who came to detest Adamjī - even Indian firms came to resent his "quasi-monopolistic" access to the forest resources of the Andaman Islands.[833]

During the Second World War, Adamjī's factory in Rangoon continued to operate, in part because before the war the firm had already employed large numbers of native Burmese, thus sparing it the labor problems that occurred with the departure of Indian communities after the Japanese invasion.[834] (The firm's decision to employ large numbers of Burmese women was

[829] Daleara Jamasji-Hirjikaka and Yasmin Qureshi, *The Merchant Knight: Adamjee Haji Dawood* (Karachi: Adamjee Foundation, 2004).

[830] *Indian Tariff Board: The Match Industr*y, pp. 4-5.

[831] Ibid., p. 84

[832] "Burma: The Match Factory of Messrs. Adamjee Hajee Dawood and Company, Ltd., Rangoon," *Labour Gazette: Published Monthly by the Labour Office, Government of Bombay*, *Vol. 15* (Bombay: Government Central Press, 1935), pp. 25, 98.

[833] Oishi, "Indo-Japan Cooperative Ventures," p. 64, n. 50.

[834] *Burma During Japanese Occupation*, Vol. II (Simla: Government of India Press, 1944), pp. 198, 206.

conditioned in part by the absence of a sizable number of Indian women in Burma).[835] However, what likely helped it avoid the fate of the Swedish (and most of the Indian-owned) factories in Burma was Adamjī's long-standing connections with Japanese firms. That exceptional character of the firm was also reflected in Adamjī's move into the prewar jute industry, making him one of the few indigenous entrepreneurs able to break into a sector dominated by what was akin to a cartel. By 1947, he was the single largest exporter of jute goods from India.[836]

The other Muslim merchant equal to Adamjī was M.A. Ispahānī, based in Calcutta. As the family's name suggests, they were Twelver Shīʿī traders who migrated from Iran to India in the late nineteenth century. They became associated with the Shīʿī *imāmbārā* and *waqf* in Hughli, founded by the eighteenth-century merchant, Muḥammad Muḥsin, an institution that was vital to the expansion of a Twelver Shīʿī community in Bengal throughout the nineteenth century.[837] Once firmly ensconced in Bengal the Ispahānī had moved into the tanning industry. In 1914 the company had complained to the colonial government about the formation of a trust by German firms in the hide industry in the form of the Calcutta 'Hide and Skin Shippers Association.' The Ispahānīs had petitioned for entry, but they were denied admittance, prompting them to ask "whether it was right that in a British dependency a German ring should be enabled to exclude its rivals by means of such an organization."[838] With the onset of the First World War, the firm's German rivals were largely chased out of Calcutta and room open for the firm's

[835] J. Russell Andrus, *Burmese Economic Life* (Stanford: Stanford University Press, 1947), p. 156.
[836] Jamasji-Hirjikaka and Qureshi, *The Merchant Knight*, p. 83.
[837] *Collection of Papers Related to the Hooghly Imambarah, 1815-1910* (Calcutta: Bengal Secretariat Book Depot, 1914), pp. 221-222.
[838] "Trust in Hide Business," *Hide and Leather* (28 February 1914), p. 13.

expansion. Soon enough they were operating from Cairo to Rangoon, with a telegraphic cable name fitting for their Twelver Shīʿī Iranian origins - Safavi.

Whereas the earlier Muslim business magnates, Jamāl and Karīmbhāʾī, had advocated for the creation of various mercantile associations that transcended religion (even as they sponsored numerous religious institutions), Adamjī and Ispahānī were the two most instrumental factors in the creation the Muslim Chamber of Commerce, with an initial branch in Calcutta soon followed by sub-branches throughout the country.[839] The birth of the Muslim Chamber of Commerce caused palpable disquiet in the Indian financial press. Writing in 1933, a correspondent for *Indian Finance* made this anxiety plain:

> At first sight, it might look like having brought communalism into a region [i.e. business] in which it is even more indefensible than in politics. It is true that if there are no separate Muslim interests in business, the Chamber has no raison d'etre and if there are, the Chamber would only aggravate the discord. But the community is the best judge of its needs. For the average man all that matters is that the Muslim Chamber does not transfer to the sphere of economics the separatism and opposition to the national viewpoint which has characterised Muslim politics."[840]

Even so, Adamjī's inaugural speech allayed the correspondent's suspicions, for in it he remarked "we are second to none in standing shoulder to shoulder with our countrymen in fighting for the rights and privileges of India, for it would but be repeating an axiom that "the part is contained in

[839] *Report of the Bengal Jute Enquiry Committee* (Calcutta: Bengal Government Press, 1939), p. 222.
[840] "The Voice of Business," *Indian Finance*, Vol. XI, No. 11 (18 March 1933), p. 479.

the whole" and is bound to benefit within the benefit of the whole."[841] The speech then went on to advocate for protection of Indian industries. At this point, the Muslim Chamber of Commerce was in no sense a 'communal' institution. However, it increasingly assumed this coloring. Even in the 1930s, the Muslim Chamber of Commerce was accused by commentators of playing fast and loose with the facts and figures of several Muslim companies in order to increase the proportion of Muslim representation on the Bengal Provincial Advisory Committee. For example, in a memorandum submitted to the committee by the Muslim Chamber of Commerce the capital of Dost Mohammed & Co., Ltd. and The Muslim Press & Publication, Ltd. was reported as Rs. 750,000 and Rs. 150,000 respectively. But with some further investigative work a member of the committee discovered that in the case of Dost Mohammed & Co. the Rs. 750,000 was only its authorized capital, of which none had been paid-up, and that The Muslim Press & Publication was a complete fiction.[842] Such shady accounting practices hardly bode well for the future of the Muslim Chamber of Commerce in the public imagination.

The connection between these separate Muslim chambers and the Muslim League exacerbated matters. Indeed, from 1940 especially, the League positively encouraged many Muslim firms to institutionally separate themselves from non-Muslims. This is evident from a letter written in 1944 to Muḥammad ʿAlī Jinnāḥ by Ḥajī ʿAbd al-Karīm, President of the Memon Merchants Association. Here he noted that Muslim and Hindu merchants throughout Berar and the Central Provinces had created "combined" mercantile associations in the big cities and small towns that would act as lobbying bodies for merchants' interests. Nevertheless,

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[841] Ibid.

[842] Jatindra Mohan Datta, "Bengal Government Proposals on the Delimitation of Constituencies," *The Modern Review* (September 1935), p. 341.

> As these associations consist of an overwhelming majority of Hindus, some of the Muslim general merchants who fear that Muslim business interests will suffer in the long run by joining these associations have kept themselves aloof from them. Now we approach you with the request of honouring us with your opinion in the matter. If you think that joining these associations is harmful for Muslim merchants and that they should form separate associations for protecting their rights please advise us so that armed with your valuable opinion we may persuade those Muslim merchants who have joined the above named association to sever their connections with them and form their own local, as well as provincial, association for safeguarding their own interests.[843]

In reply, Jinnāḥ advised ʿAbd al-Karīm to form a distinct 'Muslim Chamber of Commerce' and to affiliate it with the Federation of Muslim Chambers of Commerce and Industry. Claude Markovits has shown that this Federation was created by Jinnāḥ as a counterweight to the Federation of Indian Chambers of Commerce and Industry which had linked itself to the Indian National Congress. The body subsumed under its umbrella a series of Muslim commercial concerns.[844]

By 1944-1945 many Muslim merchants in greater Bombay and Punjab were now following the lead of those in Central Provinces in Berar, and forming independent Muslim

[843] "Haji Abdul Karim to M.A. Jinnah," in Z.H. Zaidi ed., *Quaid-i-Azam Mohammad Ali Jinnah Papers*, Vol. 10 (Quaid-i-Azam Papers Project, National Archives of Pakistan, 1993), p. 472.

[844] Claude Markovits, *Merchants, Traders, Entrepreneurs: Indian Business in the Colonial Era* (Basingstoke: Palgrave Macmillan, 2008), pp. 81-82.

mercantile associations - although in the case of the Chinoy family of Bombay, their departure from the 'All India Muslim Chamber of Commerce' and formation of a separate 'Bombay Muslim Chamber of Commerce' was fueled by rivalries with the Muslim commercial magnates at the head the former organization.[845] The creation of these bodies was not a sign of communal conflict, but the consequence of more immediate commercial rivalry, that in time produced communal tension.[846] The irony was that Ḥussainbhāʾī Laʿljī, a Khoja Ithnā ʿAsharī and one-time head of the Indian Chamber of Commerce in Bombay, and Ṭayyibjī, a Khoja Ismāʿīlī, openly opposed the League.[847] Intra-Muslim dissensions remained persistent, with leading Muslim merchants vying to control the political allegiances of the Indian Muslim business community. As a future chapter shows, the paradox was that those commercial and religious firms with the deepest links to non-Muslims, such as the Memons and Bohras, became some of the strongest advocates for a separate Muslim homeland.

The Saga of Muslim Banking

For all of this energetic company creation, the one sector where Muslim fortunes continued to flag was banking, as was the case before the 1914. Indian banking in the 1920s was not the healthiest of sectors, but when considered in a global frame, it was not unique in this

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[845] "M.A. Hassan Ispahani to M.A. Jinnah, Calcutta (3 April 1944)," in Z.H. Zaidi ed., *Quaid-i-Azam Mohammad Ali Jinnah Papers*, Vol. 10, p. 252. The branches of Ispahānī's firm extended to Cairo and Baghdad in the west and to Rangoon in the east.

[846] Markovits, *Merchants*, pp. 81-82.

[847] Ibid., p. 122. Ḥussainbhāʾī Laʿljī even ran against Jinnāh for a seat on the Central Legislative Assembly in 1945.

respect. For one, in the United States during the 1920s "banks failed at a rate well over 500 a year."[848] Indigenous exchange banks were envisioned as a means for Indians to break into the 'formal' financial sector dominated by European institutions, and to bridge the divide between this sphere and the vertical 'informal' sector running upward from rural moneylending to the 'bazaar.' The accent here is on *community*, rather than *communal*, banking because these 'Muslim' institutions drew on the support and capital of non-Muslim financial houses and personnel right up to 1947. Although of a piece with the wider turn to *swadeshi* institutions, the number of banks owned and operated by Muslims was lower than that of non-Muslims, and given that Indian Muslims freely used trusts, funds, cooperatives and associations to manage their wealth, the turn to formal banking in the first decade of the twentieth century was comparatively muted.

Financial statistics completed soon after Partition make clear just how underrepresented Muslims were in the banking sector. Again, these statistics have to be treated with caution. One cannot assume, for example, that Catholics in India only used (or were employed by) institutions like the Syrian Catholic Bank or the Catholic Bank of India. Moreover, if the ugly history of the partition of the Reserve Bank of India is any indication, segregating Hindu and Muslim financial life at Partition was an excruciating exercise.[849] With these qualifications, it is still advantageous to look at the number of Muslim-owned banks in existence by 1947-1948. A survey of the statistical tables turns up only five: Bombay's Ismailia Co-operative Bank (which lasted until

[848] Alan Greenspan and Adrian Wooldridge, *Capitalism in America: A History* (New York: Penguin Press, 2018), p. 234.

[849] Anuj Srivas, "The Messy Partition of the Reserve Bank of India," https://thewire.in/banking/partition-reserve-bank-of-india.

1993); Habib Bank; Bengal Muslim Bank, Ltd.; Mysore's Channapatna Muslim Mahadevia Co-operative Bank; and the Muslim Commercial Bank founded by Adamjī in 1947.[850] This demands further explanation.

As Mehrsa Baradaran has shown in her study of black banks in the United States, what banks offer that these other quasi-financial institutions do not is the decisive "money-multiplier effect," which serves as an engine for wealth creation.[851] Like the black banks in the post-Reconstruction United States, Muslim banks were envisioned as a way to control and augment the "Muslim rupee," but they rarely succeeded in that aim for a host of reasons, including a dearth of capital, colonial financial policy, and the small numbers of Muslims involved in moneylending. Instrumental too was that the very notion of a Muslim bank never gained support beyond select constituencies, with only some *masālik* authorizing them. It takes a global perspective to appreciate why the development of banks among Indian Muslims was a much more torturous affair than it was among other global Muslims and non-Muslims in India.

Numerous Muslim organizations had called for the creation of 'Muslim' banks from before the First World War. At its Second Session held in Delhi in December 1920, JUH called for the creation of a National Bank.[852] Four years later at the All-India Khilafat Conference, Saif al-Dīn Kitchlew called for the creation of Muslim Banks and Co-operative Bank Societies that

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[850] *Statistical Tables Relating To Banks In India And Pakistan for the Year 1947* (Bombay: Reserve Bank of India, 1948).

[851] Mehrsa Baradaran, *The Color of Money: Black Banks and the Racial Wealth Gap* (Cambridge: Harvard University Press, 2017), pp. 93-96.

[852] "Jamiatul Ulema-e-Hind: Session Session," in *All-India Muslim League*, p. 516.

would finance Muslim economic and educational uplift.[853] But all of this emphasis on the creation of Muslim banks begged several questions among Muslim commentators: what was a 'Muslim' bank? Although earlier sections had discussed Lahore's Muslim Orient Bank, as a matter of fact, between 1908 and 1914 Muslim entrepreneurs from Habsburg Sarajevo to Republican Shanghai had established their own self-proclaimed 'Muslim' or 'Islamic' banks.[854] With names like *Muslimanska Centralna Banka* and İslam Bankası, these banks were little different in their makeup from what today's Islamic finance industry terms 'conventional' banks, but they shared with the Islamic banks of later decades a stated mission to alleviate crippling interest rates and provide easier access to cheap liquid capital, both diagnosed as the leading causes of Muslim poverty in several contexts. Yet that is largely where the similarities end. As some of the first banks founded by Muslims, the creation of these institutions had been justified by Islamic legal decrees and boasted the support of Muslim legal scholars, but tellingly their legal foundations were not rooted in the abstruse and convoluted tricks of the contemporary Islamic finance trade such as *muḍāraba* and *murabaḥa* financing.

If that fact alone serves as additional proof of Islamic finance's status as an "invented tradition," the history of these Muslim banks refutes the broader Ur myth of today's Islamic finance industry, upon which much of its purported legitimacy lies: namely that the opening of an interest-free bank at Mit Ghamr in Egypt in 1963 represented the first Muslim attempt to create a bona fide 'Islamic' banking alternative.[855] What distinguished these earlier banks from

[853] "The All-India Khilafat Conference," reprinted in Khursheed Kamal Aziz, *The Indian Khilafat Movement, 1915-1933: A Documentary Record* (Lahore: Sang-e-Meel Publications, 2006) p. 302.

[854] For a passing mention of the Chinese bank see "Musul'manskiy banka ve Kitaye," *Muslimanska Gazeta* (28 February 1913), no. 11, p. 2.

[855] Unfortunately, historians have tended to re-affirm this misconception. See Murat Çizakça, *Islamic*

the Mit Ghamr experiment was their acceptance of certain types of interest-based transactions on the basis of rulings solicited by Muslim entrepreneurs from Muslim legal scholars. The exact Islamic legal precedent invoked depended on the legal culture and customary practice of a given locality. With this legal imprimatur, these institutions were envisioned as engines of Muslim economic growth in the heady financial climate that preceded the First World War, or as bastions of stability in the volatile financial climate of the interwar years. They were founded, moreover, as complements or alternatives to the range of exchange, co-operative, and agricultural banks set up from Bosnia to Java in this period, which Muslims readily utilized for everything from pan-Islamic remittances to raising subscriptions at the local and regional level.

The turn to community banking was fraught with trouble, not only because of the impression advanced by many Muslim commentators at the time that there was a dramatic underrepresentation of Indian Muslims in finance and banking compared to non-Muslims. Banks were thus envisioned by many as the sole means by which Muslims might close the wealth gap they perceived with Hindus. Yet, as with the bonds and paper currency examined over the past few chapters, Muslim constituencies could not themselves agree on the legality of such institutions. The storm only thickened as some pan-Indian Muslim political organizations and new Muslim religious movements demanded a head-on confrontation with the financial power of both the colonial state and non-Muslims.

The performance of the Muslim Orient Bank in the 1920s and 1930s encapsulates these problems neatly. As discussed in the last chapter, in the midst of its efforts to open up branches in the late Ottoman Hijaz the institution went into temporary liquidation, along with a string of

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Capitalism and Finance: Origins, Evolution and the Future (Cheltenham, UK: Edward Elgar, 2011), p. 135.

native exchange banks in Punjab. In the 1920s, as we have also seen, it attempted to move into Saudi Arabia, but was rebuffed after its financial condition was investigated by colonial authorities. To be sure, Ḥassan's bank did not have an auspicious record during the years of the First World War and after, although it did begin to recover from 1917. A newspaper article published twelve years after the bank's opening in an Indian Muslim newspaper dedicated to banking, *Sūdmand*, gave a somewhat gloomy annual breakdown of its capital:

1912	Rs. 105,700
1913	Rs. 128,500
1914	Rs. 71,000
1915	Rs. 66,000
1916	Rs. 81,000
1917	Rs. 100,000
1918	Rs. 130,000
1919	Rs. 185,000
1922	Rs.

	238,000[856]

By comparison, the author mourned, the central bank founded at the same time as the Muslim Bank of Lahore had a capital of 22 crore (Rs. 220,000,000) in 1925, while many Hindus had opened banks throughout Punjab with crores of rupees to their name.[857] Although the author made no mention of it, the years between 1919 and 1922 were difficult ones, but Ḥassan's bank managed to scrape by with capital increases.[858]

The case of another Muslim bank founded around the time as Hassan's supplies a vital counter-point. In 1913 the Ottoman newspaper, *Sebīl al-Reşād*, remarked with some curiosity that Bosnian Muslims in the Austro-Hungarian Empire had recently established a "Muslim Bank" in Sarajevo.[859] From the time of the Habsburg annexation in 1878 until the full incorporation of the region into the empire in 1908, Bosnian Muslims had experienced a decline in economic status, compelling a large number to fire-sell their land and for episodic calls for creating a Muslim bank.[860] Although local Muslims were accustomed to using agrarian banks founded by other nationalities of the empire, the article noted that "because [Muslims] could not

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856 "Muslim Bank," (August 1925), in Ṭufail Aḥmad Manglaurī, *Mażāmīn-i sūdmand* (Badāyūn : Niẓāmī Pres, 1936), pp. 103-104.

857 Ibid., p. 105.

858 See the references in *Report on the Joint Stock Companies, Punjab 1917/18-1921/22* (Lahore: Government Press, 1918-1922).

859 "Bosna'da İslam Bankası," *Sebīl al-Reşād*, vol. VII, no: 177 (1327 [1911]), p. 338.

860 James Lyon, "Habsburg Sarajevo 1914: A Social Picture," *Prilozi/Contributions*, 43 (Sarajevo, 2014), pp. 23-39

compete with “Agrar-” banks that carried out a wide array of transactions, an expedient was designed by Muslims for this problem.”[861] That expedient was nothing less than the foundation of the “Muslim Central Bank” (its official name was polyglot - *Muslimanska centralna banka*), with a starting capital of 3 million crowns, a figure that grew exponentially over the years of the First World War and the collapse of the Austro-Hungarian empire itself.[862] The bank (which survived well into the early Yugoslav period before merging with the Croat Savings Bank to form the Union Bank) occupied itself with facilitating the restitution of Muslim land pawned to banks that charged, in the mindset of their critics, “immoral interest” and also encouraged the economic progress of Bosnian Muslims in the empire.

Operating as a joint-stock company based in Sarajevo, the bank's shareholders included the most prominent figures of the Bosnian Muslim community. These men held prominent administrative positions in the Austro-Hungarian bureaucracy in their capacity as national deputies (*narodni poslanik*). Outside Sarajevo overtures were made to leading merchants and landowners within the Bosnian Muslim community. An article in Mostar's pan-Islamist newspaper *Biser*, following an extensive attack on the parasitical influence of usurers (*lihvarima*), appealed to prosperous Muslims to buy shares “in this our joint bank.”[863] Support was forthcoming from Habsburg imperial officials as well. No less than General Oskar Potiorek - the governor of the province and Archduke Franz Ferdinand's fellow passenger on that fateful

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[861] “Agrar-” banks were a series of agrarian banks owned and operated by a range of the empire's financial entrepreneurs. Mehmed Spaho, *Die Agrarfrage in Bosnien und in der Herzegowina* (Wien: W. Braumueller, 1912);

[862] By 1912, its capital was reputedly 10 million crowns. A 7 million crown increase from its opening. *Die Bank: Wochenhefte für Finanz-, Kredit- und Versicherungswesen* (1912), p. 992.

[863] “Muslimanska centralna banka,” *Biser* (September 1912), No. 4, p. 71.

day in June 1914 - as well as the finance minister, Leon de Bilinksi, encouraged the bank's creation. Potiorek and Bilinski hoped that the scheme would consolidate regional credit institutions and attract the support of Muslim landowners.[864] This ability to rely on capital support from both non-Muslim bankers and the Habsburg government would have been an unimaginable luxury for Muslim bankers in India, who had to operate in a climate of dear capital and a colonial state with a fiscal policy that did little to mitigate the specter of insolvency that haunted all exchange banks in the country.

The *Muslimanska centralna banka* also appears to have gained considerable international attention out of proportion to its small size. In fact, the *şeyḫülislām*'s ruling had some curious echoes. *Revue du monde musulman* heralded it as a moment of great import for the "future political economy of Islam".[865] Muslims in the Russian Empire deemed it an archetype for mitigating their own economic woes.[866] Most compelling, however, was the interest the bank's activities garnered at the inaugural Egyptian Congress held at Heliopolis in 1912, the Syrian Christian, Yūsuf Naḥḥās, in an extended lecture on Egypt's financial situation, cited the ruling as a pretext for the creation of homegrown national credit institutions. Against those who claimed that Islamic precepts banned usurious banking, he stated:

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864 Dževad Juzbašić, "Der Einfluss der Balkankriege 1912/1913 auf Bosnien-Herzegovina und auf die Behandlung der Agrarfrage," Horst Haselsteiner, Emilia Hrabovec, and Arnold Suppan eds., *Zeiten Wende Zeiten: Festgabe für Richard Georg Plaschka* zum 75. Geburtstag (Frankfurt am Main: Lang, 2000), p. 64.

865 "Extraits et analyses," *Revue du monde musulman*. Vol. 12 (Sep-Dec 1910), p. 692.

866 Vladimir Gol′mstrem, *Musul'manskai͡a pechat' Rossii v 1910 godu* (Obshchestvo Issledovanii͡a Sredneĭ Azii, 1987), p. 74.

> "Is it possible that this wise and beautiful religion should permit only the borrowing at interest? Is it possible that this religion should wish to prevent the well-to-do Muslim from helping his Muslim brother...? I do not consider myself competent to discuss the prescriptions of a religion which is not mine. But I believe the wise doctors of Islam, if they went to the bottom of things, could only say that the capitalist who receives a moderate interest for his capital does not infringe upon the prescriptions of his religion. Has not His Eminency the *şeyḫülislām* at the very centre of the Khilafate issued a *fatwā* authorizing the creation of a National Bank in Bosnia-Herzegovina? Could I supply a better proof in support of my argument[?]"[867]

For Naḥḥās, with the declaration of this *fatwā* by the Ottoman *şeyḫülislām*, any legal deterrent, real or imagined, for the foundation of banks by Muslims was finally removed, with the dictates of Islamic law itself supplying the vindication for the formation of home-grown financial bodies that lent at interest. In India no Islamic bank could appeal to such a ruling and win universal acclaim among Muslim religious firms (These debates are taken up in the next chapter).

There were, nonetheless, other Muslim banks in operation in the 1920s and 30s. As part of the enormous series of Banking Enquiry Committee reports compiled in 1929-30, it was proposed that, although the ban on usury in some parts of the country appeared to be diminishing, the interest paid by the government on Muslim deposits in post office savings banks

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[867] Yūsuf Naḥḥās, "Tarjamat taqrīr muqaddam li-l-muʾtamar al-Miṣrī min Yūsuf Naḥḥās Bey duktūr fī al-ḥuqūq ʿan ḥālat Miṣr al-iqtiṣādīyya wa-l-mālīyya," *Al-Muʾtamar al-Miṣrī, Majmūʿat ʿĀmāl al-muʾtamar al-Miṣrī al-awwal* (Cairo: Al-Maṭbaʿāh Al-Amīrīyya, 1911), p. 149. A slightly altered English translation can be found in Youssef Bey Nahhas, "The Economic and Financial Situation in Egypt," *Minutes of the Proceedings of the First Egyptian Congress Assembled at Heliopolis (near Cairo) from Saturday 30 rabi-al-thani 1329 (29 April 1911) to Wednesday 5 gamad-ul-awwal 1329 (4 May 1911)* (Alexandrie, Imp. d'Alexandrie, 1329 [1911]), p. 219.

or postal cash certificates might be used to finance Muslim educational projects.[868] There were precedents for this. Yet when it came to the cooperative movement, Muslim officials repeatedly conveyed that the customary practices of most Muslims towards interest transactions were far from closed. The following exchange occurred between a certain Mr. Yūnus, honorary secretary of Patna's Bihar Landholders' Association, and Professor Batheja:

> Professor Batheja: Mr. Yunus, may I ask a question which is outside the scope of your memorandum? Is there a general prejudice on the part of Musalmans to accepting interest in this Province?- [Yunus] Of course, there are some who take religious objection in doing so. They neither accept interest nor pay interest.
>
> Chairman: Do those people form a very appreciable portion of the Muslim population in this Province? - I think they are only in a very small minority at present.
>
> Professor Batheja: Do you not think there are some Musalmans who do money-lending business also?-Yes, there are.
>
> Chairman: You do not think there is any need to make any special provision to meet the requirements of those Muslims who entertain religious feelings in this matter?- I do not think any special provision is necessary. [Chairman:] You do not think they are sufficiently numerous?- No.
>
> Professor Batheja: What do such Muslims do with their money?- They sometimes invest their

[868] *Report of the United Provinces Provincial Banking Enquiry Committee, 1929-30*, *Vol. 1* (Allahabad: Govt. of India, Central Publication Branch, 1930), pp. 215-216.

money in lands while others deposit their money in banks and accept no interest. Do Muslims deposit large sums of money in banks?- Some do, those who can afford to do so, but they are in a minority I think. The whole idea is that Muslims are not expected to make profit out of the misery of their fellow beings and should not accept anything more than they lend. That is the idea. To avoid religious objection people make transactions in kind by previous arrangements.[869]

Yūnus's reply suggests a variety of behaviors and interpretations followed by Muslims on the subject of bank deposits and it is compelling that, unlike many others calling for such mechanisms, he did not believe Muslims needed a special arrangement to use banks. Furthermore, Yūnus went on to add that the real scourge were the Kabulis, or Muslim moneylenders, who he believed could be run out of business by fixing the interest rate.[870] Clearly then, to a Muslim administrator like Yūnus, because Muslims exhibited a wide range of commercial attitudes to the problem of interest, it was best to enshrine the matter of interest-rates in the letter of the law to protect landholders from the usurious exactions of moneylenders.

At another hearing, the commission chairman asked the Muslim Sadr Subdivisional Officer of Hazaribagh whether members of the Muslim community take interest on money loaned to them. The Sadr's reply was:

-So far as educated people are concerned there is no such reluctance. Personally, I have no objection. The old type of people still raise objections.

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[869] *The Bihar and Orissa Provincial Banking Enquiry Committee* (Calcutta: Govt. of India, Central Publication Branch, 1930), p. 509.

[870] Ibid., 509-10.

But the objection is very much less than it was 30 or 40 years ago?- Yes.

Your point of view, I take it, is that your religion forbids usury but not reasonable interest?- Yes[871]

As the next chapter shows, however, many religious firms did not abide this view and the belief that usury and interest carried distinct meanings, with only the former condemned by God and the Prophet, was slowly edged out so that by 1947 the majority all religious firms rejected it.

For all the existence of these views, the perceived exclusion of Muslims from conventional banking positions, contributed in part to the sectarianization of the cooperative movement in many localities. From Madras to Bombay one observes beginning in the 1930s a tangible gravitation towards avowedly 'communal' bodies. For one, a refrain among many Muslim commentators during the interwar period was the fear that non-Muslims had monopolized positions in cooperative societies, as well as the office of the accountant general and the Imperial Bank of India.[872] In Bombay Presidency alone, there were Muslim co-operative banks in Hubli, Bombay, Ahmedabad, alongside non-Muslim counterparts. Some of the latter,

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[871] Ibid., p. 772. Similar debates occurred in the Malay context, where Muslims associated with cooperative societies had begun distinguishing between unlawful usury (*bunga*) and profits (*fāʾida or bhagian untong*). The scholars of Ipek, Istanah issued a ruling allow Muslims to join cooperative societies. "The Malays of Krian," *The Singapore Free Press and Mercantile Advertiser* (27 November 1922), p. 4; "Co-operative Societies," *The Singapore Free Press and Mercantile Advertiser* (18 June 1926), p. 16.

[872] See "Council of State: Questions and Answers (4 March 1938)," esp. no. 100 and 104 in *Madras Legislative Assembly Debates, Official Report: The Council of State Debates, 1933, Vol. 1 (Madras: Government Press, 1946)*, p. 1205.

such as the Shamrao Vithal Co-Operative Bank founded in 1906 by S.S. Talmaki, was mainly the preserve of Saraswat Brahmins, and built up traction as loan societies and Hindu reformist associations.[873] This model was mimicked by other caste groups of western India such as Bhavsar Kshatriyas, Devrukhe Brahmins, Raddis, and Pune Shimpis.[874] Other cooperative bodies, such as Hyderabad's *Muʾayyid al-Ikhwān,* persisted down to the end of the colonial period, when it was hailed as “the first to contribute something original and purely Islamic to the co-operative movement at large, and this at a time when it had not left the shores of Europe to penetrate into India.”[875]

Hyderabad was, in fact, a prime laboratory for financial reform during the interwar period. Through the Industrial Trust Fund, native banking and industrial enterprises were actively supported by the state, a policy that transformed the state’s into an economic power in its own right. Among the trustees of Hyderabad’s Industrial Trust Fund was the Sulaimānī Bohra, Akbar Haidarī. Trained by the Jesuits at St. Xavier’s College, Haidarī hailed from a prominent Bombay Bohra mercantile family, with his father highly active in the China trade. From eighteen he was a member of the Indian Finance Department, and in 1905 he became accountant-general in Hyderabad. From his position as a trustee of Aligarh Muḥammadan Anglo-Oriental College, he actively called for Muslim educational development, and for all his admiration of Herbert Spencer, he saw religious instruction from a young age as an antidote to

[873] *Annual Administration Report on the Working of Cooperative Societies* (Bombay: Government Press, 1912), pp. 5, 12-14. Talmaki penned his own work on the cooperative movement, S.S. Talmaki, *Co-operation in India and Abroad* (Mangalore: Basel Mission Press, 1931).

[874] R.B. Ewbank ed., *Indian Co-Operative Studies* (London: Humphrey Milford, 1920), p. 108.

[875] “Cultural Activities: Deccan,” *Islamic Culture: The Hyderabad Quarterly Review*, Vol. 14 (1940), p. 249.

the perdition of materialism and nihilism. He thus became a founding member of Osmania University in 1918, which would become a key site over the next thirty years for the articulation of a distinct field of Islamic economics. Haidarī's service to Muslim causes earned him many a hagiography, none matching the wide-ranging tribute of a certain Dildār ʿAlī, which singled out the finance minister's fiscal reforms.[876]

From 1921 until 1941 Haidarī was head of Hyderabad's finance department, where as part of his much-admired scheme christened the "departmentalization of finances", the remit of the state's paper currency reserve was greatly expanded.[877] Successive budget reports prepared by Haidarī show that paper currency use was increasing substantially throughout the 1920s and 30s among the state's denizens.[878] He also sponsored the creation of a series of savings banks and eventually the creation of a central bank for Hyderabad.[879] By 1935 the profits accruing from paper currency were in excess of nineteen lakhs.[880] More likely to bother some Muslim constituencies was the fact that the paper currency also a vehicle for managing the interest accrued on capital expenditure and investments throughout the Niẓāmate.[881]

Such activities had long been the hallmark of Bohra business across the Indian Ocean,

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876 Dildār ʿAlī, *Kārnāma-i Ḥaidarī* (Ḥaidarābād : Aʿẓam Isṭīm Pres, 1937). For remarks concerning paper currency see p. 148.

877 For his own discussion of this term see Sir Akbar Hydari (Hydar Nawaz Jung Bahadur), *Prefatory Notes To The Budget Notes Of H.E.H., The Nizam's Government For The Year 1331 to 1346 Fasli* (Hyderabad-Deccan: Government Central Press, 1938), pp. 35-37.

878 Ibid., p. 83.

879 Nawab Mir Nawaz Jung and S. Kesava Iyengar, *The A.B.C. of Central Banking: With Special Reference to India and Hyderabad* (Bangalore: The Bangalore Printing and Publishing Co., Ltd., 1945),

880 Ibid., p. 230.

881 Ibid., p. 152.

but evidently many Muslims in the state needed convincing that Haidarī's actions were commensurate with Islam. It should be remembered that Haidarī's later downfall, precipitated largely by the agitation of the *Ittihād al-Muslimīn*, was brought out in part by his attempts to convince the Niẓām "to avoid references to Hyderabad as an 'Islamic state'."[882] Therefore, it is not too hard to imagine that Haidarī's financial policies may have been a cause of protest, not least at a time, as the next two chapters show, when many Muslim groups in Hyderabad were formulating embryonic ideas of an Islamic economy - and creating the institutions needed to bring that vision to fruition. With his departure, one of the most successful Indian Muslim financial-cum-bureaucratic entrepreneurs of the interwar period was shuffled from the scene.

In 1941, not long before his demise, a supporter felt impelled to issue a pamphlet of the finance minister's memoirs to "convince the believers that Sir Akbar is marching along the material path through the very tracks left behind by the Holy Prophet (may he rest in peace), for his followers [and to] show convincing proof that the Holy Qurʾān is an illustrative practical code complete in itself for the guidance of human beings of all grades as it is full of principles applicable to all stages of human life."[883] Haidarī's every action was infused with Qurʾānic principles and his defender repeatedly emphasized how the minister's financial acumen had spared Hyderabad the disastrous effects of the Great Depression. This was clearly an attempt to frame Haidarī squarely as a man following God's righteous path. None of this in the end was enough to save Haidarī who was sacked in 1941, and died soon after. The controversy

[882] Lucien D. Benichou, *From Autocracy to Integration: Political Developments in Hyderabad State, 1938-1948* (Delhi: Orient Blackswan, 2000), p. 95.
[883] Alhaj Syed Qasim Husaini, *The Memoirs of Sir Akbar Hydari And The Holy Quran* ([no publisher listed], 1941), p. 1.

surrounding his financial reforms hints at some of the key factors undermining the progress of Muslim banking taken up in the next chapter.

The same year that Haidarī died a group of Khoja Ithnā ʿAsharīs founded a bank that would be one of the few Muslim-owned banks to survive Partition. That institution was Habib Bank, founded in Bombay in 1941 by Muḥammad Ḥabīb, the son of a successful international entrepreneur, who moved its headquarters to Karachi in 1947. It was in every sense a conventional banking institution that charged interest on deposits, and Ḥabīb had deep links with non-Muslim bankers in Bombay. Two of his bank's managing directors were Hindus. Among the Muslims directors was ʿAbd al-Karīm Panjū, whose own business profile showed no signs of Muslim separatism. Besides his position at the summits of Habib Bank, Panjū was also a director for the Kaiser-i-Hind Insurance Co. Ltd. He was a chief benefactor of the *Anjuman-i Faiż-i Panjatanī*, the Khoja Ithnā ʿAsharī religious firm with offices in Bombay and Karachi that served pilgrims going to the Shīʿī shrine cities in Iraq.

In light of the fact that another Khoja Ithnā ʿAsharī, Ḥussainbhāʾī Laʿljī, openly resisted the League's bid for Pakistan, it was a supreme irony that Habib bank became the cornerstone of the State Bank of Pakistan, created in 1948. Indeed, at a meeting of the 'Council of Action of the All Parties Shia Conference' held at Poona in December 1945, Laʿljī presided over a meeting that passed the following resolution:

> The Council decided to work for the independence of India shoulder to shoulder with other organisations. The Council feared that the establishment of Pakistan would ostensibly result in the establishment of the Hanafi Shariur [sic] in that area, a Shariat,

which was fundamentally different from the Shariat Jaffri' or Imamia Law which was followed by the Shias.[884]

This quote points to the irreconcilable conflicts among Muslim religious firms during the interwar period over law, economy, and politics, conflicts which were exacerbated by the rise of supra-firms like the All Parties Shia Conference and the League. It is to them that we now turn.

Conclusion

This study of the political economy of Indian Muslim business between the world wars has made the following arguments. If the British Empire remained a beneficial avenue for business enterprise, the intensification of anti-colonial nationalism in the subcontinent and greater colonial surveillance of indigenous entrepreneurs within the new geographies of the empire constrained Indian Muslim business in a manner unknown before 1914. While 'replicative' entrepreneurs had considerable success in finding new markets in their capacities as managing agents, 'innovative' entrepreneurs had a more tortuous record. Many within this latter group saw their enterprises snuffed out by the volatile conditions of the interwar years, while those who managed to thrive were able to do so in part because of tariff protections. These individuals in turn sponsored new Muslim commercial institutions that assumed an explicit political coloring. Despite this institutional expansion, Muslim participation in formal banking remained overwhelmingly low before Partition in 1947.

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[884] Denny D'Silva, *India: Reply to her Critics* (no publication data), p. 360.

We now turn to the religious firms who competed with one another throughout the interwar period to articulate new visions of Indian Muslim capital. Both the creation of new Muslim institutions committed to an assertive religious politics and the rise of anti-capitalist thought in the interwar period raised the stakes of these contests. The Muslim League was but one of the many institutions that assumed the tenor of a religious firm, insofar as it tried to reframe the contours of 'normative' Islam by sponsoring legislation, such as the Wakf Bill of 1923 and the Shariat Act of 1937, that aimed to marginalize the competing customary practices of individual Muslim constituencies and create a homogenous bloc of Muslim substantive law. At the same time as it tried to push through this legislation, the League tried to subordinate various Muslim community-based commercial bodies to its broader political purpose. These measures were resisted by numerous Muslim religious firms, who embraced rival notions of what constituted Muslim authenticity.

Figure 1 - An advertisement for Chottānī's business in the Gujarati paper, *Islām*, 1918

ઇસલામ. "ઇદુલફિતર." તા. ૧ શવ્વાલ ૧૩૩૭ હિ.

Mia Mahomed Haji Jan Mahomed Chotani,

Government, Railways General Contractor,
Timber and Iron Merchant.

BOMBAY AND KARACHI.

Telephone
Head Office: Sewrie Bunder, 963.
Residence: Halai Memon Moholla, 622.

Telegraphic Address
CHOTANI, BOMBAY.

Proprietor:—
Chotani Saw Mill.

Works:—
Sewrie Bunder.

These extensive Works are furnished with the most Up-to-date Machinery and Appliances for the Manufacture of all varieties of

WOOD-WORK

SUCH AS

BALLUSTERS, BOXES, CASINGS, CEILING CORNICE, DOORS, FRAMES, FLOORING, HAND RAILS, MOULDINGS, SASH, STAIRS, TANKS, &c.

:o:

SPECIALITY—DOORS, WINDOWS, VENETIAN GLASS (ORDINARY AND ORNAMENTAL).

LARGEST STOCK

OF

Moulmein, Rangoon, Bangkok, Engwood, Pynkado, Padouk, Salwood, Canara Teak, Square and Round Logs, Oregon Pine, Dealwood, Junglewood, kept ready in stock for ready and prompt delivery.

OVER 6,000 TONS IN STOCK.

AGENCIES at HYDERABAD DECCAN, DELHI, and other Places of Importance.

મોહનલાલ એન્ડ કાં. ઝવેરી. ૨૯૫-૯૭. શેખ મેમન સ્ટ્રીટ. મુમ્બઈ ટેલીફોન નં. ૧૭૯૫.

Figure 2 - A tin canister produced for S. Muhammad Din in Czechoslovakia

Figure 3 - Japanese matchboxes for the Indian market

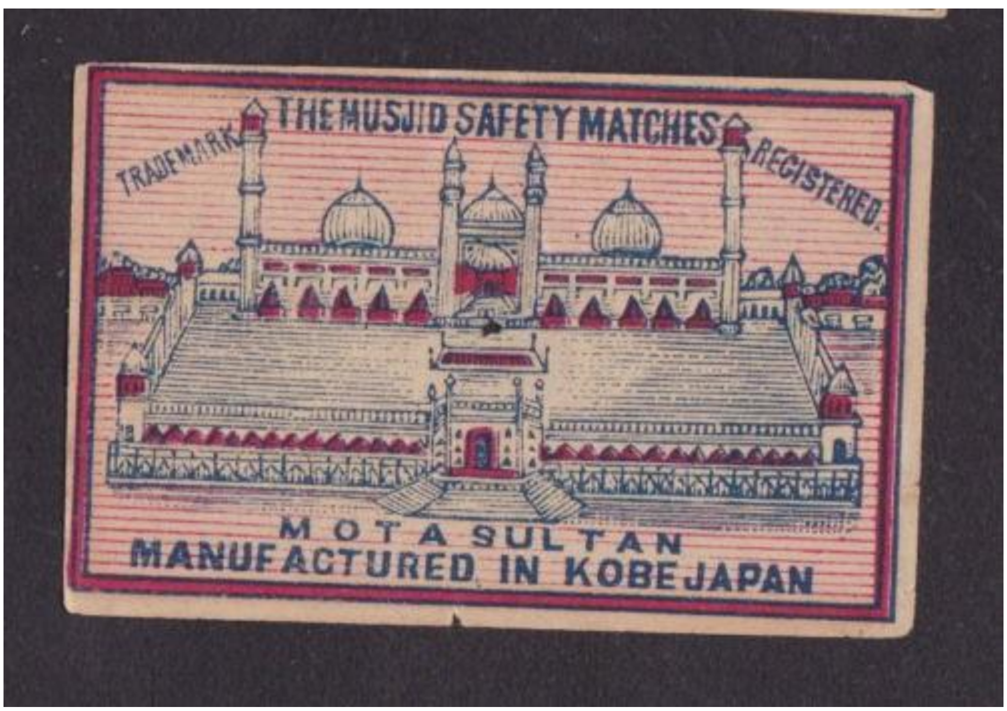


Figure 4 - Currimbhoy Ibrahim’s 1928 calendar depicting the Emperor Akbar’s court

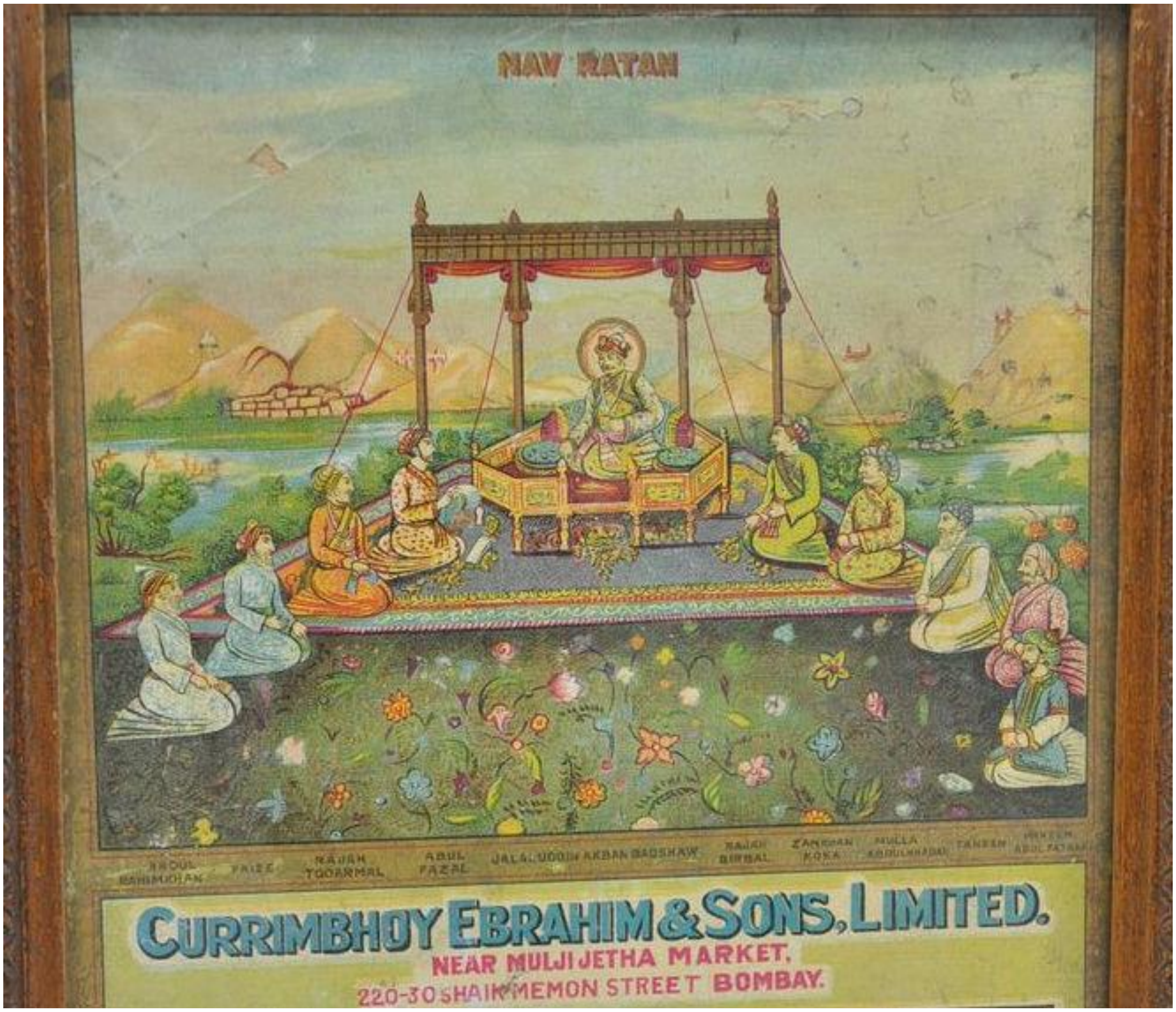
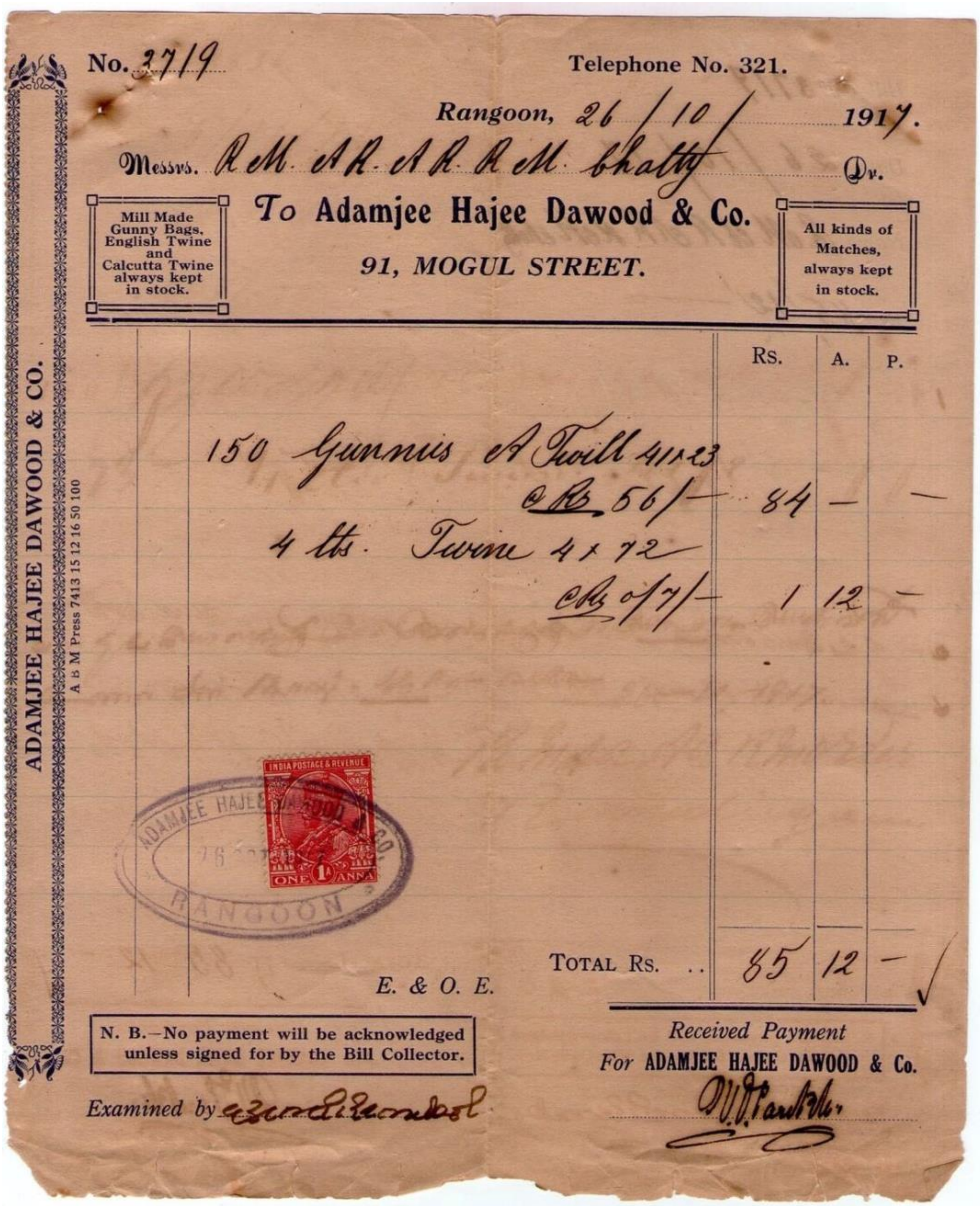


Figure 5 - Sales receipt from a Chettiar customer of Rangoon's Adamjee Hajee Dawood Co., 1917



Ch. 6 - The Road to Prosperity Pious Endowments, Poor Relief, and Muslim Banking

This chapter examines the competing efforts of various Muslim religious firms and supra-firms during the interwar period to obtain control of pious endowments, to create rival institutions for the collection of *zakāt*, and to advance antagonistic interpretations of interest, usury, and the meaning of *ribā* in the Islamic foundational sources. Solving these issues was identified by many opposing religious firms as the way to kickstart Muslim economic success. They therefore became the crucible for the articulation of novel ideas of a systematic Islamic economics. But only the Muslim League saw these three activities as constituting a pillar for the creation a unified *qawm*. For that reason the League was committed throughout the interwar period to the creation of a homogenous body of law that it called '*shariat*', which, contrary to historical interpretations of *sharīʿa*, did not recognize custom as a legitimate source for Islamic law.

The passage of the 1937 Shariat Act achieved this legal fiction in the eyes of the colonial state. This act was seen at the time as a watershed moment, prompting one writer to exclaim "What parts of the customary laws will survive the zeal of the Reformers is difficult to forecast."[885] More than ever before, the customary inheritance practices of the most successful Muslim mercantile communities - Punjabi Shaikhs, Cutchi Memons, Khojas, and Bohras - were described as "at variance with Muhammadan law" rather than a representative sample of the hundreds of combinations between custom and Islamic law that Muslims throughout the subcontinent endorsed in their daily lives.[886] But for all the League's ambition to use such

[885] "Custom and Law, in G.A. Netsan, *The Indian Review* (January 1940), Vol. XLI, No. 1, p. 125.
[886] Tyabji, Badruddin, *Muhammadan Law: The Personal Law Of Muslims,* p. 63.

legislation as a means to exercise authority over Indian Muslim capital, numerous other Muslim firms put forward their own interpretations of what a truly Islamic economy might look like.

If the previous chapters showed competition typically occurring between members of the same *jamāʿat*, or *madhhab*, for control of institutional funds, then in the interwar period inter-sectarian competition among religious firms was much more pronounced. The arena for this competition was oftentimes the colonial courts and provincial legislatures, not least because this was the preferred forum for Muslim commercial and religious firms to settle conflicts that could not be reconciled by institutions tied to individual communities. Increasingly, Indian Muslim religious supra-firms pointed to Muslims' inadequate access to fluid capital as the prime cause of the *qawm*'s perceived economic backwardness. Reforming the administration of the *awqāf* was pinpointed as the means to liberate the inert capital sequestered in thousands of pious endowments across the subcontinent and to redirect it for the economic benefit of all Muslims. Although the Muslim commentators who campaigned for this seemingly did not recognize this paradox, this undertaking marked a change in the politics of *waqf* administration before the First World War. Whereas in the pre-war period the commitment was to maintaining the integrity of individual family endowments, from the 1920s the notion became that all pious endowments must be subordinated under a single administrative umbrella that would carry out regular audits of these institutions and save them from the 'mismanagement' of trustees (*mutawallīs*).

For example, the Waqf Validating Act of 1913 spearheaded by Muḥammad ʿAlī Jinnāh and his colleagues in the Muslim League had attempted to 'restore' the legitimacy of family *waqf* and to recognize the rights of heirs to hold these endowments in perpetuity. This marked a sea change in the entire legal discourse surrounding *sharīʿa*, as Gregory Kozlowski brilliantly argued almost thirty years ago.[887] However, Kozlowski's study did not pursue the narrative into the interwar period, which reveals salient departures from these earlier precedents, even if there was a continuity of both discourse and personnel. To be sure, Muslim lawyers sought to keep endowments within the ambit of the Muslim community, but if the 1913 legislation perpetuated the long-standing problem of tying up capital in pious endowments, then the 1923 Act sought to liberate it through the creation of an external and (though the supporters of the act repeatedly denied this charge) interventionist administration.

In the case of pious foundations, the Dāwūdī Bohra religious leadership actively opposed the League's effort to integrate its endowments under the purview of the Waqf Act of 1923, even as a new cohort of Bohra 'reformers' campaigned actively for the act's implementation. Moreover, the League alone was not the only voice calling for *waqf* reform. As we shall see, a reformist Shīʿī journalist who was a vocal supporter of Congress and opponent of the League also called for the reform of pious endowments and wrote a scathing account of awqāf in United Provinces. But for all the emphasis on *awqāf* there was also a new spotlight placed on *zakāt* (compulsory charitable tax that all Muslims must pay). Several Muslim religious firms and commercial entrepreneurs advocated creating supervisory institutions that would impose mandatory *zakāt* on all Muslims, regardless of sectarian or customary distinction.

If reforming pious endowments was one pillar of strategy to render inert Muslim capital liquid, and the collection of *zakāt* the second, then the expansion of Muslim participation in

[887] Gregory Kozlowski, *Muslim Endowments and Society in British India* (Cambridge: Cambridge University Press, 1985), ch. 6.

formal banking constituted the third and final part.[888] Both individual religious firms and supra-firms campaigned for this. Although, as we have seen, there were many calls for the creation of Muslim banks in the interwar period, the turn to community banking was fraught with trouble, not least because of the impression advanced by many Muslim commentators at the time that there was a dramatic underrepresentation of Indian Muslims in finance and banking compared to non-Muslims. Banks were thus envisioned by many as the sole means by which Muslims might close the wealth gap they perceived with Hindus. Yet, as with bonds and paper currency, Muslim constituencies could not themselves agree on the legality of such institutions. The storm only thickened as some pan-Indian Muslim political organizations and new Muslim religious movements demanded a head-on confrontation with the financial power of both the colonial state and non-Muslims. These debates are captured in a range of materials, not least the uncounted *istīftāʾ* (requests for legal clarification) that were sent to a range of Indian *ʿulamāʾ* on the permissibility of establishing banks, sending money orders, receiving interest, paying *zakāt* via a bank, and transacting with non-Muslims. At the same time as they quarreled with each other, Indian Muslim scholars engaged in disputes with non-Indian Muslims over the proper meaning of *ribā* in the Islamic foundational sources, and whether or not God's ban on "eating *ribā*" was equivalent to the vernacular term for interest, *sūd*, or rather a category unto itself.

The stakes were so highly precisely because the terminology was notoriously molten, not only in the Islamic foundational sources themselves, but also more generally in the rapidly changing global financial economy of the early twentieth century. The *ribā* of Qurʾān, *ḥadīth*,

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888 Andreas Haberbeck, "Muslims, Custom, and the Courts: Application of Customary Laws to Mappillas of North Malabar, Khojas and Cutchi Memons," *Journal of the Indian Law Institute* 24, no. 1 (1982), pp. 132-58.

and classical scholarship sat awkwardly within a semantic field permeated by vernacular terms, at once complementary and competing, such as *sūd*, *fā'iẓ*, *bunga*, *fāʾida*, *manāfiʿ*. Besides this, *ribā* in the foundational sources possessed numerous subterranean layers of its own, especially within *fiqh* (Islamic jurisprudence): *ribā al-qurud* (*ribā* of loans), *ribā al-faḍl* (excessive *ribā*), *ribā al-jāhilīyya* (pre-Islamic *ribā*), *ribā al-nasī'ah* (postponed or deferred *ribā*), *ribā al-buyu'* (*ribā* of sales) to name only a few. All of this was further intensified by the individual scholar's interpretation of select Qurʾānic verses. Three *āyāt* formed the crucible of these debates: *āyāt* 274-80 from *Sūra al-Baqara*, *āyāt* 3 from *Sūra al-ʿImrān*, *āyāt* 30 from *Sūra al-Rūm*. In addition to this, a dizzying array of *aḥadīth* and *tafsīr* from the classical to the contemporary period were invoked to support competing interpretations.

By the end of the period under review, the religious legitimacy of the customary and modernist arguments concerning interest and usury had been more or less sidelined by a maximalist definition of *ribā* that won many adherents among various Indian Muslim orientations of all stripes. All the same, as some of the cases below convey, whatever the disparate religious views of the Muslim commentators who grappled with the problem of interest/usury between 1900 and 1940, many had come to adopt by mid-century a 'maximalist' definition of *ribā* that Feisal Khan has identified in the debates between Mawdūdī and Fazlur Rahman in 1950s Pakistan.[889] Here the maximalist position refers to the conviction that the *ribā* in the Islamic foundational sources was unambiguously co-terminus with the interest charged on loans and bank deposits in a modern economy. As shown below, the interwar period was the crucible for the articulation of a distinct form of Islamic finance that was formalized in the

[889] Feisal Khan, *Islamic Banking in Pakistan: Shariah-Compliant Finance and the Quest to Make Pakistan More Islamic* (London: Routledge, 2015), pp. 50-72.

postcolonial epoch. The fulcrum upon which that vision was elaborated was precisely the legality of Muslim interest banking.

Perhaps because the hermeneutics of scriptural and legal interpretation could lead to a multitude of incompatible conclusions, the compulsion was felt by many Muslim economists working in a range of novel interwar universities and political parties - as well as parvenu Muslim commentators lacking a 'traditional' religious training and sometimes overtly contemptuous of such learning - to devise a standardized discourse of Islamic economics born out of a repudiation of much of the body of Islamic jurisprudence. There were many individual works penned on the subject of Islamic economics from the 1930s, but nowhere else was the new notion of Islamic finance more sophisticated and coherent than at Osmania University in Hyderabad, where the economics and theology department collaborated thoroughly on the project.[890]

As we have seen, Hyderabad was during the interwar period the site of numerous Muslim financial reforms that made it distinct from Muslim institutions in British India. Many of the economists at Osmania University in Hyderabad were often trained in European institutions, where they had fallen under the sway of Keynesianism, but they also benefited from the rise of central banking in the state itself. The theologians at Osmania, meanwhile, were a strange assortment of neo-Salafi Islamic thinkers who sought to repudiate the economic visions of both the customary and modernist *ʿulamāʾ* as well as the Islamic modernists of the Aligarh type. Ultimately, the eventual ideological roots of today's Islamic finance industry were the contingent products of intra-Muslim legal debates within the subcontinent, which found the requisite

[890] For an excellent study of Osmania and interwar Muslim politics see Kavita Datla, *The Language of Secular Islam: Urdu Nationalism and Colonial India* (Honolulu: University of Hawaiʻi Press, 2013).

institutional legitimacy and finance capital (lacking within South Asia itself until the 1970s) in the Gulf states and Saudi Arabia from the 1960s.

Waqf Acts and the Bohras

The passage of the Waqf Validating Act of 1913 marked a substantive legal victory for many of the Muslim reformers associated with the early Muslim League. The 1913 Wakf Act, the brainchild of Muḥammad ʿAlī Jinnāh, was not simply another instance of an intra-Muslim struggle over the management of trusts. It had far greater pan-Indian implications for the next three decades and has even been regarded as the first time in which Muslim inheritance law was formalized and began to "operate as an independent body of law."[891] In the lead-up to its passage, Karīmbhāʾī Ibrāhīm, the Khoja Ismāʿīlī magnate, remarked at the time: "The Bill, when passed into law, will have far-reaching effects on the fortunes of the Islamic community of India...While declaring the true law, that is, the law laid down by the Founder of Islam, it provides adequate safeguards against fraud. It recognises a principle which is of supreme importance to the Musulmans as it will prevent the impoverishment by the transfer of their estates into other's hands…"[892] Boasting the support of foremost commercial figures and jurists associated with the League gave to the bill a significance that foreshadowed a new era of Indian Muslim legal culture.

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[891] Tirthankar Roy and Anand V. Swamy, *Law and the Economy in Colonial India* (Chicago: University of Chicago Press, 2016), p. 102.

[892] "The Mussalman Waqf Validating Bill (5 March 1913)," Extract from the Proceedings of the Council of the Governor General of India, pp. 3-4

For Jinnāh and others involved in the case, the protection of family endowments was regarded as the best way to safeguard landed families from the depredations of moneylenders who ran a brisk business in "hunting down" family-run *awqāf*.[893] However, in a foreshadowing of intense interwar disagreement over the issue, one Muslim delegate, Mr. Ghaznawī, took umbrage with the act's inclusion of "stocks, shares, and securities" in its broader definition of moveable property.[894] This, he said, was a direct violation of Islamic bans on interest, and the final version of the bill expunged any mention of stocks, shares, and securities.[895] Despite the bill's unanimous victory in the legislature, because it never explicitly stated that it applied to endowments created before 1913, it actually had no practical effect on protecting endowments.[896]

The Waqf Act of 1923 was thus an attempt by various Muslim leaders - all of whom were affiliated with the League - to gain greater control over administration of *awqāf* and to take it out of the control of the government.[897] It not only served as a blueprint for other non-Muslim groups to obtain control over their own trusts, but it was echoed by many provincial bills in Bengal, United Provinces, Delhi, and Bihar throughout the interwar period, facilitating the development of a Central Waqf Board.[898] In those areas where the Waqf Act was enforced, such

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[893] Kozlowski, *Muslim Endowments*, p. 187.

[894] Muhammad Zubair Abbasi, "Islamic Law and Social Change: An Insight into the Making of Anglo-Muhammadan Law," *Journal of Islamic Studies*, Vol. 25, No. 3 (September 2014), p. 344.

[895] Ibid.

[896] Kozlowski, *Muslim Endowments*, pp. 188-189.

[897] Muhammad Zubair Abbasi, "Colonial state and Muslim institutions: history of regulatory endowment in British India," Rajeswary Ampalavanar Brown and Justin Pierce eds., *Charities in the Non-Western World: The Development and Regulation of Indigenous and Islamic Charities* (Routledge: London, 2013), p. 326.

[898] Ibid.

as the United Provinces, it was maintained that Muslims had been able to obtain some Rs. 40 lakhs in the course of one year "for the educational and economic advancement of the community."[899] This may have been a spurious figure, but such an enormous figure likely confirmed in the minds of many Muslim religious firms that economic prosperity lay in greater control of *awqāf*.

The 1923 Act was advanced by a lawyer associated with the Muslim League, ʿAbd al-Qāsim, whose motive was not to interfere with the rights of *mutawallīs* or trustees, but rather to compile a register of *awqāf* and supply accounts of expenditure.[900] The process of accounting was extensive, with the provisions of the bill demanding that *mutawallīs* furnish evidence of the annual income and expenditure of the endowment, government revenue taken from it, and the salary of the *mutawallī*. Unsurprisingly, this attempt to peer into jealously guarded endowments was fiercely resisted, not least by the religious leadership of the Dāwūdī Bohras who saw the act as an explicit violation of their community privileges.

The emergence of a reformist clique, largely consisting of merchants, among the Bohras had occurred during the course of the First World War, shortly after the death of the merchant prince, Adamjī Pīrbhāʾī. In 1917, Pīrbhāʾī's son brought a case against the *dāʿī al-muṭlaq*, Tāhir Saif al-Dīn (d. 1965) - the famous Chandabhoy Gulla case - for appropriating funds from the

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[899] "Bhoras [sic] & Waqf Act," *The Advocate of India* (1 January 1925), Reprinted in *Bohras & the Waqf Act: being a plea for the application of The Mussalman Waqf Act of 1923 to the Dawoodi Bohra Community in the Bombay Presidency and elsewhere* (Burhanpur: Dawoodi Bohra Education Conference and the Hakimia Society, 1928), p. 54.

[900] "Bohras and Waqf Act," *The Bombay Chronicle* (9 January 1925), Reprinted in *Bohras & the Waqf Act*, p. 3-4

gulla (donation box) at the mausoleum of Seth Chandabhāʾī.[901] Despite the *dāʿī*'s assertion that he was not liable to share any financial information with members of his congregation, the judge in the case, J. Marten, ruled that the *dāʿī* was nonetheless accountable as a trustee, whatever his religious station, and that Bohras were subject to the colonial state's version of Shia Waqf Law, which was based on Ithnā ʿAsharī statutes.

While Bohras had hitherto tended to avoid using the British judicial system, because its conception of Shīʿī legal thought was based solely on Ithnā ʿAsharī texts, from this point onward the dissident members among the Bohras increasingly utilized the court to bring the *dāʿī* to account.[902] This marked the beginnings of a troubling showdown between Bohra dissidents and the religious authorities throughout the subcontinent and wider Indian Ocean, which often took the form of written polemic. According to the Bohra reformist dissident Mullā ʿAbd al-Ḥussain - originally of Burhanpur, but writing from Rangoon in 1921 - the wicked actions of the Bohra priestly class had led to the *dāʿī*'s centralization of wealth and the emergence of various subscriptions and funds that squeezed the community to the last drop.[903]

The conflict between the two rival religious firms within the Bohra community came to a head during the passage of the Waqf Act in 1923. When, towards the conclusion of the act, Shafāʿat Aḥmad Khān, a delegate of the Muslim League, called upon the provincial governments to enforce the act, and Faiż Tayyibjī seconded it, a certain Dāwūdī Bohra named Akbar ʿAlī Muḥsin argued that the Bohras objected to the act. As a rejoinder, the other delegates maintained

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[901] Asgharali Engineer, *The Bohras* (New Delhi: Vikas Pub. House, 1993) p. 318; Jonah Blank, *Mullahs on the Mainframe: Islam and Modernity Among the Daudi Bohras* (Chicago: University of Chicago Press, 2001), p. 236.

[902] Blank, *Mullahs on the Mainframe*, p. 346, n. 38.

[903] Ibid. pp. 65-70.

that the Bohras, as Muslims, must be included in the act, a statement seconded by Nawāb Ḥaidar Jang and Wāhid Ḥassan of Calcutta.[904] Their view was that the bill would lack any force if exemptions were made for any individual Muslim firms to opt out of it, an ambition that reflected something of the League's aim to control all sources of Indian Muslim capital for the benefit of the *qawm* as a whole. If a community as commercially successful as the Bohras did not comply, then an enormous amount of capital would be forfeited. Despite these objections, the bill went to the printers with the opt-out clause included.

Almost immediately, the religious firm of dissident Bohra figures argued that the 'Bohra community' had greeted the bill with enthusiasm, but that the government had been pressured by certain community factors into inserting the exemption clause.[905] A petition was even sent to the Governor of Bombay, arguing that when the League passed its resolution unanimously there we some 150 Bohras were in the room, none of whom objected.[906] The blame was laid firmly at the *dāʿī*'s door. The dissidents claimed that in recent decades he had acquired more than 600 mosques and 60 gullas, and that from 1918 had acquired numerous charitable properties and institutions belonging to individuals in the community through coercive means. In 1924, the *Faiż-i Hussainī*, the institution that managed Bohra pilgrimage to the shrine cities of Iraq and which had acquired a value of some Rs. 35 lakhs (making it one of the largest Muslim trusts in

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904 "Bohras & Waqf Act: All-India Muslim League's Resolution pertaining Application of Waqfs Act of 1923," *The Bombay Chronicle* (5 January 1925), Reprinted in *Bohras & the Waqf Act*, p. 48.

905 Ibid., p. 5.

906 "Muslim Waqfs Bill: Support from Dawoodi Bohras," *The Bombay Chronicle* (15 January 1925), Reprinted in *Bohras & the Waqf Act*, pp. 52-53.

the subcontinent) thanks to the efforts of its trustees, was acquired by him as well.[907] Beyond this, he received sizable contributions from the faithful. One report further elaborated just how much the 80-85,000 Bohras were expected to contribute to the *daʿwat - silah* (reserved for the imam alone), *fiṭra* (a kind of poll tax levied per head every year), *haqq al-nafs* (a death duty), *sabīl* (annual tax on business at rate of ¼ to 1%), not to mention *zakāt*. Still more, the various Bohra *gullas* at the shrines of western India were community treasuries in their own right, with the *gulla* of Shahīd Faqir al-Dīn at Galya Kote in Dongarpore receiving an annual contribution of Rs. 150,000.[908]

In a pamphlet published in Burhanpur the dissenters wrote that, although the Government of Bombay had applied the Mussalman Waqf Act of 1923 to the entire presidency and Sindh, "in the teeth of the most bitter opposition from the intelligentsia of the Bohra Community," the Bohras were exempted from its operation "for a period of three years or pending further orders."[909] To the dissenters, in saying that the community was divided the government had misconstrued the essential character of the parties in the dispute. On one side was the man they referred to as 'mullaji' (the *dāʿī*), who had, through the threat of excommunication, compelled his followers to support opposition to the Waqf Act. The dissenters noted the irony that Marten, the judge who oversaw the Chandabhoy Gulla Case, had also acknowledged that it was impossible to test the Bohra community's views given the *dāʿī*'s power of excommunication.[910] Excommunication was bad enough, but the dissenters also remarked that they exposed

[907] "Bohras and Waqf Act," *The Bombay Chronicle* (15 January 1925), Reprinted in *Bohras & the Waqf Act*, p. 14-15.

[908] Ibid., p. 16

[909] *Bohras & The Waqf Act*, p. i.

[910] Ibid., p. ii-iii.

themselves to murder by pursuing the case, with the attacks on Ibrāhīm Sir Adamjī Pīrbhāʾī and Seth Ṭayyib Bhāʾī Thānawālla and the disinterment of Mrs. ʿAlī Bhāʾī Sir Adamjī Pīrbhāʾī's corpse fresh on their minds.[911]

In exempting the Bohra community from the Waqf Act of 1923 the Bombay government had assured that the *dāʿī* was still accountable in his capacity as *mutawallī* and that the rights of community members were protected.[912] But if the *dāʿī*'s liabilities were not affected by the new law then why, the dissidents asked, was there a need for exempting the Bohras? And why were other Muslims eager to have the Waqf Act enforced? The truth was that existing means for holding *mutawallī*s to account for misappropriation of funds were at once prohibitively expensive and highly inefficient.[913] Ultimately, the dissenters held that the government threatened to harm future generations of Bohras and all beneficiaries of the waqf, leaving them "on a worse footing than [their] other brother Mohammaden beneficiaries."[914]

In yet another illustration of just how contentious the interpretation of *waqf* law was, the dissenters argued that the legislative council's contention that the Waqf Act violated 'the Bohra religion,' was itself a gross violation of the *waqf* rules laid out in the community's most hallowed legal texts, the *Dāʿīm al-Islām* (written by the tenth-century jurist, Qāḍī al-Nuʿmān, the most hallowed scholar in the Bohra juridical tradition) and the *Sharh al-Akhbār*.[915] Both of these works contained a *waqf* deed from ʿAlī Abū Ṭālib, which contradicted the legislature's assertion. "There is not a word in the whole Waqf Deeds to say that it should be under the management of

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911 Ibid., p. v-vi.

912 Ibid., p. xii.

913 Ibid., p. xii.

914 Ibid., p. xiii.

915 Ibid., p. vii.

the religious Head," the dissenters exclaimed, "or that the Trustee should not render accounts or should dispose of the income at his discretion."

The Act was thus in full conformity with the prevailing *waqf* laws propounded by the leading medieval Ismāʿīlī jurists. The *dāʿī*'s successful smoke and mirrors game was so successful because he had managed to snuff out "religious educational activity in the community," including closing religious schools in Surat run by leading Bohra scholars. This then permitted him to advance religious tenets without any precedent in the community.[916] What is more, recent *waqf* deeds executed in the community showed that the *dāʿī* continued to assert that he was beholden to no person in the community, and that any person requesting to see accounts of any *awqāf* was committing a sin, two assertions that violated the rulings in the Chandabhai Gulla case.[917] The dissenters thus accused the *dāʿī* of violating colonial law, classical Ismāʿīlī law, and Anglo-Muhammadan personal law.

None of these accusations had the desired effect. Despite the many protests launched by the dissenters, the *dāʿī* was able to maintain his singular control over community trusts. Over the next seven years numerous more cases would be brought against the *dāʿī* for attempting to appropriate funds. All the while, the *dāʿī* used the capital from the various trusts under his control to fund any number of Bohra religious concerns. In the 1920s and 30s there was massive building boom by Bohras in Bombay, Surat, and Karbala. In the post-Ottoman Middle East there were sizable donations to the Supreme Muslim Council of Palestine,[918] to the Iraqi government

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916 Ibid., p. viii.

917 Ibid., p. ix-x.

918 Several Palestinian newspapers in the late 1930s published articles on the *Dāʿī al-Muṭlaq*'s visit to Palestine, Damascus, and Cairo and the donations he made. Some even featured a front-page article with photos. See "ʿAẓima Sulṭān al-Bohra fī Filasṭīn" and subsidiary articles in *Filasṭīn* (May 6, 1937).

for the refurbishing of the of the tomb (*żarīh*) of Imām ʿAlī, and the Saudi government for the refitting of the *kiswan*, the ornamental carpet draped over the Kaʿba in the *Masjid al-Ḥarām* in Mecca.[919] Less popular since has been the Bohra's complete renovation of the monuments of Fatimid Cairo, yet another enterprise that has grown out of the *dāʿī*'s success in the court room in the 1920s.[920]

For all the bad blood over the Wakf Act, the *dāʿī* became a key supporter of Jinnāh and the Muslim League in the 1940s. The *fatwā* he issued to the community demanding that they vote for Jinnāh in the Central Assembly election and not his rival, a Khoja Ithnā ʿAsharī, Ḥussainbhāʾī Laʿljī, swept the Muslim League leader into power in 1946.[921] The *dāʿī* also gave considerable donations to the League, at one point remitting Jinnāh some Rs. 15,000.[922] For their part, the dissidents also supported Jinnāh, with Z.A. Bandūk Wāla pledging his support to Jinnāh, while condemning the 'obscurantist' hold of "*mullaji*" on the vast majority of Bohras.[923] Two rival Bohra religious firms, which had previously been divided over the Muslim League's legislation for the administration of pious endowments, thus came to see their community's future as inextricably bound up with the idea of Pakistan. Although one of them, the *dāʿī*, refused

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919 Tāhir Saif al-Dīn, also donated some $1000 in gold to Saudi aviation in 1931. Coll 6/9 'Jeddah Reports Jany 1931–' [.(802/110( ]55r

920 Paula Sanders, *Creating Medieval Cairo: Empire, Religion, and Architectural Preservation in Nineteenth-century Egypt* (Cairo: American University Press, 2008), pp. 116-135.

921 Blank, *Mullahs on the Mainframe*, p. 280.

922 "Annex to No. 112, Syedna Taher Saifuddin to M.A. Jinnah," in Z.H. Zaidi, *Jinnah Papers: Pakistan in the Making, 3 June-30 June 1947*, Vol. II (Islamabad: Quaid-i Azam Papers Project, National Archives of Pakistan, 1994), p. 197.

923 "Z.A. Bandukwalla to Jinnah," Z.H. Zaidi, *Jinnah Papers: Pakistan in the Making, 1 July-15 June 1947*, Vol. III (Islamabad: Quaid-i Azam Papers Project, National Archives of Pakistan, 1994), pp. 109-110.

to relinquish control of his own community trusts, the paradox was that he more than happy to use community funds to support the creation of a separate Muslim homeland, even if that meant that the two cities with the largest Bohra populations, Karachi and Bombay, were separated by a border.

This section has shown how the contest over control of *awqāf* became a central source of friction between competing Muslim firms and supra-firms during the interwar period. According to a suprafirm like the Muslim League, the centralized oversight of *awqāf* was the magic bullet that would unlock Muslim capital long pocketed by corrupt *mutawallīs* and hoarded by Muslim families. Smaller religious firms, like the dissident Bohras, supported this measure both as a consequence of a growing commitment to Muslim unity in the subcontinent and to bring their own religious hierarchy to heel. In the end, the undertaking to gain greater control of *awqāf* did little to change Muslim economic fortunes in the interwar period, and did not free up the capital the framers hoped it would. Besides this, the League was not alone in conducting its own surveys of *awqāf*. Anīs Aḥmad ʿAbbāsī, a Shīʿī journalist from Lucknow and a life-long supporter of the Indian National Congress, published his own text on the dire situation of *awqāf* in the United Provinces, asserting that dozens of *lakhs* of rupees remained tied up in the endowments.[924] The struggle to obtain oversight of Indian Muslim pious endowments thus was not merely a contest among rival religious firms, but lay at the heart of the interwar political struggle for freedom from colonial rule.

[924] Anīs Aḥmad ʿAbbāsī, *Awqāf-i Ṣūbah-yi Mutaḥiddah: jismen̲ iṣlāḥ-i awqāf ke mutaʻalliq mulk ke mashhūr va muqtadir akhbārāt aur ahl-i-qalam kī rāʼen̲ maʿ mūjibat va dalāʾil* (Lakhnaʼū: Anīs Aḥmad ʿAbbāsī, 1933), p. 1.

Zakāt and the Islamic Treasury: Compulsory Charity and a Future Muslim State

To anyone familiar with the *fatāwā* collections of leading nineteenth and twentieth century Indian *ʿulamāʾ*, it is plain just how conscious ordinary Muslims were of properly managing the rules governing *zakāt*. The opening of bank accounts and the use of paper money further complicated matters, and prompted the religious firms to articulate contradictory rules for the proper levying of *zakāt*. In the interwar period, however, the various religious supra-firms saw *zakāt* as a cornerstone of the same economic vision that led them to seek the reform of pious foundations and inheritance. Whereas since 1850 thousands of individual 'funds' had been established by Muslim religious firms, now petitioners sought a central *bait al-māl* (treasury) modeled on the practice of the first four caliphs. Compulsory *zakāt* collected through Muslim institutions and deposited in the *bait al-māl* would not only assist destitute Muslims, but also actively contributed to the propagation of Islam.

In the eyes of an Aḥmadīyya commentator like Mawlānā Muḥammad ʿAlī, *zakāt* supplied the crucible for outlining an alternative vision for the distribution of wealth than that prevalent in capitalism, which brought about the "concentration of wealth in fewer and fewer hands and [led] to the growing impoverishment of the masses."[925] He spoke for many other Muslim commentators in seeing *zakāt* as more than obligatory charity. For him, it was a "State institution, or, where there is no Muslim state, a national institution."[926] But even if *zakāt* was the

[925] Maulana Muhammad Ali, *The New World Order* (Lahore: The Ahmadiyya Anjuman Ishaat-i-Islam, 1944), p. 89.
[926] Ibid., p. 94

basis of an Islamic socio-economic order and handled by the state, it was not to serve as a pretext for creating a socialist system, which would lead to tyranny on a scale that made the world wars look tame by comparison.[927] In fact, *zakāt* was the only viable alternative to state ownership of industry and property, for it enabled the "poorer members of the community to start business with a small capital and then to increase it by their own diligence and hard work."[928]

Such an explicit pinpointing of *zakāt* as the cornerstone of an Islamic economy dates no earlier than the early 1930s. It owed undoubtedly to the discourse of anti-capitalist economics emanating out of Europe and America, but it also drew inspiration from the prodigious growth of works dedicated to *zakāt* from around 1910 onwards. Even so, one finds little correlation between the interwar discourse concerning *zakāt* and even the exceptional work of a commentator like Muḥammad Aḥsan writing in 1911.[929] Aḥsan, an engineer by training according to his title page, was not alone in stressing that proper payment of *zakāt* was a prerequisite for Muslim unity (*ittiḥad al-muslīmīn*), but he was unique in offering institutional solutions of global proportions. Cognizant that in former times *zakāt* funds had been deposited in the *bait al-māl* of the caliph, Aḥsan devised a new system for Muslims to deposit *zakāt* funds in a central treasury. Now Muslim money was divided into infinite *anjumans* all over the Muslim world. What was needed, he argued, was the creation of a central treasury fund (*mudīr-i farīża-i*

[927] Ibid., p. 97.

[928] Ibid., p. 98.

[929] Muḥammad Aḥsan, *Ittiḥad al-muslīmīn ʿala farīża al-zakāh* (Chanchal Gura: Qāsim Press, 1330 [1910-11]).

zakāt) which would keep all the funds deposited by Muslim *anjumans* under supervision.[930] Other religious firms outlined contrasting visions that were more emphatically sectarian than pan-Islamic in scope. In the polemical style that was its trademark, the All-India Ahl-i Ḥadīth Conference produced its own volume on *zakāt* in 1914, which inveighed against custom and polytheism as a cause of Muslim penury held up *zakāt* reform as a method to combat these forces.[931] The proper maintenance of *zakāt* was for this religious firm, as it was for so many others, one way to purge un-Islamic practices and mold a prosperous, religiously sound community.

But even ten years later the discourse surrounding *zakāt* had changed dramatically as a consequence of the fraught religious economy of north India and the political economy of anti-colonial nationalism. A sense of this comes from the pen of Khwāja Ḥassan Niẓāmī, the Chistī Sufi whose prolific output included treatises stressing the unity of all Indian Muslims, who called *zakāt* "a divine income tax" (*Khudā'ī inkam ṭeks*) in his 1925 work on the subject.[932] (As a side note, in early postcolonial Pakistan it was debated at length whether or not *zakāt* was an income tax. Niẓāmī appears unequivocal on this point).[933] Niẓāmī acknowledged that many works were currently being written on the subject of *zakāt*, and he hoped that his work would dispel much of

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930 Ibid, pp. 12-13. Unlike later authors, he rejected any conflation of *zakāt* and the term "income tax" because, as he argued, many Muslims used their income tax contributions as a pretext for not paying *zakāt*. Ibid., p. 16.

931 *Taʿlīm al-Zakāt* (Delhi: All-India Ahl-i Ḥadīth Conference, 1914).

932 Khwāja Ḥassan Niẓāmī Dihlawī, Khudāʾī inkam ṭeks aḥkām, masaʾil aur maṣraf-i zakāt kā bayān (Dihlī : Dillī Prinṭing Varks, 1925). It is worth noting that in certain Urdu compounds (such as *k̲h̲udā'ī faujdar*, meaning a busybody), *khudāʾī* means someone who attempts to play God. See Urdu-Oxford dictionary for more examples.

933 See the discussion of the article "Kiyā inkam taks zakāt hai?" in *Mirāt-i zakāt*, p. 5.

the ignorance and the mismanagement of *zakāt* in contemporary India. While Indian Muslims regularly paid their income tax to the colonial government for the benefit of all society, Niẓāmī averred,[934] many failed to pay the *zakāt* that was specifically earmarked for the benefit of the Muslim community, risking divine punishment as a result.[935] But the work's subtitle - "for the comrades working for the spread of Islam and the prevention of the relapse into apostasy" (*Fitna-i irtidād kā insadādī kām karnevālo<u>n</u> aur tablīgh-i Islām ke rafīqo<u>n</u> ke li'e*) - gives the best insight into Niẓāmī's motives for composing the text. The phrase "relapse into apostasy" was a reference to the contemporary efforts of the Arya Samaj, a Hindu reformist group, to "reconvert" vast numbers of Indian Muslims. For Ḥassan Niẓāmī, the proper assessment of *zakāt* was his recommended means to check the advances of Arya Samajists.[936]

Many Muslim religious firms advocated alternative types of financial institutions that were intended to challenge the Arya Samaj threat head on. As seen below, one of the means recommended by Muslim commentators was for Muslims to accept interest on bank deposits to prevent the forfeited funds being used by Arya Samajists and Christian missionaries. The creation of Muslim cooperative societies was seen by some Muslim firms as a decisive check on not only the depredations of Hindu moneylenders, but also of the growing power of Arya Samajist *shuddhi* movements, which sought the 'reconversion' of nominally Muslim groups back into the fold of Hinduism. ʿAbd al-Ḥalīm Ṣiddīqī, a treasurer for *Tablīghī Jamāʿat* in the 1920s, was one of many disturbed by the experience of the Malkanas, a Rajput community who became prime targets of a concerted *shuddhi* campaign. The Malkanas had even been deprived of credit

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934 Dihlavī, *Khudā'ī inkam ṭeks* , p. 5.

935 Ibid., p. 7.

936 Ibid., p. 14.

by their Hindu moneylenders until they relented and apostatized from Islam.[937] In response, several Muslim organizations organized efforts to bolster the Malkana's Islamic identity through educational measures. Ṣiddīqī's plan included the creation of Muslim agricultural banks and interest-free loan societies to rid the Malkanas of dependency on *banias*.[938] Unlike so many members of the *ʿulamāʾ*, new organizations like *Tablīghī Jamāʿat* glimpsed how cooperation could be utilized to meet its aims in the heated religious economy of the interwar period.

While the Arya Samaj menace was regarded by many Muslim firms as a serious menace, intra-Muslim religious firm rivalries were just as prominent. In light of the intense struggles for capital among Muslim religious firms and the struggle with the colonial state over sacred sites like the Shahidganj mosque, Punjab was fertile ground for the elaboration of ideas surrounding *zakāt*. The Punjab Muslim Bait-ul-Mal Bill of 1938, sponsored by one of the Muslim League's main opponents, the Khāksars, illustrates this best. The Khāksars were a controversial group, with its own leader, Allama Mashriqi styling (and describing) himself as something of a fascist and an admirer of Adolf Hitler, with his hundreds of thousands of militarized supporters akin to the S.A. of Nazi Germany or Mussolini's blackshirts, though with far nobler aims.[939] Despite the imported fascist imagery, the movement was a fierce opponent of the colonial state and the Unionist government in Punjab, and was fiercely committed to the idea of Hindu-Muslim unity.

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[937] Yoginder Sikand, *The Origins and Development of the Tablighi Jamaʻat, 1920-2000: A Cross Country Comparative Study* (New Delhi: Orient Blackswan, 2002), pp. 62-63; Prabhu Bapu, *Hindu Mahasabha in Colonial North India, 1915-1930: Constructing Nation and History* (London: Routledge, 2013), p. 51.
[938] Sikand, *The Origins*, p. 63.
[939] Markus Daechsel, "Visionary of Another Politics: Inayatullah Khan 'al-Mashriqi' and Pakistan," in Ali Usman Qasmi and Megan Eaton Robb eds., *Muslims against the Muslim League* (Cambridge: Cambridge University Press, 2017), pp. 190-219.

Naturally, this made it the bete noire of the Muslim League, with whom it regularly crossed swords in the lead up to Partition.

The Khāksar's Bait-ul-Mal Bill was more than matched by opposing *zakāt* schemes, particularly those advanced by the League in Punjab and other provinces.[940] In 1937, 'The Panjab Muslim Women's League' appealed to the Muslim women of the province to open a *bait al-māl* (common treasury) and send to it one-tenth of their charity.[941] Into the 1940s *zakāt* became a staple for the All-India Muslim League when envisioning economic matters in a postcolonial Muslim state. In 1940, just before his exit from the All India Muslim League following the passage of the Lahore Resolution that year, the Raja of Mahmudabad (the League's Treasurer and a the most prominent Shīʿa landlord of north India), stressed in a speech that the future "Islamic State" will be purged from any "un-Islamic influences," with usury banished and zakāt levied. "Why shouldn't we be allowed to make this experiment? In treading over [sic] this path we will not be crossing the path of any other right-minded individual. Sikhs, Hindus, Christians, will benefit equally from the beneficent, all-pervading activities of this democratic-theocratic [sic] state."[942] In 1950s Pakistan, this became the orthodox view of many state institutions eager to create an Islamic economic system.

The Khāksar's 1938 motion shared much of this rhetoric, but was far more ambitious in

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[940] I have obtained an original version of the bill that was self-published by the Pakistani author, Nasim Yousaf. There are unfortunately no page numbers in his posted version, so I include the link here for interested readers. https://archive.org/details/BaitUlMaal/page/n9

[941] V.R. Bevan Jones and Lewis Bevan Jones, *Woman in Islām: A Manual with Special Reference to Conditions in India* (Lucknow: Lucknow Publishing House, 1941), p. 292.

[942] "Presidential Address by Raja Mohammad Amir Ahmad Khan of Mahmudabad at the Bombay Provincial Muslim League Conference," Appendix 1, in Z.H. Zaidi eds., *Quaid-i-Azam Mohammad Ali Jinnah Papers*, Vol. 15 (Islamabad : Quaid-i-Azam Papers Project, 1993), pp. 788-789.

recommending the creation of an institutionalized treasury and a hierarchy of appointed officers who would collect *zakāt* throughout Punjab. It shared, however, the League's parallel desire to subordinate Muslim communities to a homogenous *shariat*. As the bill's statutes ordained, the so-called *Idāra-i ʿAlīyya-i Hindīyya* would be the body whose responsibility it was to draw up a list of items considered liable to *zakāt* "with a view to attaining the Shariat standard of *zakat* by gradual steps." The bill laid bare the Khāksar movement's desire to access the capital of all Muslims in Punjab, for the *Idāra* was, according to the language of the bill, "the person controlling the Khāksar movement." All Muslims in the province were liable to the levy, and should there arise any doubt about an individual's status as a Muslim, they were required by the bill to recite the testament of faith or any number of select phrases that the bill ordained. In the religious economy of 1930s Punjab, the Bait-ul-Mal Bill would not only subordinate the financial largesse of rival Muslim firms to the Khāksars, but also provided a pretext for parsing out 'authentic' Muslims from mere pretenders.

Two other aspects of the bill's preliminary rules are worthy of further exposition. Firstly, despite the fact that the bill's framers aspired to bring *zakāt* up to 'Shariat standard,' its definition of a 'person' included a Muslim-owned company or firm, neither of which were recognized as possessing the status of personhood in classical Islamic law. Secondly, there was only to be one *bait al-māl* in the province. Yet rather than connoting the coffers of the Khāksar movement as such, the *bait al-māl* was to be situated in any government institution or bank approved by the *Idāra*. In fact, the Khāksar movement had, as the proposal outlined, set up its own *bait al-māl* previously. Currently, this comprised some Rs. 20,000 in cash, several trusts valued lakhs of rupees, hundreds of horses, and reserves of sundry military equipment. Besides this, some 350,000 people had enrolled since 1931, making it, so the authors claimed, the largest *bait al-māl* and Muslim *anjuman* in the entire province of Punjab. With the bill's enactment, not only would the Khāksar *bait al-māl* merge with the new provincial-level *bait al-māl*, but "local and minor organizations will cease to collect money bit by bit and the whole community depending on one Bait-ul-Mal will march forward towards unity and strength." Unlike many other religious firms, however, the bill's statutes allowed any member of the Muslim *pablik* to inspect the books, a clause emblematic of the financial transparency and oversight that many interwar Muslim firms regarded as a prerequisite for an economically robust *qawm*.

Yet there were other aspects of the bill that contradicted this openness. In a fascinating commentary on how closely intertwined this measure was with the wider religious economy of Punjab, its framers admitted that they left the administration outside of 'popular control' after observing the disastrous implementation of the Gurdwara Act among the Sikh population. As the proposal explained, the "paraphernalia of intricate Committees and sub-Committees and the system of elections and sub-elections...has proved a veritable scourge among the Sikh people, who are now rent up into pieces everywhere over these elections and much of the money these "committees" have to administer is used somehow or other in such a way as to recuperate the monetary loss of these individual members over their elections." In the *bait al-māl* no such introduction of "British political institutions" would be acceptable, for the institution by the ordinances of the law must be managed by a single individual - in this case the head of the Khāksar movement.

Other religious firms in late colonial Punjab also turned their attention to streamlining the *pablik*'s understanding of *zakāt*. Writing from Lahore in 1940 Mawlānā Mawdūdī, the neo-Salafi thinker, recent transplant to Punjab, and editor of the journal *Tarjumān al-Qurʾān* - was adamant that all Muslims must devise a "social system (*ijtimāʿī niẓām*) for the central collection and dispensation of *zakāt*, without which they could not take benefit.[943] In the next section, we will see how Mawdūdī and his disciples articulated what became in the postcolonial period the most popular view of 'authentic' Muslim banking - that is interest-free. This contest over interest, usury, and Muslim banking became the third interwar competition featuring Muslim religious firms that facilitated the birth of a discourse of Islamic economics.

In its study of multifarious schemes for the reform of *zakāt*, this section has shown that while many Muslim religious supra-firms saw the collection of *zakāt*, like the management of *awqāf*, as a panacea for Muslim economic woes, the formation of institutions to achieve this was part and parcel of their intense competition with one another for custodianship of the capital possessed by the Muslim *pablik*. Even a firm like the Khāksars that was not campaigning for a separate Muslim homeland, saw the potential in sponsoring a *bait al-māl* that would benefit Muslims in Punjab alone. After the creation of Pakistan, numerous *zakāt* committees were created, the first one in 1948, but throughout the 1950s various commentators complained that not enough was being done to use *zakāt* as the vehicle for the creation of an Islamic welfare state.[944] In the early 1950s, however, the State Bank of Pakistan announced its intention to look into the matter of assuming *zakāt* administration.[945] A bank found through the auspices of leading Muslim commercial firms, all of whom were from the five communities who dominated Muslim business in the colonial era, was transformed into a religious firm in its own right. But it

[943] Mawlānā Mawdūdī, *Haqīqāt-i Zakāt* (Lahore: Taj Company Ltd., 1940), p. 68.

[944] *The Constituent Assembly (Legislature) of Pakistan Debate: Official Report* (Karachi: Government of Pakistan, Manager of Publications, 1954), p. 563; Khurshid Ahmad, *Essays on Pakistan economy* (Karachi: Maktaba-e-Faridi, Urdu College 1958), p. 187.

[945] *Budgets of the central government of Pakistan: 1947/1952-1952/1953* (Karachi: Government of Pakistan, Manager of Publications, 1954), pp. 145-146.

was not as yet an 'Islamic bank,' despite the growing consensus from the 1930s that the formulation of such financial entities promised yet another remedy for Muslim economic problems.

Interest, Usury, and Muslim Banking

The immense profusion of competing Indian Muslim religious firms from the nineteenth century makes the discussion of Muslim banking in colonial South Asia eminently more complex than Egypt or the Ottoman Empire. Any analysis of Muslim banking in the subcontinent must be sensitive to the intense competition among various Indian Muslim commentators to "speak for Islam" over and against their rivals, and an increasing desire among those same figures to close the wealth gap between Muslims and non-Muslims that became an increasing trope in the Indian Muslim press from the 1910s.

As mentioned in the last chapter, from the Khilafat movement onwards many calls were made by Muslims for the foundation of 'Islamic' or 'Muslim' banks and the boycott of European ones.[946] The Muslim League had repeatedly called for the foundation of Muslim banking institutions from 1924, when at its annual sessions held at Lahore, it specifically called for the creation of Muslim banks and the support for swadeshi and khadder.[947] At Aligarh a year later it ordained that "Muslim leaders and associations should make every effort to induce Mussalmans to form Co-operative Societies and start Muslim Co-operative Stores and Land Mortgage

[946] But some examples Shawkat ʿAlī, *Paighām-i ʿamal* (no date, no place), p. 6

[947] Liaquat Ali Khan, *Resolutions of the All India Muslim League: From May 1924 to December 1936*, p. 7.

banks."[948] Finally, a session of the All-India Muslim Conference in 1929 made similar overtures to induce Muslims "towards art, industry and trade and make every Muslim employed."[949] These pronouncements would only grow more frequent as the 1930s rolled on, but they were rarely backed by any positive action. Some of these appeals were voiced in parallel demands for the creation of an Islamic economy (*ma'āshī niẓām*), the hallmark of which would be a rejection of all interest, a partial foreshadowing of the later Islamic finance industry, but even these texts differed radically on the question of whether an Islamic economy necessitated a separate Muslim nation-state or could emerge in a unified India.

Hanging over much of this dissertation has been the issue of whether Muslim communities could accept interest or not. As we have seen, individual Muslim commercial and religious firms came to a variety of opinions about how to square the interest in the modern financial economy with select citations in the Islamic foundational sources condemning *ribā*. By the 1920s, the controversies surrounding interest, the modern economy, and the Islamic foundational sources had heightened considerably. The anti-colonial activism of the interwar years ensured a wide diversity of opinions over the issue of banks. During the high tide of anti-colonial politics in the inter-war period, the discourse on banking in religious firms and supra-firms was linked to debates on whether the subcontinent was *dār al-ḥarb* or *dār al-Islām*.

If some earlier scholars had permitted interest banking with non-Muslims on the pretext that India was the abode of Islam, religious supra-firms like *Jamā'at-i ʿUlamāʾ-i Hind* (Society of Indian Muslim Religious Scholars; henceforth JUH) began to elaborate the view in the 1920s

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[948] Ibid., p. 25.

[949] Hafizur Rahman ed., *Report of the All-India Muslim Conference Held at Delhi on 31st December, 1928, and 1st January, 1929* (Aligarh: The Aligarh Printing Works, 1929 [?]) p. 35.

that accepting bank interest was a duty incumbent upon all Muslims, if only to prevent it falling into the hands of non-Muslims.[950] The rulings of Muḥammad Kifāyat Allah, a Deoband graduate and president of JUH from 1919 to 1942, show a peculiar contrast. Kifāyat Allah's *fatwā* collection is permeated by questions of interest-bearing banks. Predictably, many of the questions, which range from Sonipat to Sylhet, concern the permissibility of taking interest from government and savings banks. Notably, Kifāyat Allah was emphatic that while India was, without reservation, part of the *dār al-ḥarb*, the taking of interest was not forbidden within it. One intriguing question came from the Surti Memon mosque in Rangoon on the subject of charging interest on mosque funds:

> As it is believed among Muslims that assuming the safekeeping [of funds] was strenuous, the rupees of Surti Masjid Rangoon are stored in a government bank (with the intention of safeguarding it, not to obtain interest). By such means, in spite of growing to around 1 lakh rupees, according to the bank's own rules, the fixed interest that must be paid to the *masjid* each year totals 3 to 4,000 rupees per month. However, the trustees of the mosque, detecting the interest, never like to take the rupees. Still the government bank always spends it in carrying out its own intention and designs. Therefore, the question is this: while it is certain that non-Muslims spend this relinquished money on purposes contrary to the principles of Islam and although these people call this money by the name of interest (*sūd*), the trustees of the masjid, however, do not believe this to be interest, rather imagining it to fall under the purview of permissible gifts. They collect it and the servants

[950] Muḥammad Kifāyat Allah Dihlavī ed., *Kifāyat al-muftī,* Vol. 8, p. 65.

> and notables of the aforementioned *masjid* and so forth spend [it] on every labor and activity. Is this permitted according to the law or not? Again the request is that which was made plain in the question submitted above; that is to say, the issue is not whether the assumption of safekeeping funds is arduous. Rather [the issues concerns] the aforementioned affair of the masjid, [and compliance with] the government decree: are the trustees of the masjid forced to collect the interest at the bank in excess of 1,000 rupees? - Haji Daud Hashim Sahib, No. 28 Merchant Street, Rangoon (Burma) 21 rabī'u s̤ānī 1339.[951]

This was Kifāyat Allah's answer to the quandary:

> Obtaining such large profit by means of trusting the government bank and taking in excess of the value of the money is not permissible. It is incumbent for Muslims to not have government connections of this type, thus let them not obtain more than the assistance and benefit. However, if there is any compulsion (such as was made clear at the end of the question) then they must strive completely to deny this coercion and, until the cessation of it, that money they obtain, and which the bank takes interest on, the leaders of the masjid must spend this on poor and needy Muslims according to need and with circumspection.[952]

Note that Kifāyat Allah did not impugn banking in the round, but rather only utilizing the

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[951] Ibid., p. 66

[952] Ibid.

services of government banks, an intolerable prospect for any self-respecting nationalist.

Not all his colleagues in the ranks of JUH would have agreed with this diagnoses. No one's anathema towards the modern banking system exceeded that of Mawlānā Ḥifz al-Raḥman Seohārwī, a graduate of Deoband who believed that banks, despite their utility and developmental potential, were "a black snake cloaked in pleasing colors and appearance...a deadly poison covered in honey." For Seohārwī, with his semi-literacy in Marxisant literature, the problem was the *sarmāyadār* (the capitalist) who through his exactions on the poor invalidated any good brought by banks.[953] Banks, he thought, were simply an "advanced instrument for the capital growth of usurers and capitalists..." and he approvingly cited a European economist, Geoffrey Bedlup, for bringing attention to the havoc wrought by banks on European societal mores.[954] These factors, along with the interest basis of so much banking, meant that the existing rules of the financial game had no place in an "Islamic economic system." Islam had ordained its own plan for an economic system, he maintained. "If it continues to abide by the rules of the world, then any requirements of the current system of banks should not remain, because the unburdened acquisition of wealth will not be imminent, nor will leave be granted from such lethal paths which, having laid waste to the majority, bring benefit to a few select persons..."[955]

Broaching the subject of why the enormous profit banks offered must be shunned, Seohārwī responded that this profit was mere illusion and that "the system of loans and aid for

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[953] Ḥifz al-Raḥman Seohārwī, *Islām kā Iqtiṣādī Niẓām* (Delhi: Nadwā al-Muṣannifīn, 1939). I have cited from a more recent version Ḥifz al-Raḥman Seohārwī, *Islām kā Iqtiṣādī Niẓām* (Karachi: Shaikh al-Hind Akadimi, no date) p. 531.

[954] Ibid., p. 533, n. 1.

[955] Ibid., p. 533.

the progress of trade and economic welfare can operate with great capacity without the 'banking system.'" To his mind the banking system encompassed both formal and informal sectors, and he lamented that the venerable trade in bills of exchange (*darshani hundi*) and all its usurious practices had persisted in India within the framework of the modern banking. Even the cooperative system, for all its promises to the poor, only strengthened the power of *mahajans* and failed to wipe clean "the filth of interest." If a banking system was unavoidable, only in an Islamic *ma'āshī niẓām*, one that decreed all hidden and visible, new and ancient forms of interest forbidden, was there any refuge from it, with capital partnerships (*muḍāraba*) between companies and banks doing the heavy lifting of transactions.[956] For Seohārwī and for his contemporaries at Osmania University (studied below) that demand for a well-defined Islamic financial system owed its greatest intellectual debt to anti-capitalist thinking widespread in the years of the Depression and the Second World War, and to a particular lineage of scriptural interpretation that was by no means universally shared by all Indian Muslim religious firms.

In the end, the religious scholars associated with a firm like JUH were not willing to draw a distinction between the interest accrued on bank deposits and the *ribā* banned in the Islamic foundational sources. One figure who was willing to do so was Khwāja Kamāl al-Dīn, a prominent Aḥmadi Muslim commentator from the Lahore branch and head of London's Woking Muslim Mission. In a 1924 issue of the *Islamic Review*, Kamāl al-Dīn began his commentary, "Usury or Interest," with the following verse from the translation of the Qurʾān completed by another Aḥmadīyya scholar, Mawlwī Muḥammad ʿAlī:

[956] Ibid., p. 533-34.

"O you who believe! Do not devour usury, making additions
again and again, and be careful of your duty to Allah
that you may be successful (iii.129).

Acknowledging the confusion in India over the issue, he continued, "Is usury identical with interest?" With reference to the Post Office Savings Banks and railway shares, he noted that "The shareholder, the depositor, and the person who entrusts his savings to the Post Office, are not "making additions again and again." Rather, depositing money was an act that permitted corporations and institutions to obtain a "recompense for the convenience they have afforded" to their clients. By contrast, a usurer was one who grew wealthy at the expense of his compatriot. Thus, banks, post offices, and company shareholders were not tainted by the charge of usury. Should the pious Muslim harbor any incertitude on the matter, he exhorted:

> then, it may be asked, why let Bank or Post Office reap the benefit of these ill-gotten gains? Take them if you will, but devote them to charitable purposes...The truth of the matter is, that the modern method of keeping money – in Banks and the Post Office – is one from which both the usurer (in this case the depositor) and the other party (Bank or Post Office or Company) derive mutual convenience, and the question of usury does not enter in. We are inclined to wonder that it ever should have done so.[957]

How widespread was this view among other Indian Muslim commentators? Was it

[957] Khwāja Kamāl al-Dīn, "Usury or Interest," and "The Spirit of the Law," *Islamic Review* (Oct. 1924), p. 333.

emblematic of the 'pragmatism' in banking that was a singular hallmark of the Aḥmadīyya's European missions and a theme running through the publications of the Woking Mosque in London?[958] 'Pragmatism' appears to be a byword for nothing less than a dégagé attitude towards reputed religious strictures in financial affairs. No doubt Aḥmadīyya writers wrote frequently about interest and banks. Mawlānā Muḥammad ʿAlī noted in his 1936 *The Religion of Islam* that "co-operative banks are more in consonance with the spirits and teachings of Islam, as the idea underlying them is the amelioration of the poor...the interest paid to the bank is, more or less, in the nature of a contribution by which the borrower of money also ultimately benefits by receiving dividends."[959] For its part, *The Light*, the official newsletter of the Lahore wing of the Aḥmadīyya, regularly bid its readers to send the interest obtained on bank deposits to the editors. And in a reflection of the international scope of the debate, the Malay newspaper translated a piece from *The Light* that praised the role of banks in the propagation of Islam.[960]

Other Aḥmadīyya commentators, such as Mūtī al-Raḥman, called for Muslims to set up commercial companies on the pretext that an "enormous amount of Muslim wealth goes into the hands of the Hindoos every day which can easily be controlled by Muslims."[961] (This was a common trope among many Muslim commentators of the epoch). According to Mūtī al-Raḥman, Muslims' assumption of great debts was a deliberate violation of the Prophet's example and

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[958] Germain, "The First Muslim Missions," p. 112.

[959] Mawlānā Muḥammad ʿAlī, *The Religion of Islam* (Lahore: Aḥmadiyya Anjuman Is͟hā'at Islām 2014), p. 534.

[960] "Bunga atas wang yang disimpan di dalam bank dan menjalankannya pada mengembang dan memasyurkan Islam," *Pengasuh*, Vol. 5 (16 Feb. 1923), p. 115.

[961] Abdullah Allahdin, *Extracts From The Holy Quran And Authentic Traditions Of The Holy Prophet Mohomad, 6th Edition* (Secunderabad: Ahmadia Press, 1926), p. 269.

deviated from the path of Islam. Still, given the controversial status of Aḥmadī Islam in later decades (which has only grown in ferocity since they were declared non-Muslims in Pakistan in 1974), these interpretations were not likely to persuade members of other Indian Muslim religious firms that saw Aḥmadīs as purveyors of a heterodoxical form of Islam.

Yet with some further research one appreciates that Kamāl al-Dīn was not the sole spokesman for the usury/interest distinction, but merely one player in a veritable cacophony of voices who weighed in on the debate. Even those of the same religious firm displayed signs of division. A pithy illustration is the following exchange among four pillars of *Dar al-ʿulum* Deoband - Ashraf ʿAlī Thānāwī, *shaykh al-Hind* Maḥmud al-Ḥassan, Rashīd Aḥmad Gangōhī, and Muḥammad Yaḥya Kāndhlawī. As transmitted by Muḥammad Zakarīyya Kāndhlawī in his memoirs, *Aap Beti*,[962] Thānāwī recalled that he periodically disagreed with Gangohī and al-Ḥassan about certain religious questions (*masāʾil*). He wrote: "I did not include the profits of my respected father's bank account in the inheritance, informing *shaykh al-Hind* that according to me that amount was *ḥarām*. In his opinion it was permissible for me to receive the money. Mawlānā Yaḥya Ṣāhib suggested to *shaykh al-Hind* "Why don't you tell [Thānāwī] to take that amount too?" [Al-Ḥassan] answered "Subhanallah, One person with courage wishes to choose *taqwā* [piety], how can I stop him from doing so?" From this Kāndhlawī reasoned, that because Al-Ḥassan did not reproach Thānāwī, "there is no harm in differing with your elders, provided your intention is purely for the sake of *din* [religion]."[963] Besides a statement on the virtues of filial

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[962] Kāndhlawī (1898-1982) was a prodigious scholar of *ḥadīth* and cousin of Muḥammad Ilyās, founder of *Tablīghī Jamāʿat*.

[963] Muḥammad Faruq ed., *Boundaries of differences: from the discourses of Mahmmod Hasan Gandohi* [sic] (Karachi : Zam Zam Publishers, 2003), pp. 122-23.

and religious piety, the anecdote demonstrates the spectrum of opinions on the permissibility of accepting bank deposits. For Thānāwī and al-Ḥassan, two scholars with impeccable scholarly credentials and both Deobandīs, the interest accrued on deposits was a cause of contention.

Disagreement across religious firms rarely so civil. One need only scan the contemporary Urdu press to recognize this. Sayyid Sulaimān Nadwī left no scriptural stone unturned when he penned an article for *al-Nadwa* in 1907, titled "Interest and the testaments of the prophets" (*sūd aur ṣaḥāfa-i anbiyāʾ*). Unlike many of his contemporaries, Nadwī deemed the Urdu word "*sūd*" and the Arabic "*ribā*" co-terminus. His was a whirlwind tour beginning with the history of the pagan Greeks and Romans (who had forbidden interest according to his sources), right through the scriptures of the Jews and the Christians, who had eventually circumvented the dictates of holy law by a series of rhetorical somersaults that rendered interest distinct from usury. This was as grim a cautionary tale as any for Nadwī. As he concluded and would reiterate repeatedly, Muslims must not fall for such rhetorical tricks, otherwise they risked forfeiting divine privilege. As late as 1944, the journal *Maʿārif*, which Nadwī began in 1916, was denouncing Ḥanafī jurists who ushered in a great confusion by legalizing interest lending with non-Muslims.[964] Nadwī's 1907 intervention had many analogs, for and against.

From the century's second decade a flood of Urdu works condemning any sanction of interest banking were published. These appear all over the subcontinent, whether in Lucknow, where Muḥammad Alṭaf al-Raḥman Qidwāi, penned a work attacking several recent measures that he regarded as legalizing interest, or tiny Maigaon, where a certain Barakāt Aḥmad Ṭon̲kī wrote his own anti-interest tract.[965] Some of these treatises were even translated into Gujarati for

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[964] *Maʿārif,* p. 437.

[965] Muḥammad Alṭāf al-Raḥman Kidwāʾī, *Kashf-i qawl-i mardūd: bi-radd risāla-i jawāz-i sūd* (Lakhnaʾū:

the benefit of the Muslim commercial castes of India who had a foothold in banking, including one anti-interest pamphlet originally written in English by Muḥammad ʿAlī Jauhar, a strange about-face for a figure who negotiated the flotation of interest-bearing Ottoman bonds five years before.[966] Among the most influential of all these texts was surely that composed by Ashraf ʿAlī Thānāwī. His formidably, if rhapsodically, titled treatise on usury, *Takhdhīr al-ikhwān ʻan al-rabbu fī al-Hindūstān* ('Warning to the Brothers on the Dangers of *Ribā* in India') ranks as among the most dramatic defenses of this anti-interest position, buttressed as it was by references of staggering breadth and variety.[967]

Culling *fiqh* sources from the ninth to the nineteenth century, Thānāwī responded to numerous queries concerning whether *ribā* might be accepted from non-Muslims. His introduction noted that the majority of Indian Muslims had wrongfully concluded that the taking and giving of interest was permissible (*halāl* and *mubāh*).[968] It was his expressed hope that through his replies to these *istīftāʾ*, and the intercession of God and the Prophet, Muslims might be saved from this spiritual torpor.[969] The questions sent to Thānāwī are telling, however, of the desire among many devout Muslims to find a way to reconcile their socio-economic realities with such a blanket condemnation. In one example, a petitioner asked whether Muslims might accept interest as a means of alleviating their poverty, Thānāwī's response was that when the

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Maṭbaʿ-i Yūsufī, [1910]); Barakāt Aḥmad Ṭon̲kī, *Al-ḥujja al-bāriqa ʿala taḥrīm al-ribā wa al-raibaḥ* (Maigāon̲: Korṭz Pres, 1927).

966 Muḥammad ʿAlī, *Vyāj ane Islām*, *trans. Mīrzā Ibrāhīm Aḥmad* (Surat: 1916),

967 Ashraf ʿAlī Thānāwī, *Takhdhīr al-ikhwān ʻan al-ribā fī l-Hindūstān* (Kānpūr : Maṯbaʻ-yi Intiẓāmī, [1900?]).

968 Ibid., p. 1.

969 Ibid., p. 1.

verse forbidding *ribā* was revealed, “the poverty was far worse than it is now.”[970] Such examples, taken as they were from the life of the Prophet, were impeachable proof that no amount of financial distress would permit Muslims to accept interest.

Predictably, self-proclaimed Muslim modernists also took up the matter, and with a surprising degree of literacy in the Islamic foundational sources. A remarkable proponent of the opposing position was the Aligarh-educated native of Badaun, Sayyid Ṭufail Aḥmad Manglaurī, a later vocal opponent of the Muslim League’s bid for Pakistan. In a wide-ranging Urdu work published in 1920, *The Problem of Interest and the Future of the Muslims* (*Masāʾil-i sūd aur Musalmānoṇ kā mustaqbil*), Manglaurī opened with the following, bluntly stating :

> Among Muslims the problem of interest has been unsettled from the beginning of Islam. Thus the exalted Omar – may God be well-pleased with him – declared “The Prophet of God, may God pray for him and bless his name, left this world and we did not ask about *ribā*...” One consequence of not being able to ask the meaning of *ribā* has likewise been that after the revelation of the verse declaring *ribā* illegal, the Prophet lived just nine [more] days. Qastalani narrates this matter from Ibn Jubayr. After the Prophet's death, immeasurable time was spent researching and studying the problem of interest. But no consensus could be attained. However, even though a consensus was not found, no harm was felt at the time. This was because the path of sustenance was open for Muslims from the community of the sultanate and they were not compelled to charge interest upon

970 Ibid., p. 13-14.

> that money. Nevertheless, after the breakup of the Muslim sultanates in India, when trade and jurisdiction over commerce in the realm were influenced by the new conditions, his excellency Shāh ʿAbd al-ʿAzīz Sāhib, scholar of *ḥadīth* and native of Delhi, turned his attention to this matter and in particular ways promulgated a *fatwā* that made *ribā* permissible. Yet could one or two *fatwās* alter the ancient conduct of centuries of Muslims? They upheld the status quo by preserving the customs of taking interest-bearing loans and paths of wasteful expenditure, from which their indigence grew.[971]

Manglaurī then cited the works of those who tried to salvage Muslim economic vitality by leading pro-interest, anti-usury campaigns: Muḥammad Inshāʾ Allah (the proprietor of Lahore's *Watan*) and Muḥammad Naẕir Nuʿmānī Deobandī, who published a translation of the lectures of Egyptian *ʿulamāʾ* on the problem of interest. The argument of Manglaurī in the passage above, and those of his intellectual allies more generally, is that Indian Muslims have long - to use the Qurʾānic phrase - "eaten interest" while simultaneously refusing to profit from it. The distinction between usury and interest was nothing less than a solution for Indian Muslim penury.

As Manglaurī saw it, Muslims were particularly disadvantaged by their attitude towards banks. While Muslims involved in the money trade stored their rupees at home, non-Muslim traders made ready use of banks and the interest they provided. When Muslims did utilize banks, they made deposits without interest and upon withdrawing their money had to pay a debilitating

971 Ṭufail Aḥmad Manglaurī, *Masāʾil-i sūd aur Musalmānoṇ kā mustaqbil* (Badāyūn: Niẓāmī Pres, [1927]), p. 3.

indemnity. This was unconscionable for Manglaurī and he lamented: “The guidance that is in the sacred *ḥadīth* concerning the adoption of this noble occupation of commerce will be dismissed to all intents and purposes.” In subsequent sections, such as “The justification of the interest trade from the Qurʾān,” Manglaurī delved deeply into the foundation sources, arguing that several *sūras* of the Qurʾān legitimized commercial interest and the collection of minor interest on bank deposits.[972] And against those who invoked the injunction from *Sūra al-ʿImrān* that all *ribā* transactions are definitively *ḥarām*, he drew fine distinctions between *ribā* and *rabah*, citing the work of Hyderabad's Muḥammad Ilyās Barnī, whose work *ʿIlm-i Maʿāshiyāt*, as seen below, became a platform for Islamic economics.[973] Manglaurī even included a decree from Tawfik Pāsha of Egypt that the *ribā* banned in the Qurʾān was confined to *ribā al-jāhilīyya* and pre-Islamic usury practices.

He also commented repeatedly on Shāh ʿAbd al-ʿAzīz's 1803 *fatwā* and the implications for India's status as *dār al-ḥarb* and *dār al-Islām.* As discussed below, *fatāwa* collections reveal that this was a distinction of vital importance in demarcating the boundaries of *sūd* and *ribā*. Shāh ʿAbd al-ʿAzīz had, by Manglaurī's reckoning, permitted the sending of hundis and money orders, whereas earlier *ʿulamāʾ* had labelled this as *ribā*.[974] Yet for Manglaurī, and for his some of his contemporaries, what was especially alarming was what they saw as the desultory effects of the 1855 laws lifting restrictions on usury. For Manglaurī, these colonial measures had permitted Hindu *mahājāns* to migrate into British-ruled areas and grow fabulously wealthy

[972] Ibid., p. 28.

[973] Ibid., 11-12.

[974] Ibid., p. 36.

through the exploitation of peasants.[975] In this instance, a critique of the Muslim refusal to accept interest on deposits, which drew from a curious blend of *ḥadīth* and sociological literature, became bound up with tirades against the larger injustices of the colonial political economy. To drive home these views, Manglaurī later began issuing a journal from Aligarh called *Sūdmand* (Profitable; notice the play on *sūd*) that featured article after article, and even sponsored regular meetings, trying to encourage Muslims to accept interest.[976]

Another work of similar import to Manglaurī's was Iqbāl Aḥmad Suhail's *Ḥaqīqat-i Ribā*, published in Badaun in 1936.[977] Celebrated as a poet to this day, Suhail's work on *ribā* has recently been translated into Arabic and English, though his readings of *fiqh* and *aḥadīth* have not won the universal acclaim accorded to his *ghazals*.[978] One understands why upon examining Suhail's attempt to validate *ribā al-faḍl* on the basis that the *fuqahā*ʾ had twisted the words of the Prophet contained in the *aḥadīth* or worse, in the case of the famous *ḥadīth* from Ubadah ibn Samit on *ribā*, inserted their own words into the Prophet's mouth. Suhail was not alone in denigrating the views of the classical scholars of law, but judging from the contemporary literature, modernist interpretations like that of Manglaurī and Suhail appear to have slowly been edged in the Muslim legal literature of the 1920s and 1940s by new voices in the religious realm. By the 1930s, the terms of the discourse surrounding interest/usury distilled to a point that *ribā* became a catch-all category for any type of interest, save those charged on loans. This 'maximalist' position was articulated in a variety of locations, but gained added legitimacy in

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975 Ibid., p. 16.

976 Ṭufail Aḥmad Manglaurī, *Maẕāmīn-i sūdmand* (Badāyūn: Niẓāmī Pres, 1936).

977 Iqbāl Suhail, *Ḥaqīqat-i Ribā* (Budāyūn: Niẓāmī Pres, 1936).

978 Muḥammad Tahir Mansuri, "(Ḥaqīqat-i Ribā) What is Ribā? by Iqbal Ahmad Khan Suhail, Zafarul-Islam Khan," *Islamic Studies* Vol. 40, No. 1 (Spring 2001), pp. 163-165.

pan-Islamic journals circulating between Cairo and Hyderabad.

The Debate Between Cairo, Thana Bhawan and Hyderabad

The poet Muḥammad Iqbāl had remarked in a 1930 speech to the All-India Muslim League that the Muslim princely states of India charged interest on loans without as much as a second thought, something which distinguished them, he noted approvingly, from other Muslims who sought to ban interest transactions entirely.[979] Likely unknown to Iqbāl was the fact that precisely at that moment one of Hyderabad's leading Muslim scholars was engaged in an intense debate with scholars in Egypt and other parts of India over the legality of the very thing Iqbāl approved the Niẓām's government for: charging interest on loans. This was the so-called "Hyderabad *fatwā*" sent by Muftī ʿAbd al-Latīf of Osmania University and Hyderabad's *sharʿīyya* court to three individuals: Rashīd Riḍā (d. 1935), student of Muḥammad ʿAbduh and editor of the Islamic newspaper, *al-Manār*; Al-Azhar's rector, Muḥammad Muṣtafa al-Maraghī; and the Egyptian grand *muftī*, Muḥammad Bakhīt al-Mutiʿī. Though not formally included in Muftī ʿAbd al-Latīf's original *istīftāʾ*, Ashraf ʿAlī Thānāwī's disciple, Ẓafar Aḥmad ʿUthmānī, also penned a response. This exchange thus featured several rival Muslim religious firms, not least the modern Salafism of a scholar like Riḍā, and, in light of its publication in *al-Manār*, had an international audience. It also foreshadowed the links between Egyptian and Indian Muslims of *salafi-jihadi* persuasion that would facilitate the intellectual formulation of a distinct branch of

[979] Feisal Khan, *Islamic Banking in Pakistan: Shariah-Compliant Finance and the Quest to Make Pakistan More Islamic* (London: Routledge, 2015), pp. 79-80.

Islamic economics, which eventually was institutionalized in the 1970s.

As Muhammad Qasim Zaman has shown in an adroit examination of the *istīftāʾ* and its attendant *fatwā*, Riḍā, despite his implicit attack against ʿAbd al-Latīf's pretensions as a *mujtahid*, mostly agreed with him that loans at interest might be permissible. For Zaman, this is "a remarkable position in view of the long history of financial interest in Islamic legal thought," a statement unmindful of the broader terrain of discursive battles which this chapter has examined so far.[980] Moreover, by attributing Riḍā and ʿAbd al-Latīf's conclusions merely to *maṣlaḥa*, Qasim Zaman ignores how the methodological, legal, and customary differences peculiar to Hyderabad and Cairo may have shaped the divergent positions of these two men.

Riḍā prefaced the *istīftāʾ* from ʿAbd al-Latīf with the statement that "The readers of *al-Manār* know that the problem of *ribā* is the greatest of Islamic civilizational problems, which has occupied the minds of rulers, heads of state, and *ʿulamāʾ* in this age." An occasion to revisit the issue had been provided by the government of Hyderabad and its *sharīʿa* court' (*al-ṣādara al-ʿālīyya wa al-muḥākama al-sharʿīyya fīha*), which had circulated a treatise on *ribā* in the major cities of the Islamic world and solicited the opinions of various *ʿulamāʾ*.[981] In his subsequent response, Riḍā praised the author, ʿAbd al-Latīf, as both *mustaftī* (one who demands a *fatwā* from a *muftī*) and a *muftī* (legal scholar), in many ways a idiosyncratic combination that captures both the bizarre tenor of the *istīftāʾ* and Riḍā's condescending response. ʿAbd al-Latīf began his request by invoking verse 275 of Sūra al-Baqara as proof that *ribā* is categorically banned in the

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[980] Qasim Zaman, *Modern Islamic Thought in a Radical Age*, p. 122.

[981] The original work is *Al-istīftāʾ fi haqiqa al-ribā* (Hyderabad: Matbaʿa Dāʾira al-Maʿarif: 1929 [?]). The *al-Manār* debate is reproduced in Muḥammad Rashīd Riḍā, *Al-Ribā wa-al-muʿāmalāt fī al-Islām* (al-Qāhirah: Dār al-Nashr lil-Jāmiʿāt, 2007). I have cited from this for ease of reference.

Qurʾān. But he immediately asserted, with the aid of the *tafsīr* of the Mamluk scholar Ibn Kathir, that although the umma had agreed on the illegality of *ribā*, there was no agreement on the linguistic meaning of the term, which sometimes was *ḥarām* and sometimes not. For this reason, as Ibn Kathir claimed, two factions had emerged on what constituted *ribā*: the imams and the "multitude of the *ʿulamāʾ*." ʿAbd al-Latīf then led the reader through a morass of texts from Ibn Najm to al-Bukhārī, dissecting their interpretation of this *istīftāʾ*, and the author's corresponding views on *ribā al-faḍl* and *ribā al-nasīʾah*. He was no less prolific in citing classical juridical texts that supported his stance on the permissibility of interest from loans (*qarḍ*), which he saw as falling outside the purview of *ribā* because it was not covered thoroughly in either Qurʾān or *ḥadīth*.

When it came down to it, ʿAbd al-Latīf's questions were these:

1) Is the term *ribā* in the verse (*Sūra al-Baqara*, 275) adumbrated (*mujmal*) or not? Specifically among the Ḥanafīs, and more generally, what is the interpretation of the legislator? I mean in the Qurʾān and the authentic *ḥadīth*.
2) What is said of the meaning of *ribā* in the Qurʾān and authentic *ḥadīth*?
3) Is the designated contingent interest in loans the stipulated *ribā* or not?
4) If the contingent interest in loans is *ribā*, then what proof is there from the certified guides among the eminent *ʿulamāʾ*?[982]

Ultimately, by ʿAbd al-Latīf's reckoning, neither Qurʾān nor *ḥadīth* established that

[982] Riḍā, *Al-Ribā wa-al-muʿāmalāt*, p. 56.

interest on loans were *ribā* and because *qīyās*, or analogical reasoning, had formed the basis of rulings that deemed loan interest *ribā* the matter was certainly open-ended, with appeals to juridical precedent largely unhelpful. To bolster this claim, he stated that this was "analogy with differentiation" and that the *ḥadīth* in question was *ḍa'īf* (weak).[983] His weightier critique was that *qīyās* was not sufficient for determining the legality of accepting interest on loans. As his authority he referenced the great Ottoman compendium of Ḥanafī *fiqh*, *Majalla al-Aḥkām* to support the assertion that *qīyās* was subject to the vicissitudes of time and place and the work of the Ottoman Syrian scholar, Ibn ʿĀbidīn, to defend the claim that customary practice, even in financial matters, should be left in place to protect the Muslim community from hardship.[984] "Anyone familiar with present circumstances and the experience of the people," he continued, "regard it as unavoidable to not issue a *fatwā* permitting it [taking interest from loans] as [they are used in] hiring to teach Qurʾān, reciting prayers, leading prayers, etc."[985] Even if he was willing to countenance that loans fell outside the remit of *ribā*, what differentiated ʿAbd al-Latīf from someone like Manglaurī was the former's disinclination to offer *sūd* or *fā'ida* as a discursive space outside of *ribā*. In other words, the discursive scope of *ribā* in ʿAbd al-Latīf 's *istīftāʾ* had been expanded to its maximalist degree. There was simply *ribā* or non-*ribā*.

In terms of sheer grandstanding, Riḍā's posture outshone even ʿAbd al-Latif. While he praised ʿAbd al-Latīf's credentials as a Ḥanafī, Riḍā stated that "despite the breadth of his referencing *tafsir* and *ḥadīth*, [he cannot be considered a *mujtahid* or *marja*ʿ] in terms of the

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[983] Ibid., p. 57.

[984] Ibid., p. 57, n. 1.

[985] Ibid., pp. 57-58.

Qurʾān and Sunna."[986] By contrast, Riḍā asserted that his analysis was "not bound by any *madhhab*", a crucial methodological factor separating the two scholars. For one, Riḍā disagreed with ʿAbd al-Latīf 's claim that the banned *ribā* referred only to an increase in sales. He even pointed out a grammatical error made by ʿAbd al-Latīf :

> He says "and from the authentic *ḥadīth*." But what he means to say is "and not from the authentic *ḥadīth*." […] For all his juristic capabilities, he is imprecise in the Arabic language. In this he resembles the *ʿulamāʾ* of non-Arab lands who study the legal sciences and the Arabic arts in translation, but they never study Arabic on its own.[987]

This inadequate grasp of Arabic, Riḍā averred, had further prevented the Hyderabad jurist from understanding that in Arabic a loan (*qarḍ*) falls within the same semantic field as debt and therefore is considered *ribā*. These linguistic critiques were ingrained within a broader issue: ʿAbd al-Latīf had based his distinction of loans and debts not on Qurʾānic language, but rather on the language and sources of classical jurisprudence and to Riḍā's mind, this had impaired the reasoning of "our brother the Indian Ḥanafī."[988] What is more, the Indian scholar had not given proper due to how Ḥanafī scholars themselves had extended *ribā* to cover transactions beyond sales. For the readers of *al-Manār* it was clear who had carried the day.

But even Riḍā was seen by some of his Indian contemporaries as not going far enough. One critic was the Deobandi scholar Ẓafar Aḥmad ʿUthmānī who wrote his own reply to ʿAbd

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986 Ibid., p. 59.

987 Ibid., p. 61.

988 Ibid.

al-Latīf's *istīftā*ʾ rejecting any concession to interest-based banking from a Ḥanafī perspective.[989] After Riḍā's death in 1935, the *shaikhs* of al-Azhar also appear to have adopted a similar stance, ruling that any interest from loans were *ḥarām* in 1943.[990] By 1945, they were even decrying the utilization of a bank by Amman's Society of Islamic Culture.[991] ʿAbd al-Razzāq al-Sanhūrī, who codified Egyptian law in 1949, went one step further than Riḍā, arguing that no accommodations would be made for *ribā*, which he regarded as inclusive of nearly all types of interest.[992] No surprise then that Ḥassan al-Bannā and Sayyid Quṭb made the abolition of interest a cornerstone of their ambition to create an ideal Islamic society, as the next chapter shows.[993] Their own views were significantly inspired by the work of Mawdūdī who exercised considerable authority over several theologians and economists in interwar Hyderabad based at the Niẓām's new vernacular university, Osmania.

This section has shown that there was a growing consensus by the 1930s among Muslims religious firms, even those who espoused contrary interpretations of the Islamic foundational sources, that Islamic legal rules were unambiguous in prohibiting interest. As the Hyderabad *fatwā* revealed, this was a transnational debate and suffused with contradiction and tension. The victory was not total, but Muslim religious firms that otherwise disagreed vehemently over any

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989 See debate in Qasim Zaman. I plan to revisit ʿUthmānī's work in a future draft.

990 *Fatāwā kibār ʿulamāʾ al-Azhar al-sharīf wa-al-majāmiʿ al-fiqhīyya ḥawla ribā al-bunūk wa-al-maṣārif* (al-Qāhirah : Dār al-Yusr, 2010), pp. 30-34.

991 Ibid., pp. 36-7.

992 Chibli Mallat ed., *Islamic Law and Finance* (London: Graham & Trotman, 1988). Still Sanhuri's Code stipulated maximum legal interest rates. Guy Bechor, *The Sanhuri Code, and the Emergence of Modern Arab Civil Law, 1932 to 1949* (Leiden: Brill, 2007), p. 198-199.

993 Abdullah Saeed, *Islamic Banking and Interest: A Study of the Prohibition of ribā and Its Contemporary Interpretation* (Leiden: Brill, 1996), p. 9.

number of doctrines subscribed to the view. Surprisingly, the successor to Mirzā Ghulām Aḥmad, Bashīr al-Dīn Maḥmūd Aḥmad, second Khalīfa of the 'Qādīān' Aḥmadīyya, whom the Lahore Aḥmadīyya represented by Mawlānā Muḥammad ʿAlī and Kamāl al-Dīn had rejected as successor thirty years earlier, stated at a lecture in Lahore on February 26 1945:

> Islam forbids lending and borrowing of money on interest, which also entails certain limits on commerce. It is ironic that this country's intellectuals tend to look with favour on Communism, and yet are inclined to support an economic order based on interest. The fact of the matter is that interest has been the most important cause of economic and financial catastrophes in the world.... Islam defines interest as any transaction where the profit is guaranteed. Therefore all trusts, [local monopolistic arrangements] which are set up to guarantee profit by destroying competition, are to be considered un-Islamic.[994]

So not only were the Lahore and Qādīānī Aḥmadīyya split over the usury/interest distinction, but one branch had even adopted the maximalist definition of *ribā* advanced by Muslim firms that would attack them as non-Muslims in postcolonial Pakistan, while the other attempted to draw a distinction between interest and usury in the Islamic foundational sources.[995] There could be no better illustration of how financial activity had now become yet another of the myriad customary practices fought over by Indian Muslim commentators from disparate orientations. It was a short step from this view of a maximalist ban on interest to the creation of Islamic finance.

Osmania University and the Birth of Islamic Finance

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[994] Bashīr al-Dīn Maḥmūd Aḥmad, *The economic system of Islam: an English rendering of Islām kā Iqtiṣādï Niẓām* (Tilford, Surrey : Islam International Publications, 2013), pp. 53-54.

[995] Roy Jackson, *Mawlana Mawdūdī and Political Islam: Authority and the Islamic State* (Routledge: London, 2011), pp. 36-41.

Only in inter-war Hyderabad was there a deliberate attempt to craft a new Muslim financial science. At Osmania University, founded in 1919 by the Niẓām's government, all the curriculum was taught in Urdu, which made the institution not only a crucial site for the translation of European works into the language, but also a herald of a secular Indian Muslim nationalism.[996] Among the many works rendered into Urdu by Osmania's Translation Bureau were a host of European works on economics. In this way, Osmania became a key propagator of a new Urdu lexicon of economic vocabulary that gained currency among Indian Muslims from the late 1920s. Yet this fact suggests that Osmania, for all its secular-nationalist credentials, was also a religious firm in its own right, a notion given additional credence by the fact that many Muslim economists who advocated an Islamic economic order had taught at Osmania and later moved to Pakistan. For that reason, here Osmania is conceived as a *madrasa* religious firm akin to its earlier predecessors in Aligarh and Deoband.

This was a creative project, one distinct from, say, late nineteenth-century Ottoman readings of Ibn Khaldun as "proof an Islamic economics tradition", which was seen largely as an exercise of reclamation.[997] Much of the intellectual output published at Osmania was a byproduct of interwar Aṣafīyya governance. By the 1940s, the accountant general of Hyderabad, Ẓahir al-Dīn Aḥmad, made it clear that it was incumbent upon all government servants to have some knowledge of basic accounting, credit, and bank operations.[998] The years of the war saw a particular accent on government debt. Within a broader work on the subject, Muḥammad Aḥmad

[996] See Datla, *The Language of Secular Islam*

[997] Deniz T. Kilinçoğlu, *Economics and Capitalism in the Ottoman Empire* (Routledge: London, 2015), p. 54.

[998] Mawlwī Ẓahir al-Dīn Aḥmad, *Daftarī Maʿlūmāt* (Hyderabad: Maṭbaʿa-i Idāra-i Adābīyāt-i Urdu, 1940), p. 32.

Khān, for example, discussed the use of interest-free bills of exchange.[999] Concerns for the weak financial condition of the state's Muslims had periodically been raised in recent years. 1940 brought a work from the Muslim Culture Society on finance and the state's Muslims. The association's members were "pillars" of Hyderabad's *Majlis-i ʿAmala* whose stated aim was to research the financial affairs of Hyderabadi Muslims. Meanwhile, Nawāb Bahādur Yār Jung, head of the *Majlis-i Ittihād al-Muslimīn*, had periodically called on the organization to implement substantial reforms to redress the problem of Muslim penury.[1000] In another study, ʿAbd al-Laṭīf – author of the 'Hyderabad *fatwā'* discussed earlier - outlined his vision of a central "*bait al-māl*" rooted in Islamic law (*Islāmī qānūn*) as a solution to Muslim economic backwardness.[1001]

The religious strife of late Aṣafīyya Hyderabad profoundly colored these interventions. A notice in Hyderabad's Islamic Review in 1946 remarked that because of the unclaimed interest of Muslims lying dormant in banks sums had been donated to Christian and Arya-samajist missionaries. In reaction, Hyderabad's *Majlis-i ʿUlamāʾ* introduced a bill demanding that all banks situated in lands belonging to the Niẓām of Hyderabad must forfeit all sums to Muslim institutions specified by the government. As part of their platform, the *majlis* bid Muslims to not "eat" interest, but "take" it for the purposes of funding works of charity. By this logic, the act of foregoing interest, rather than the act of taking it from non-Muslim banks, was "more contrary to

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999 Muḥammad Aḥmad Khān, *Jang aur Hindūstān kā qawmī qarża* (Ḥaidarābād: Bazm-i Maʿāshiyāt, Jamiʿah ʿUs̲māniyya, [19--]), pp. 24-25.

1000 A.S.H. Razzaq ed., *Khuṭbāt-i Qāʾid-i Millat* (Ḥaidarābād: Dār al-Ishāʿat-i Siyāsiyya, 1947), p. 173.

1001 Daktar Sayyid ʿAbd al-Laṭif, *Musalmānon̲-i Ḥaidarābād kā maʿāshi masaʾla* (Ḥaidarābād: Maṭbaʿa-i Aʿẓam Steam Press, 1940), p. 9-11.

Islamic demands."[1002] In 1955, Dr. Muḥammad Ḥamīd Allah would cite the example of "pre-occupation" Hyderabad as the only viable alternative for interest-free Muslim banking since the days of the Rashidun and the best means for Muslim states to obtain economic autarky.[1003]

But rather than government circles proper, the locus for many of these ideas was Osmania University, which was founded by the Niẓām in 1915. Here the construct of *ma'āshīyāt*, a term of ancient vintage in the Persianate tradition, was reimagined quite dramatically as a consequence of the productive dialogue between the economics and theology departments. The process was primarily spurred on by the young head of the former, Anwār Iqbāl Qureshī, who composed or served as editor for a plethora of Urdu works on finance in the 1930s and 40s. Even before Quraishī, Osmania had begun to attract a number of Muslim economists. Foremost among these was Muḥammad Ilyās Barnī, formerly Professor of Economics at Aligarh and an associate of Muḥammad Iqbāl. Barnī appears to be the first to employ the phrase '*Ilm al-ma'īshat.* The title of his 1917 work, '*Ilm al-ma'īshat: uṣūl-i ikanāmiks yā politikal ekonomi*, deemed it synonymous with the principles of economics or political economy.[1004] His 1919 work, *Muqaddima-i Ma'āshiyāt*, was a translation of an introductory economics textbook by the famous historian of medieval India, W.H. Moreland and published by Osmania University.[1005] Barnī by no means limited himself to ostensibly economic

1002 "Cultural Activities: Bank Interest of Muslim Clients," *Islamic Culture* (July 1946), p. 313.

1003 Dr. Muhammad Hamidullah, "A Suggestion for an Interest-Free Islamic Monetary Fund," *Islamic Review* (June 1955), pp. 11-12.

1004 Muḥammad Ilyās Barnī, *ʿIlm al-ma'īshat: uṣūl-i ikanāmiks yā politikal ekonomī* (Aligarh: Maṭbaʿ-i Muslim Yūnīvarsiṭī Insṭīṭyūṭ, 1917).

1005 W.H. Moreland, *An Introduction to Economics, for Indian students* (London, Macmillan and Co., Limited, 1913).

works. He is perhaps best remembered now for his colossal two-part work attacking the Qādīānī Aḥmadīyya, with a subtitle complete with an economic metaphor: "an erudite taking of accounts" (*ʿilmi muḥāsaba*).

In ʻ*Ilm al-maʻīshat* Barnī declared that he had chosen *maʻīshat* to describe the science of economics on account of the fact that preexisting terminology from the Islamic tradition, such as *iqtisād* or *usūl-i daulat*, had led to confusion about what economics actually comprised.[1006] No one was more confused than the *ʿulamāʾ,* who denounced for their economic illiteracy and role of *uṣūl* in stymieing clear-headed economic thinking, writing:

> Among the *ʿulamāʾ* it has long been argued that *maʻāshīyāt* is either merely *ʻilm* or *fann* or a combination of the two, whereas from the point of view of *al-ʻilm* it is *ʻilm al-haqiqat* or *ʻilm al-hidāyat* or an aggregation of both. Upon this point innumerable contrary opinions are ever increasing. The issue is that, in differentiating among homogeneous sciences, obstacles are thrown up, which obstruct the allocation of substantive discussion on this point to the utmost degree. Furthermore, this question's solution is also dependent upon, rather than any consensus, mostly the dogmatism of *uṣūl*. The discourse of *maʻāshīyāt* can be divided into five distinct categories: 1) the correct and proper exposition (*ṣaḥīḥ o salām*) of economic labor and toil; 2) research of economic laws and the explanation of economic labor and toil; 3) the utilization of any criterion from which the hazards of economic transactions can be discerned; 4) to select supplemental principles of welfare and prosperity by means of the aforementioned

[1006] I cite from the second printing, *ʿIlm al-maʻīshat: uṣūl-i ikanāmiks yā politikal ekonomī* (Aligarh: Maṭbaʿ-i Muslim Yūnīvarsiṭī Insṭīṭyūṭ, 1927), p. 28.

criterion; 5) to disclose the policies and means of complying with those chosen principles.

Although it might not be clear from the dense passage quoted above, Barnī was attempting to forge a systematic science of economics from within the Islamic tradition by resisting what he saw as the *ʿulamāʾ*'s proclivity for hair-splitting. Even so, Barnī's opaque academese had its distinct limitations as a platform for a new Islamic economics. Even Mawdūdī, in his 1941 speech at Aligarh, "Mankind's Economic Problems and their Islamic Solutions," was to criticize "the high-sounding jargon and terminologies of this social science and the scholarly hair-splitting by economic wizards..."[1007]

Whatever Barnī's suspicions of the *ʿulamāʾ*'s economic know-how, his colleagues in the theology department at Osmania did not shy away from penning economic works of their own. None equalled the ambition of Sayyid Manāẓir Aḥsan Gilānī's *Islāmi Maʻāshiyāt*.[1008] First appearing in serialized version in *Maʿārif*, Gilānī repeatedly stressed in his introduction how the atmosphere of Osmania's theology department had shaped the work. His chapters, however, reveal a stark methodological contrast with Barnī. Chapters like "Capital and the Qur'ān," "Labor and the Qur'ān," "The Legal Aspects of Islamic finance" illustrate a set of priorities distinct from Barnī. Nevertheless, it remains immune from Barnī's charge of needless

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[1007] Khurshid Ahmad ed., Sayyid Abul A'la Mawdūdī, *First Principles of Islamic Economics* (Kube Publishing : 2011), p. 3. Also cited in an important article by Arshad Zaman, "Review of First Principles of Islamic Economics by Sayyid Abul A'lā Maududi," *Islamic Studies*, Vol. 50, No. 3/4 (Autumn - Winter 2011), p. 308.

[1008] Sayyid Manāẓir Aḥsan Gilānī, *Islāmī maʻāshiyāt* (Ḥaidarābād: Dār al-Ishāʻat-i Urdu, 1947).

atomization in its palpable logic of systemization. Significant too is the constant promotion of the Prophet Muḥammad as the model economic man: innovative, industrious, and charitable.[1009] Yet, in a reminder that even Osmania's brand of Islamic finance did not speak with one voice, Gilānī laid out his hope elsewhere that Muslims would take advantage of those legal paths open to them in order "save themselves from falling prey to international financial competition and being swallowed up by other nations....Until when will we watch Muslims being swallowed up by those other people who benefit from financial interest, with Muslims unable to do anything in response to this ill?"[1010] Mawdūdī would adopt a similar stance, but by making *ribā* the sole focal point of an Islamic economic system he sought something rather more sinister than Gilānī: "to limit Muslim economic dependence on Hindus as a way of making communal autonomy and a separate Muslim normative order possible."[1011]

No work reveals the peculiar dalliance of Osmania's economics and theology departments than Quraishī's 1946, *Islam and the Theory of Interest* (*Islam aur sūd* in its Urdu version), was his attempt to provide an account of not only classical Islamic writings on the subject, but to read them in the light of contemporary economic thought. His central claim was that Islam had made a singular contribution to the theory of interest, and he predicted that modern economic thought was coming round to an agreement with Islamic conceptions on that point. The book's preface was penned by no less than Sayyid Sulaimān Nadwī, while the Urdu version had an extensive introduction by Gilānī. Nadwī's preface was highly laudatory and he used the occasion to praise

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[1009] I cite from the following version *Islāmī ma'āshiyāt* (Karācī : Dārulishā'at : Milne ke pate, Maktabah-yi Dārul'ulūm, [2002?]), pg. 36.

[1010] Cited in Qasim Zaman, *Modern Islamic Thought,* p. 125.

[1011] Nasr, *Mawdūdī,* p. 104.

the work of "well-known Ulema" who assisted Quraishī in the "interpretation of Islamic theories as well as in the presentations of Qur'ānic Couplets, the sayings of the Holy Prophet and other theological problems..."[1012] He concluded his commentary with the assertion that banks can be established in Islam on the basis of two categories: *amānatī*, whereby banks act as trustees of funds,[1013] and what he called "permissible deposits" which gave banks the ability to lend and divide profits according to the fixed proportion of *muḍāraba*.[1014] Quraishī freely admitted his intellectual debts to several of these figures, all of whom had an association with Osmania University and who became proponents of Islamic finance. These included the head of the Theology Department, Gilānī, Mawlānā Ḥamīd Allah, a reader in Islamic law, and, most fatefully, Mawlānā Mawdūdī.[1015]

That influence is unmistakable in the following comments, included under the subtitle "Warning against Over-Rationalism":

> I would like to warn some of my young readers. A group of people exists in Islamic countries which, under the belief that Islam is a rational religion, tries to reconcile Islamic theories with modern practices. For instance, with the onslaught of capitalistic economy, it becomes fashionable to believe that modern society could not exist without interest, and Islam too did not prohibit interest; it only prohibited usury. I, for one, do not believe in these unauthorised liberal interpretations. Personally I believe that such persons, in

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1012 Anwar Iqbal Qureshi, *Islam and the Theory of Interest* (Lahore: 1946), p. xvi.

1013 This was the legal basis for the foundation of the Muslim Orient Bank of Lahore in 1908.

1014 Anwar Iqbal Qureshi, *Islam and the Theory of Interest* p. xxi.

1015 Ibid., p. xxiii.

view of the emphatic injunction of Qur'ān against interest have done a great disservice to the cause of Islam by arguing that Islam has not prohibited interest, and that it has only prohibited usury. Interest and usury are mere words which easily shade into one another; for what is considered a reasonable rate of interest today may be regarded as a usurious rate tomorrow.

What Quraishī's subsequent analysis exhibits, barring its casual acquaintance with contemporary economic theory, is a clear Manichean viewpoint, so prevalent in Mawdūdī's work, whereby "the false light of Western learning" is contrasted with the exemplars offered by the Islamic developmental model.[1016] He dismissed the cooperative banking movement, which he had praised only three years earlier, with this logic.[1017] This comes through clearly in his commentaries on proscriptions against interest contained in *ḥadīth* and the Qur'ān, many of which, as seen earlier, were used by *ʿulamāʾ* to legitimate financial transactions containing interest. Given the diverse legal-cum-intellectual training of these scholars, not to mention their widely divergent geographic and temporal milieu, they clearly cannot be grouped under a rubric of hyper-rationalism, as Quraishī would have it. Quraishī also culled token passages from Ibn Abidin. Even his remarks on the classical jurists note that they have looked at *ribā* transactions merely from the legal, but never the economic, standpoint. He finds this juridical oversight unsatisfactory, unmindful of the holistic framework that the law represents for scholars, so all-encompassing that the legal and the economic can hardly be divided from one another in a

1016 Ibid., p. 6.

1017 Ibid., p. 124.

manner natural to the secular economist.[1018]

Mawdūdī ranks as one of the few exceptions to Quraishī's dismissal of existing Muslim commentaries, and his distinction between trade and interest, included in a 1942 issue of *Tarjumān al-Qurʾān*, is cited approvingly.[1019] But in a chapter where he excoriates those who draw distinctions between usury and interest, Quraishī made no efforts to engage their writings, instead relying on the authority of the Oxford English Dictionary to bolster his definition.[1020] In a section titled "The Place of Banks in the Islamic System," he put forward the characteristics of what banking will look like "in the Islamic state." Its prototype would be the *bait al-māl* of classical Islam, which performed "the functions of a State Bank..."[1021] In the first Muslim nation-state, historical models from the age of the Rashidun would restore Muslim economic fortunes and inspire a new paradigm of development. Ultimately, Quraishī asserted that "to establish the lawfulness of Bank's interest by legal excuses is to deviate from the fundamental principles of Islam..." But, in the same breath, he argued that Muslims "should never forego" interest, otherwise "banks will use it in other directions, especially in helping non-Muslim missions, which will be certainly used against Islamic interests."[1022]

Both Quraishī and Barnī were devoted members of the Muslim League, and they were among the twenty-three members appointed to the All-India Muslim League Economics

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1018 Ibid., pp. 113-114.

1019 Ibid., pp. 118-119.

1020 Ibid., 139.

1021 Ibid., p. 174.

1022 Ibid., p. 95-6.

Planning Committee in 1944, constituting two of the four economists.[1023] Jinnāh took the convening of the committee as an opportunity to once again reiterate the anti-capitalist refrain of many interwar Indian Muslim religious firms, asserting that there must be a levelling of the economic playing field and proclaiming that "Our ideal should not be capitalistic, but Islamic and in the interest of the welfare of the people as a whole should be kept constantly in mind."[1024] In contrast to the early Pakistani economy, which was characterized by much greater room for private enterprise, there was no commitment to that here, but rather a vague socialism evocative of strains of economic thought in the Indian National Congress, and a pinpointing of capitalists and landowners as the instigators of inequality.[1025] All of this was further embroidered with the language of Islamic economics. Like Indian nationalists many of the League's economists believed that capitalism, exercised through the agency of colonial rule, had made India poor.[1026] Although the committee's recommendations never saw immediate implementation in post-colonial Pakistan, the appointment of senior Muslim economists to the body, who held similar views about the need for an Islamic economic order defined in opposition to capitalism, was a watershed moment. These figures became key players in the Pakistani economic bureaucracy over the next three decades and would dedicate their energies to pursuing a truly Islamic economic system in the country and beyond. Ironically, while Mawdūdī and Quraishī migrated

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1023 Khalid Shamsul Hasan, *Quaid-i-Azam's Unrealised Dream: Formation and Working of the All India Muslim League Economics Planning Committee* (Karachi: Shamsul Hasan Foundation, 1991), p. 23; Ian Talbot, "Planning for Pakistan: The Planning Committee of the All-India Muslim League 1943-46." *Modern Asian Studies*, Vol. 28, No. 4, (1994), pp. 878-879.

1024 Talbot, "Planning for Pakistan," p. 881.

1025 Ibid., pp. 884-885.

1026 Roy, *A Business History of India*, p. 262.

to Pakistan in 1947, many of their colleagues at Osmania, not least Barnī and Gilānī, did not join them, but stayed behind in India where they continued to campaign for Muslim financial progress. The ideal of an Islamic economy, at least in the eyes of some, evidently did not need a separate Muslim nation-state.

Conclusion

This chapter has shown that during the interwar period many Muslim religious firms and supra-firms were in agreement over the general need for greater administration of pious foundations, the establishment of a broader treasury fund for Muslims, and the evils of usury in the modern economy. Where they differed intensely were in the particulars, with a suprafirm like the Muslim League intent on subordinating all Muslim endowments to its authority and a community-based firm like the Bohra religious leader jealously guarding his control of Bohra foundations from enemies, internal and external. A similar process was observed in the campaigns for regulating *zakāt*, where many rival firms put forward plans for levying the charitable tax on all Muslims for the benefit of the poor. The irony was that a firm like the Khāksars dedicated to Hindu-Muslim unity became one of the most enthusiastic proponents for the institutionalization of such a scheme, not least because it offered a chance to regulate the funds of the very Muslim firms they clashed with in Punjab throughout the 1930s and 1940s.

The attention paid to these throughout this chapter has revealed the range of hermeneutic practices that Muslim firms employed towards the Islamic foundational sources. This was particularly salient in tracing the debates among various firms over the relationship between interest, usury and Muslim banking. Whereas around the start of the First World War, there was the first big push for Muslim banking, and into the 1920s a willingness on the part of some to draw a dividing line between interest and usury, by the early 1930s there was a growing consensus that interest and usury were indistinguishable from one another. This in turn led to the conviction that in order for Muslim banking to flourish, the financial system had to be entirely interest-free - it had to somehow be 'Islamic'.

But rather than representing a monolithic vision, the earliest ideas of Islamic economics constituted a spectrum of hazy and irreconcilable blueprints that were projected into an increasingly imaginable, but still unpredictable, postcolonial order. In contrast to the attitudes of leading Muslim commercial concerns, the purveyors of these doctrines were self-consciously and sometimes fiercely anti-capitalist, something which they imported largely through the writings of European and American authors, rather than mobilizing an anti-capitalist genealogy from within the Islamic tradition. Nowhere was this better institutionalized than at Osmania University, which constituted a significant religious firm in its own right, not least because of the presence there of several heavyweights of a growing neo-Salafi movement in the subcontinent. Although Osmania became the nexus for the elaboration of these ideas, some of the Muslim economists who subscribed to them stayed in India after 1947.

Others, as the epilogue to the dissertation shows, found positions in the Pakistani Ministry of Finance and the IMF after Partition, where they sought avenues for the implementation of their ideas. Despite this, the early Pakistani state was lukewarm towards the idea of an Islamic economy, even if the Pakistani Legislature continually utilized the language of Islamic economics when calling for economic development and welfare programs in the nascent state. However, it was as an exported product to the Middle East - where it was popularized by the representatives of South Asian Muslim religious firms like *Jamāʿat-i Islāmi* - that Islamic finance first gained an institutional basis, especially in Saudi Arabia under Amir Faisal. It was then re-exported back to the subcontinent in the 1970s, thanks to Saudi petro-dollars and Saudi-Pakistani cooperation in the Afghan-Soviet war. Ever since, Islamic finance has been ordained as the official basis of the Pakistani financial economy, even if it has remained largely foreign to the multitude of competing ways in which Muslim religious and commercial firms have pursued religious and economic goals since 1850.

Epilogue: State Capture, Nationalization, and Islamic Economics in Pakistan, 1947-1977

The previous six chapters have demonstrated that Muslim constituencies in the colonial era abided by a range of norms and practices in the economic sphere that were sustained by a panoply of religious and commercial firms. As the character of Muslim capitalism became politicized in the late colonial period, significant tensions developed among Muslim religious firms and supra-firms over what a religiously authentic form of commercial enterprise might look like in a postcolonial future. These debates were hashed out in a variety of fora, whether in the Muslim press, the courts of law, universities, or in political parties. Because Indian Muslims lacked the political power to bring these visions to concrete fruition, they were diffuse, conjectural, and abstract.

The stakes changed dramatically with the coming of Pakistan in 1947. The litany of competing discourses, institutions, and customs that had undergirded Indian Muslim capitalism over the past century from the Balkans to Burma were transferred into a single sovereign political space. Although the four types of religious firms we have studied - *jamāʿat*, *madrasa*, *anjuman*, and *shaikh* - have only proliferated in postcolonial Pakistan, they have been constrained by the state's role as an overt religious actor, drawn into the cauldron of concentrated political and sectarian rivalries that have plagued it from its advent. For that reason, this epilogue is predominantly concerned with the role of state-affiliated actors and ministries in the religious economy.

This epilogue looks at three interconnected processes in Pakistan and the Middle East in the years between 1947 and 1977. These dramatically shaped the character of Pakistan's political and religious economy in these decades and had a direct bearing on the installation of an Islamic economic system in the country. The first of these was the rise of what was variably called the "twenty big houses" of the "twenty-two families" - those commercial firms who were perceived to control much of the Pakistani economy before the 1970s and which were run by entrepreneurs from the leading Muslim constituencies of the colonial era: the Khojas, Bohras, Memons, and Chiniotis (see figure 1 for a list of 12 leading firms). The second was the increasing call for the implementation of an Islamic economy by numerous religious firms and governmental ministries, much of which drew its language from parallel calls for nationalization and socialism, but never spoke with one voice. These two processes stood in tension with one another in these years, as the free-enterprise-based dominance of the big houses, itself further facilitated by the "economic miracle" undertaken by Ayūb Khān, was seen by many from the mid-1960s as a betrayal of the principles upon which Pakistan was founded and a violation of Islamic principles of equality.

The irony was, of course, that some of the very firms who became the object of scorn had been some of the greatest commercial backers of a separate Muslim homeland on the eve of Partition. Within a decade or two of their migration to Pakistan, however, they became the scapegoats for the country's economic woes, whether among leftists, development economists, or Islamists. The reasons for this are explored below. The commercial firms by no means helped their cause by resisting attempts to dilute the integrity of their mercantile associations by admitting members from outside their own constituency, until forced to dissolve by government fiat in the 1970s.[1027] Yet such exclusiveness was business as usual for many prominent commercial firms, an extension of the compact institutional package that had rendered them

[1027] Stanley A. Kochanek, *Interest Groups and Development: Business and Politics in Pakistan* (New York: Oxford University Press, 1983), p. 107.

disproportionately successful in business over the past century.

These stresses and strains eventually boiled over in the later 1960s with the strident demands for 'Islamic socialism' by a range of political parties and religious firms. More substantively, the attacks encapsulated a fusion of Islamic economics, socialism, and developmentalism that saw the leading commercial firms branded as traitors to the nation, whose assets were ripe for the picking. A succinct reflection of this comes from the contemporary writings of Kalim Siddiqui, a political Islamist who merged socialist and Islamic economic ideas, who argued the "arrival of these wealthy quasi-caste Muslims can described as an economic invasion of Pakistan. By virtue of their successful occupation of Pakistan's economy at the outset they now claim the right to be included among the 'saviours' of Pakistan."[1028] Despite their enormous contributions to Islamic religious and political campaigns since 1850, many other Muslims resented the wealth of these groups, branding them as either ersatz Muslims or migrants whose origins lie outside the "land of the pure."

In this context, the political slogan of "twenty-two families" became an obsession in the Pakistani political discourse. Earlier surveys in the decade had concluded that the four dominant commercial communities comprised only 0.5% of the population, but controlled two-thirds of Pakistan's industrial assets. Yet the arithmetic of inequality only became a political obsession from 1968 when Mahbub ul Haq, head of Pakistan's economic planning commission, made an infamous speech impugning the stranglehold of these families on the economy and their the alliance with the civil service and the Army.[1029] Ẕulfiqār ʿAlī Bhuttō and the Pakistan People's

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[1028] Kalim Siddiqui, *Conflict, Crisis and War in Pakistan*, p. 60.

[1029] Christophe Jaffrelot, *The Pakistan Paradox: Instability and Resilience* (Oxford: Oxford University Press, 2015), pp. 313-314.

Party then exploited these figures to full hilt in the election campaign of 1971, as did, for their own contrary purposes, the Awami League in East Pakistan.[1030] (Subsequent commentators have shown that the notion of twenty-two families was nothing but a pernicious myth, with even the *Pakistani Economist* in 1972 not masking its surprise that certain families, including the Ispahānīs, were excluded from the list of culpable families).[1031]

This feverish mobilization against what was regarded as the unchecked capitalism of these commercial firms reached its denouement with the house arrest of leading entrepreneurs, the seizure of their assets, and the passage of the Economics Reform Order of 1972. This act, implemented shortly after Bhuttō's accession to power, dispossessed the twenty big houses in one fell swoop, partly on the pretext that their oligopolies were anti-Islamic. With the wealth of the twenty big houses calculated by Pakistan's Central Board of Revenue to be Rs. 852,242,080, the state inherited an extraordinary windfall that it then proceeded to dissipate in a poorly managed campaign of nationalization.[1032] By one count, the Saigols - a Chinioti firm that had emerged in Calcutta in the 1930s before moving back to Pakistan after 1947 - lost 70% of their assets.[1033] When Żiāʾ al-Ḥaqq seized power in 1977, many of the commercial firms had either been co-opted by the state, or completely reconstituted outside of Pakistan. Those who decided to back Żiāʾ gained some autonomy to re-establish private enterprise, but privatization had to

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1030 W. Eric Gustafson, "Economic Reforms Under the Bhutto Regime', J. Henry Korson ed., *Contemporary Problems in Pakistan* (Leiden: Brill, 1974), pp. 81-119.

1031 Stanley Kochanek, *Interest Groups and Development: Business and Politics in Pakistan* (Bombay: Oxford University Press, 1983), p. 184.

1032 M. Hasan, *The Mirage of Power: An Inquiry into the Bhutto Years, 1971-1977* (Karachi: Oxford University Press, 2000), p. 33.

1033 Shahid ur-Rahman, *Who Owns Pakistan?: Fluctuating Fortunes of Business Mughals* (Islamabad: Aelia Communications, 1998), p. 20.

wait until Nawāz Sharīf's election in the 1990s. In the meantime, the rules of the economic and political game had changed irrevocably, something which the turn to Islamic finance accelerated.

The third process examined here is the creation of an Islamic financial industry in Saudi Arabia - in large part because of the activities of Pakistani economists - and its export to Pakistan from 1977. The great paradox of Saudi financial hegemony from the mid-1960s was that, as chapter 5 demonstrated, the Saudi government had continuously checked any efforts to establish banks on its soil between the 1920s and 1950s, including those by Indian Muslim commercial firms. Nevertheless, with the death of Ibn Saud in 1952, the Saudi Arabia Monetary Authority (SAMA) was founded, a government ministry that functioned as a state central bank. SAMA relied on the expertise brought by a series of Pakistani economists. These figures had been trained in late colonial Muslim educational institutions like Islamia College and Aligarh Muslim University. They had then worked as accountants in the colonial financial bureaucracy before opting for Pakistan. From positions in the Pakistani Ministry of Finance and the State Bank of Pakistan they had moved into the IMF and World Bank, and thereafter into the nascent Saudi Arabia Monetary Authority (SAMA). While not universally holding this view, many saw a truly Islamic economy as one purged of all types of modern financial interest. That is not at all surprising given that the 'maximalist' definition of *ribā* had become the consensus position among a wide range of Indian Muslims by the 1940s.

Notwithstanding the frequent public pronouncements made to this effect, Pakistan's financial establishment did not fund interest-free Islamic banks before 1975. Instead, Saudi capital furnished the opportunity to institutionalize the notions of Islamic economics propounded most intensely by Muslim religious firms in South Asia from the interwar period, but which lacked official sanction in Pakistan before 1975. By no means were Pakistanis the sole agents of this transformation, though. Elsewhere, religious firms in Egypt like the Muslim Brotherhood became some of the leading proponents of a turn to Islamic finance, but they were inspired in this regard by the writings of South Asian commentators. Among these, Mawdūdī's ideas proved most popular, largely because of the translation of his works by his disciple, Sayyid Abu Ḥasan ʿAlī Ḥasanī Nadwī, a prolific author in his own right who collaborated with Sayyid Quṭb, but who became an advocate for neo-Salafism from his home in secular India rather than Pakistan.[1034]

At the same time as the Brotherhood's ideologues began mobilizing against the forces of materialism and imperialism, Egyptian economists (some potentially with Brotherhood ties) pursued their own plans for the creation of Islamic banks. The first of these was at Mit Ghamr in 1963, framed as an entirely "interest-free" institution, something which clearly distinguished them from the 'Muslim' banks examined in chapter 5. When the Mit Ghamr experiment was snuffed by Jamāl ʿAbd al-Nāṣir out in 1968, Saudi Arabia and Gulf became over the next seven years the laboratories for the introduction of a fully-fledged Islamic banking system. Here state developmental regimes inundated with the capital from the booming oil industry hoped to overhaul their weak financial infrastructure, but lacked the native personnel to do so. Consequently, they employed a coterie of Pakistani developmental economists, or in the case of Abu Dhabi, a Pakistani banker to achieve this. It was these individuals who supplied the sophisticated technical know-how necessary to get the emerging Islamic finance sector on its feet. All of these strands converged with the creation of the Islamic Development Bank in Jeddah

[1034] Shiraz Maher, *Salafi-Jihadism: The History of an Idea* (Oxford: Oxford University Press, 2016), pp. 178-181; John Calvert, *Sayyid Qutb and the Origins of Radical Islamism* (London: C. Hurst & Co., Ltd., 2018), p. 158.

in 1975. That new model of Muslim banking then was then institutionalized in Pakistan from the late 1970s, where it by no means conquered all before it, but has exercised an enormous influence on the political and religious economy of the country.

The 'Vacuum' of Partition and the Rise of the Twenty Big Houses in West and East Pakistan

This section studies the political economy of West and East Pakistan between 1947 and 1972. It is principally concerned with examining the profile of the leading Muslim commercial firms operating in both sections of the geographically divided country. Three main themes demand attention here. The first looks at how the leading Muslim commercial firms of the late colonial period transferred the dominant proportion of their capital into other sectors, principally from trade into industry. The second interrogates the relationship of the leading commercial firms with the state bureaucracy, and grapples with the controversial question of whether they should be regarded as rent-seeking monopolists who relied on state concessions to maintain their hold on the economy. The third theme concerns how select families gained an oversized foothold in Pakistan's weak financial sector, using the country's limited banking and credit institutions to disproportionately finance their own concerns and depriving other commercial firms of much-needed capital.

The precise role of the Muslim mercantile castes in the early Pakistani state has been a cause of disagreement. The Marxist developmental economist Hamza Alavi - himself a Bohra who obtained an MA in economics from Aligarh Muslim University and worked for the State

Bank of Pakistan until 1952[1035] - rejected claims made by Indian and Soviet Communists that Muslim businessmen from western India had any definitive role in the Pakistan movement before 1947.[1036] According to Alavi, it was instead the class of bourgeois Muslim professionals and the "salariat", which he defined as those Muslim bureaucratic and legal functionaries who had worked for the colonial state, that acted as the key supporters of the movement.[1037] For him, the "salariat" served the special interests of its own members and the economically dominant classes. In Pakistan they were dominated by Punjabis, but also had substantial numbers of Muslim populations from the United Provinces and Bihar who had migrated to Pakistan.[1038] Ethnic rivalries in Pakistani society, he holds, were institutionalized in its bureaucratic culture from the start.

Even if Alavi is generally correct that only select members of the Muslim mercantile castes aligned themselves with the Muslim League, and his model of the *salariat* sometimes descends into functionalism, close links were developed between commercial firms and the Pakistani bureaucracy after 1947. The question remains to what degree the run-away success of the leading commercial firms operating in early Pakistan was dependent upon direct associations with the *salariat*. In the 1960s, commentators within Pakistan, not least the economist Mahbub ul Haq (discussed in detail below), regarded their fortunes as a direct outgrowth of their governmental contacts. In the minds of many Bangladeshi nationalists and India-based Pakistan

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1035 Arif Azad, "Hamza Alavi," *The Guardian* (18 December 2003), https://www.theguardian.com/news/2003/dec/19/guardianobituaries.race

1036 Hamza Alavi, "Pakistan and Islam: Ethnicity and Ideology," Fred Halliday and Hamza Alavi eds., *State and Ideology in the Middle East and Pakistan* (London: Macmillan Education Ltd., 1988), p. 65.

1037 Ibid.

1038 Ibid., p. 69, 72.

watchers too, the economic oligopoly of the Memons, Bohras, Khojas, and Chiniotis was inextricably tied to the political dominance of the Punjabis and Pathans in the bureaucracy and army from the time of Ayūb Khān especially.[1039] Meanwhile, contemporary Soviet specialists, like Sergey Levin, saw the Memons as the most powerful group among the upper bourgeoisie of Pakistan, a "self-contained" group that kept aloof from others, and duked it out with other industrial bourgeoisie for preferential market opportunities.[1040]

There is some evidence that the Pakistani civil bureaucracy did look to the "nascent industrial bourgeoisie to help off-set the influence of indigenous landowning and tribal groups," an alliance cemented partially by the non-local origins of both the bureaucrats and industrialists, their urban background, and their shared commitment to Islamic reform.[1041] All the same, the process of co-optation took a decade and a half to germinate, and was by no means total. More convincing is the analysis of Hanna Papanek, who has described the structure of the big houses at length, and argued that the political prominence of firms was a second-generation phenomenon.[1042] This move by many of Pakistan's early commercial firms into political activism was largely a new development, one conditioned by the transformation of their economic portfolios from 1947 and the growing conviction among second-generation managers that they had a stake in the Pakistani political system. One factor facilitated this movement above all: nearly all the pre-independence commercial firms had shifted their primary occupation from

[1039] D.R. Mankekar, *Pak Colonialism in East Bengal* (Bombay: Somaiya Publications, 1971), p. 22

[1040] Sergey Levin, "The Upper Bourgeoisie from the Muslim Commercial Community of Memons in Pakistan, 1947 to 1971," *Asian Survey*, Vol. 14 No. 3 (Mar., 1974), pp. 231-243.

[1041] Farzana Shaikh, *Making Sense of Pakistan* (Oxford: Oxford University Press, 2018), p. 124.

[1042] Hanna Papanek, "Pakistan's Big Businessmen: Muslim Separatism, Entrepreneurship, and Partial Modernization," *Economic Development and Cultural Change*, Vol. 21, 1972, p. 28.

trading to industry in the years after 1947. As Papanek has described it: "Most of the twelve industrial-commercial combines...are relative newcomers to large-scale industrial activity, even though the scope of commercial activity in which some of them engaged...was very large in the Indian context."[1043] Their greater access to liquid capital explained why, despite migrating in large numbers from outside the territories of West and East Pakistan, they made an inordinate investment in early Pakistani industrial enterprise, albeit disproportionately in the west wing.[1044]

Their success in West Pakistan was tightly bound up with the meteoric rise of Karachi after 1947. Earlier chapters demonstrated Karachi's importance in the economic lives of the Muslim mercantile castes. For example, the *Karachi Handbook & Directory* from 1922-1923 listed a high concentration of Muslim commercial firms, whose numbers only grew during the interwar period.[1045] Nevertheless, as Karachi became the business and financial center of Pakistan, it also solidified its status as a center for the religious life of the Muslim commercial castes emigrating from east Africa, western India, and Burma. It is worth noting, however, that migration from Bombay to Karachi peaked in the late 1950s and early 1960s, a time when Muslim firms were encouraged by the better business climate - and less regulation - to leave India for Pakistan.[1046] As a consequence of this, the early 1950s in Pakistan was a period where private enterprise boomed, far more than in independent India, where import and exports were subjected to intense regulation from the late 1940s, well before the 'license Raj' soon took

[1043] Ibid., p. 22.

[1044] Ibid., p. 26.

[1045] Sir Montagu De P. Webb, *The Karachi Handbook & Directory for 1922-23*

[1046] Faisal Devji, *Muslim Zion: Pakistan as a Political Idea* (London: C. Hurst & Co. Publishers Ltd., 2013), p. 65.

effect.[1047] This early period of liberalization is something that appears to have been missed in comparative studies of the political economy of India and Pakistan, which tend to assume that the Pakistani army's role in the economy was substantial from the start.[1048]

Although many of the same firms studied here became part of Pakistan's small business elite, there were plenty firms that had not existed before 1947 who hit the jackpot in the speculative economy encouraged by the 'vacuum' of Partition.[1049] In Karachi the new arrivals of Memon, Bohra, and Khoja constituencies set up new religious firms in the city - assisted no doubt by the building boom then transforming the urban topography of the city, and the vacancies of non-Muslim properties - complete with charitable and educational subsidiaries that continue to fill the 'institutional voids' in Pakistan's weak social services sector.[1050] As never before, Muslim businessmen in Karachi became enthusiastic proponents of education, acknowledging its human capital benefits and setting up educational and industrial institutions to support this.[1051] Many of these preserved the 'sectarian' character they had possessed in the colonial period, reflecting the sustained links between religious and commercial firms that survived the double dislocations of Partition and migration.

Assisted by merchant capital, Memon migrants carved out a cavernous niche in Karachi.

1047 Nasir Tyabji, *Forging Capitalism in Nehru's India: Neocolonialism and the State*, *c. 1940-1970* (Oxford: Oxford University Press, 2015), p. 83.

1048 Ayesha Jalal, *Democracy and Authoritarianism in South Asia: A Comparative and Historical Perspective* (Cambridge: Cambridge University Press, 1995), ch. 4.

1049 Papanek, "Pakistan's Big Businessmen," p. 27.

1050 S. B. Hasan, *Karachi Encyclopaedia*, Vol. 1 (Karachi: Reference Book Pub. Centre [1969]), p. 33, 212.

1051 Zeeba Zafar Mahmood, *The Shaping of Karachi's Big Entrepreneurs: 1947-98, A Socio-Political Study* (Karachi: City Press, 2003), p. 106.

Immediately, numerous Memon-funded schools were constructed that, though secular, predominantly served the members of select *jamāʿat*, giving the first generation of Pakistan-born Memon commercial entrepreneurs a distinct educational advantage.[1052] Memon capital also underwrote various educational schemes for Memon women, who rank among the most successful female entrepreneurs in Pakistan today.[1053] From the 1920s the Hārūn family, who had earlier headed the Karachi branches of the Red Crescent and Khilafat Committee, invested heavily in the district of Lyari, where they built orphanages, madrasas, colleges, and mosques. When Maḥmūd, the son of Abdullah Hārūn, became mayor of Karachi in the 1950s, he allocated great funds to Lyari's development.[1054]

Parallel exertions were undertaken by the Khoja communities. The Khoja Sunni *jamāʿat* also set up its own base in Karachi, where it has maintained its distinct identity from other Pakistani Sunnis, while retaining links with Khoja Sunnis in Bombay.[1055] It was eclipsed by the many *jamāʿats* and *anjumans* constructed by Khoja Ithnā ʿAsharīs, who have made Karachi their foremost base. The *Anjuman-i Khuddām al-Qurʾān* was one of many Khoja Ithnā ʿAsharī religious firms dedicated to religious education and strengthened links between Twelver Shīʿī *ʿulamāʾ* and the laity.[1056] Like their Sunni counterparts, they have also retained links with brethren in Bombay, where the *jamāʿat* has founded several trusts that supply loans and other

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1052 Sanaa Riaz, *New Islamic Schools: Tradition, Modernity, and Class in Urban Pakistan* (New York: Palgrave Macmillan, 2014), pp. 103-110.

1053 All Pakistan Women's Association, *Women's Movement in Pakistan* (Karachi: All Pakistan Women's Association, 1963), p. 48.

1054 Gayer, *Karachi: Ordered Disorder*, p. 136.

1055 *An Account of the Khoja Sunnat Jamat, Bombay*, p. 31.

1056 *Anjuman-i Khuddām al-Kurān: Karācī, silvara jyubīlī soveniyara* (Karācī: *Anjuman-i Khuddām al-Kurān*, 1966).

welfare services to its members.[1057]

Khoja Ismāʿīlīs also made Karachi their main bastion, given a boost by not only by the international activism of Aghā Khān IV (who created the Aga Khan Development Network in 1967), but also the decision of the commercial magnate ʿAmīr ʿAlī Fancy, who had close ties to the Ismaili imam, to migrate from East Africa to Karachi in 1947. Shortly after his arrival, Fancy was appointed head of the Ismailia Supreme Council for West Pakistan, and summoned the council to encourage research into economic opportunities for Khoja Ismāʿīlīs.[1058] By the 1960s, Fancy was Chairman of Industrial Managements Ltd, part of an enormous business portfolio, as well as head of the Platinum Jubilee Finance and Investment Corporation, managed by the *jamāʿat*. The Aghā Khān IV and his family also plowed capital into two jute mills in East Pakistan: Crescent Jute Mill and the People's Jute Mill.[1059] Like no other religious firm, the Khoja Ismāʿīlī *jamāʿat* has supplied its constituents in Pakistan from the 1950s with ready access to co-operative credit societies, bountiful education opportunities, and healthcare.

Other religious firms with origins outside the Muslim mercantile castes also set up significant institutional strongholds in Karachi after 1947, and were able to do so because of the donations of leading commercial firms. *Dār al-ʿUlūm* Karachi, founded by the Deoband-trained Muftī Muḥammad Shafīʿī after his migration in 1951 is an excellent example of this.[1060] From the first the organization relied substantially on the donations of Memon commercial magnates like Dadabhāʾī in South Africa and Ḥajī ʿAbd al-Laṭīf Bawanī who donated some Rs. 158,000 to

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[1057] Gopika Solanki, *Adjudication in Religious Family Laws: Cultural Accommodation, Legal Pluralism, and Gender Equality in India* (Cambridge: Cambridge University Press, 2011), p. 296.

[1058] Willi Frischauer, *The Aga Khans* (London: Bodley Head, 1970), p. 194.

[1059] Ibid.

[1060] Maulana Azizur-Rahman, *Introducing Darul-'Uloom Karachi* (Karachi: Darul-Uloom, n.d.), pp. 6-7.

the institution in the mid-1950s.[1061] With the assistance of Memon merchant capital and trusts, *Dār al-ʿUlūm* Karachi began exercising a pull hold on the economic lives of select Sunni constituencies in Karachi through the numerous *fatwās* it has issued on matters pertaining to commerce. The fabulously popular *Distribution of Wealth in Islam* by Shafīʿī was printed in 1968 with the help of the 'Begum Aisha Bawany Wakf', which published dozens of English works on Islam and edited the *Muslim News International*.[1062] During the 1960s, *Dār al-ʿUlūm* Karachi was also where Muḥammad Taqī ʿUsmānī gained his various degrees in the religious sciences (his secular education was at Punjab University). In turn, ʿUsmānī has become the most important traditionally-trained *ʿālim* writing on Islamic finance over the past four decades.[1063] Karachi was thus fertile ground for the edification of Muslim religious entrepreneurs whose intellectual training combined a literacy in *fiqh* and modern economics, and whose prospects grew considerably from the 1970s as more Muslim entrepreneurs became interested in adopting new Islamic commercial norms and practices.

Karachi's booming speculative financial scene strengthened the manifold comparative advantages enjoyed by the top commercial firms, principally by supplying them with a suffusion of capital at levels undreamt of in the colonial era. Though the exact relationship between the leading commercial firms and the state may be debated at length, what is indisputable is that, as Lawrence Wright argued almost fifty years ago, the high concentration of banking power in the

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[1061] Ibid., p. 7.

[1062] Maulana Mufti Muhammad Shafii, *Distribution of Wealth in Islam* (Darul Ishaat, 1979). This was the sixth edition. The title page lists that it was first printed at the Bawany Wakf in 1968.

[1063] Brian Kettell, *Introduction to Islamic Banking and Finance* (Chichester: John Wiley & Sons, 2011), pp. 28-29 hands of select commercial firms translated easily into political power.[1064] While the initial springboard for the growth of the early banking sector in Pakistan was the capital supplied by leading industrial families, including the Ḥabībs, Saigols, and Adamjīs, once the financial system became robust enough, some firms began utilizing their position to channel large shares of capital into their own accounts. The weak character of state-owned banks in Pakistan only exacerbated this.[1065] The byproduct of this was the emergence of a cartel comprising industrial consortia that had monopolized the country's blank slate of a finance sector.

The coalescence of this cartel stemmed in large measure to the Muslim under-representation in banking before 1947. As remarked in the last chapter, if the partition of the Reserve Bank of India is any indication, segregating Hindu and Muslim financial life was a torturous affair precisely because there was no identifiable institutional separation.[1066] Thousands of similar divisions of assets likely occurred throughout South Asia as partnerships and firms comprising Muslim and non-Muslim personnel were dissolved. Additionally, the shortfall arising from the departure of leading Hindu, Sikh, and Parsi merchants from the territories of West Pakistan and East Pakistan[1067] could never be made up by the migrating commercial firms coming from as far afield as East Africa and Burma. As mentioned in previous chapters, on the eve of Pakistan's creation Muḥammad ʿAlī Jinnāḥ gained the loyalty of one of India's only

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[1064] Lawrence J. White, *Industrial Concentration and Economic Power in Pakistan* (Princeton: Princeton University Press, 1974), p. 76

[1065] Ibid., pp. 74, 76.

[1066] Anuj Srivas, "The Messy Partition of the Reserve Bank of India," https://thewire.in/banking/partition-reserve-bank-of-india.

[1067] Tirthankar Roy, *A Business History of India: Enterprise and the Emergence of Capitalism from 1700* (Cambridge: Cambridge University Press, 2018), p. 150.

Muslim-owned banks, Habib Bank, founded in Bombay in 1941 by Muḥammad Ḥabīb, a Khoja Ithnā ʿAsharī. Ḥabīb moved his bank's headquarters to Karachi in 1947. Before India handed over Pakistani-owned assets, Ḥabīb reputedly gave Jinnāḥ a blank check, to which was added some Rs. 80,000,000.[1068] At Partition Habib Bank was in every sense a conventional financial institution that charged interest on deposits, and Ḥabīb had deep links with non-Muslim bankers in Bombay. Even two of his bank's managing directors were Hindus (see figure 2).

At Partition, Habib Bank Ltd. had a paid-up capital of Rs. 5,000,000, which had grown within a decade to Rs. 15,000,000. Over the course of the same period, its reserve funds had increased from Rs. 2.5 million to 15 million. It also expanded its branches from two in the area of West Pakistan to 67 by the end of 1955, with an additional one in India, and also set up offices in Colombo, Mombasa, and Rangoon through a subsidiary. By 1958, the bank's deposit liabilities were equivalent to approximately one-fourth of all the bank deposits within Pakistan.[1069] While Habib Bank pursued the large profits to be had in the commercial field, the State Bank of Pakistan turned its initial attention to fleshing out the state sector. The State Bank's first president was Zāhid Ḥussain, an Aligarh economics graduate who had worked first as an accountant in the colonial bureaucracy, then as Minister of Finance for Hyderabad State, and finally on the Muslim League's Planning Commission in 1944. In its initial stages, the State Bank of Pakistan under Zāhid Ḥussain was praised by international observers as a model government financial institution in the developing world.

In the early 1950s Ḥussain oversaw the beginning of Pakistan's first five-year plan. If Joe

[1068] Stephen Philip Cohen, *The Idea of Pakistan*, p. 50.

[1069] J. Russell Andrus and Azizali F. Mohammed, *The Economy of Pakistan* (Stanford: Stanford University Press, 1958), p. 390.

Studwell's analysis of development regimes in postcolonial Asia has posited that three strategies - a land reform program that breaks up large farms in favor of family plots, export-oriented manufacturing, and tight financial control - make the difference between economic success and stagnation, then Pakistan's early planners have to be considered alongside their counterparts in Southeast Asia who pursued almost none of these policies.[1070] The stillbirth of land reform in Pakistan is well-known, and following Studwell, it can be safely argued that without the capacity to generate the agricultural surpluses that are a prerequisite for the expansion of a developing country's financial and manufacturing base, Pakistan's development schemes were fatally undermined from the start. Moreover, without a strong handle on central finance, and besides this lacking a bureaucracy willing to discipline industry and subordinate it to national purposes, the economy of early Pakistan was susceptible to rent-seeking behaviors.

Whereas the state bank in most countries with advanced credit and financial markets concerns itself mostly with government monetary policy, in light of Pakistan's weak commercial banking scene, the State Bank had to assume the burden for the growth of this sector too.[1071] The creation of the National Bank of Pakistan in 1948, as a commercial subsidiary of the State Bank of Pakistan, was intended to do just this, but over the next two and a half decades the bank's performance left much to be desired. A work completed on Pakistan's economy in the 1950s made plain just how difficult the State Bank's plight was: "At the outset, the State Bank was faced with the formidable task of organizing normal central banking services within a very short period of time and simultaneously undertaking certain other duties of an altogether exceptional

[1070] Joe Studwell, *How Asia Works: Success and Failure in the World's Most Dynamic Region* (New York: Grove Press, 2013).
[1071] Andrus and Mohammed, *The Economy of Pakistan*, p. 363.

nature. The dearth of trained and experienced personnel rendered its task difficult. It had a skeleton staff of only a few experienced officers who had opted for service in Pakistan from the personnel of the Reserve Bank of India."[1072]

Besides an overcautious policy, what also plagued the National Bank of Pakistan was the fact that, in an economy rife with speculation, many of the finest Muslim bankers sought to ply the trade in the private sector, where great fortunes were to be had, rather than carry out the mundane work of government financing. No entrepreneur exemplified this better than Aghā Ḥasan ʿAbādī, a Twelver Shīʿī *muhājir* originally from Lucknow, who migrated to Pakistan in 1947. Following a decade working as a teller at Habib Bank, ʿAbādī made contact with the Saigol family, originally from Chiniot, which furnished him the start-up capital necessary to establish the United Bank Limited, one of Pakistan's premier banks before nationalization.[1073] ʿAbādī had no personal capital to speak of, but his ability to acquire the support of the Saigols was a coup that transformed a modest bank teller into a big-time financial entrepreneur, one who dramatically expanded the branches of United Bank throughout Pakistan and into the Gulf.[1074]

The Saigols' support of United Bank was but one plinth of their business empire. Punjabi by origin, after leaving Calcutta for Lahore in 1947 (one brother stayed in India),[1075] the Saigols had moved swiftly into other economic sectors beyond finance, swallowing up a large portion of the insecticide business in West Pakistan, and the textile business with the birth of Kohinoor

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[1072] Ibid., pp. 361-362.

[1073] "Abedi, Agha Hasan (1922-1985)," Shahid Javed Burki, *Historical Dictionary of Pakistan*, Fourth Edition (Lanham, Md.: Rowman & Littlefield, 2015), p. 40.

[1074] Jonathan Beaty and S. C. Gwynne, *The Outlaw Bank: A Wild Ride Into the Secret Heart of BCCI* (Beard Books: Washington DC, 2004), p. 132.

[1075] Cohen, *The Idea of Pakistan*, p. 50.

Rayon Ltd. in 1962.[1076] As remarked in the US congressional report in the 1990s that indicted ʿAbādī for the his role in one of the largest Ponzi schemes in financial history, ʿAbādī's ability to divert the Saigols' massive stake in Habib Bank towards his own enterprise was a cause of extensive head-scratching in Pakistan in the 1950s. Three decades later a definitive explanation was proffered by an audit undertaken by Price Waterhouse that revealed ʿAbādī had rescheduled millions of dollars in loans that the Saigols were not able to pay to Habib Bank.[1077] Competition for capital among commercial firms in early Pakistan was no trivial matter, and the Saigols' arrangement with ʿAbādī lends credence to the narrative of an unseemly commercial elite milking Pakistan's financial resources.

In fact, ʿAbādī was something of a political wheeler-dealer throughout these years, forging a succession of crucial alliances with General Ayūb Khān, Bhuttō, and Żiāʾ al-Ḥaqq.[1078] After United Bank was nationalized in 1972, ʿAbādī turned his attention to the Bank of Credit and Commerce International (BCCI), a notorious financial institution that became the vehicle for ʿAbādī's ponzi scheme and a key player in the global ascent of Saudi and Gulf capital, as the third section demonstrates. That venture, however, evolved from the contact ʿAbādī had established with the ruler of Abu Dhabi, Zāyid bin Sulṭān Āl Nahyān, in 1966. Nahyān allowed ʿAbādī to open a branch of United Bank, and began depositing enormous sums of petrodollars

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[1076] Saeed Hafez ed., *10 Years of Agricultural Development in Pakistani, 1958-68* (Karachi, Press Corp. of Pakistan [1968]), p. 120; "Kohinoor Rayon Limited," Iqbal Haidari and Abdul Hafiz Khan eds., Stock exchange guide of Pakistan (Karachi, Economic & Industrial Publications [1966]), p. 46.

[1077] Senator John Kerry and Senator Hank Brown, *The BCCI Affair: A Report to the Committee on Foreign Relations*, p. 37.

[1078] Ibid.

into United Bank Ltd. The ruler eventually became the main underwriter of ʿAbādī's BCCI.[1079] ʿAbādī's uncouth mixture of private entrepreneurship and back-room dealing in Pakistan and beyond was emblematic of how an under-serviced banking sector could be exploited by the machinations of shady entrepreneurs. ʿAbādī was never held accountable by the Pakistani authorities, who either looked the other way or actively participated in his schemes (Pace Studwell, a useful contrast might be drawn with the South Korean financial system at the same time, which was run by a highly disciplined bureaucratic machine, though one hardly free of corruption). By 1968, United Bank was Pakistan's third largest bank, controlling 19% of the total banking business, a figure surpassed only by the National Bank of Pakistan and Habib Bank.[1080] Its links to emerging Gulf capital foreshadowed the rise of new economic and religious entrepreneurs in other parts of the Islamic world who would completely rewrite the rules of the game surrounding Muslim capitalism.

The last financial institution worthy of mention, and which best illustrates an example of the industrial families operating a cartel in the financial sector, was the Pakistan Industrial Credit and Investment Corporation Ltd. (PICIC). It was created in 1957 to supply loans and equity investment to new enterprises.[1081] If the National Bank of Pakistan failed to live up to its potential as a lender to enterprises outside the leading families, but at least preserved the fiction of independence, then the PICIC serves as an example of a banking institution that was made subservient to the whims of the leading industrialists. In 1966, its board of directors included

[1079] "Agha Hasan Abedi," in Robert Wearing, *Cases in Corporate Governance* (London: Sage Publications, 2005), pp. 55-56.

[1080] White, *Industrial Concentration and Economic Power in Pakistan*, p. 75.

[1081] Gustav Papanek, *Pakistan's Development: Social Goals and Private Incentives*, p. 88.

Dawood, Crescent, Valika, Fancy, Amin and (not least) Adamjee.[1082] According to one estimate, between 1958 and 1970, 37 monopoly houses acquired 65% of the loans supplied by PICIC, with 13 of those 37 earning 70% of that number.[1083] This was nothing less than textbook-definition state capture.

All the banks covered so far had branches in the leading cities of East Pakistan, but these paled in comparison to their presence in the western wing of the country, part of the enormous disparities between the two 'wings' of Pakistan. As in the western section, only a select group of entrepreneurs dominated the commanding heights of business in East Pakistan. Nevertheless, it must be noted that many of the leading industrial firms were not owned by recent transplants from West Pakistan, but rather were run by the scions of merchant princes like Adamjī and Ispahānī, who had a made Bengal the lynchpin of their operations in the two decades before Partition. Their share in the local economy grew with the birth of Pakistan, but they too experienced a fair degree of difficulties amidst Partition.

As such, the trope of a 'West Pakistani' dominance in the economy of East Pakistan should perhaps be treated with greater caution than has previously been the case. It was not simply 'West Pakistani' capital: it was capital that had been built upon from Mombasa to Moulmein over many generations. Beyond this, even by 1952 a host of companies were listed in *Rahman's Dacca-Narayanganj Business Directory* that appear to have local (Bengali) proprietors.[1084] One of these was companies was run by A.K. Khan, a Chittagong native, who set

[1082] Tapan Das, *Pakistan Politics* (Delhi: People's Pub. House, 1969), p. 12.

[1083] Nadeem Malik, *Corporate Social Responsibility and Development in Pakistan* (London: Routledge, 2015), p. 43.

[1084] *Rahman's Dacca-Narayanganj Business Directory* (Dacca: Studio Dawn, 1952).

up A.K. Khan Co. Ltd in 1945. Before before becoming head of East Pakistan's industrial policy in 1958, he had founded several factories, mills, plants, and shipping concerns.[1085] Still, as the head of Pakistan's five-year plans later admitted, for all the economic growth of the 1960s "unemployment increased, real wages in the industrial sector declined by one-third, per capita income disparity between East and West Pakistan, and concentrations of industrial wealth became an explosive economic and political issue."[1086] For him, the growing chasm between West and East Pakistan was an unambiguous sign of development gone terribly wrong.

To what extent the actions of the Muslim commercial firms can be blamed for this inequality is hard to gauge. As earlier chapters have shown, while industry grew substantially in interwar Bengal, it still lagged behind Punjab and Bombay to a great extent. The departure of leading Hindu industrialists to West Bengal from 1947 only made this worse. But to say that industrialists were merely working at the behest of the state is to seriously overrate the coherence of Pakistan's planning policies, and to underrate the self-interest of these economic firms. East Pakistan-based political actors also benefited from the largesse of commercial firms, including Shaikh Mujibur Rahman, who was not only employed by the Haroon consortium for a time, but whose election campaigns on the Awami League ticket were supported financially by the Dawoods and Hārūns.[1087] Moreover, rather than an exploitative elite cornering the market with

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[1085] Muhammad Abdul Mazid, "Industrialising Bangladesh: The pioneering role of A.K. Khan," *The Financial Express* (31 March 2018). https://thefinancialexpress.com.bd/views/industrialising-bangladesh-the-pioneering-role-of-ak-khan-1522509635

[1086] Mahbub ul Haq, "Employment in the 1970's: A New Perspective," p. 5. The work is contained in his archival file at the World Bank. http://pubdocs.worldbank.org/en/526641398285893357/wbg-archives-1651847.pdf

[1087] Siddiqui, *Conflict, Crisis and War in Pakistan*, p. 137.

the help of state authorities, many of the Pakistani industrialists operating in East Pakistan in these decades were taking advantage of the new commercial opportunities made available by the departure of leading non-Muslims.

One example of this was the Bawany group, whose original proprietor Aḥmad Ibrāhīm Bawanī had started operations in Rangoon in 1900, building a successful hosiery and textile business before moving to India during the Second World War.[1088] By the 1950s, the Bawanīs had several enormous mill operations in Karachi and Dacca. Successive yearbooks of the Karachi Stock Exchange Ltd. make its prominence unambiguously clear.[1089] In East Pakistan its operations included Ahmed Bawany Textile Mills Ltd., Latif Bawany Jute Mills Ltd., and Eastern Tubes Ltd. (all in Dacca), and the Eastern Chemical Industries Ltd. and R.R. Textile Mills Ltd. (both in Chittagong).[1090] Some of the firm's East Pakistan concerns held associations with Japanese firms, not least Eastern Tubes Ltd., a joint venture with Toshiba for the manufacture of fluorescent tube lights.[1091] The firm's capital made a permanent imprint on the religious economy of Dhaka through the funding it supplied for the construction of the sprawling *Bait al-Mukarram* National Mosque, a complex with an attached bazaar containing a veritable beehive of warehouses and shops and a capacity of some 30,000 worshippers.[1092] As they had in the colonial period, Muslim commercial entrepreneurs continued to give Islam in Pakistan a

[1088] "Bawany Group History," http://bawany.com/group-history/

[1089] *Year book of the Karachi Stock Exchange Ltd.* (Karachi Stock Exchange, 1968), p. 160, 173, 517.

[1090] Ibid., p. 517.

[1091] "Bawany Group History," http://bawany.com/group-history/

[1092] "Bait ul-Mukarram, Dhaka, Bangladesh," Renata Holod, Hasan-Uddin Khan, Kimberly Mims, *The Contemporary Mosque: Architects, Clients, and Designs Since the 1950s* (New York : Rizzoli, 1997), pp. 204-208.

robust physical expression.

Still, tensions in East Pakistan between, on the one hand, local labor and, on the other, non-Bengali labor and capitalists could be explosive. This is best illustrated through the case of the Adamjee Jute Mills. Before his death in 1948, Sir Adamjī Ḥajī Dāwūd established the Muslim Commercial Bank Ltd. and Orient Airways Ltd. in West Pakistan, but maintained extensive holdings in what was pre-Partition Bengal. One year after Adamjī's demise, his sons put before the Government of Pakistan the scheme for the expansion of their father's already enormous jute mill complex at Dacca to Narayanganj, making it the world's largest jute operation (see figure 3).[1093] Whether one can argue, as Tariq Omar and others have, that the Adamjee Jute Mills marked a "successful partnership between the state and favored capitalists" is debatable.[1094] To be sure, the second generation of Adamjīs did cultivate links with Ayūb Khān from the late 1950s, with the general heralding the Adamjee Science College as a model for all industrialists of charity mixed with educational and economic development.[1095] Whether such episodes implies full co-optation by the state seems dubious, however. As in any developmental regime, commercial firms cultivate links with state power, but this is part of an elastic strategy that simultaneously keeps the state at arm's length and in one's pocket.

Whatever the indeterminate relationship between the Adamjī family and the government of Ayūb Khān, Adamjee Mills was the locus for intense feuds between local Bengali workers

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[1093] Rakibuddin Ahmed, *Progress of the jute industry and trade, 1855-1966* (Dacca, Pakistan Central Jute Committee [1966]), p. 404.

[1094] Tariq Omar Ali, *A Local History of Global Capital: Jute and Peasant Life in the Bengal Delta*, p. 181.

[1095] "Adamjee Science College: An Example for Other Industrialists," *Mohammad Ayub Khan: Speeches and Statements, Vol. 4 July 1961-June 1962* (Karachi: Pakistan Publications, 1962), pp. 65-66.

and transplanted Urdu-speakers from Bihar that descended into a bout of deadly rioting in 1954.[1096] From then onwards, the management of Adamjee Jute Mills was seen by many local Bengalis as a prime expression of a West Pakistan monopoly over business, something exacerbated further by the criticism levelled by the West Pakistan administration against their counterparts in East Pakistan in the fallout from the riots.[1097] The mill's Bengali workers were in fact organized in a union led by the Deoband graduate, Mawlānā Bhashanī, the famous 'red mullah,' who became a key advocate for first, the growth of Bengali-owned industry, and later of an independent Bangladesh.[1098] Bhashanī was a religious and political entrepreneur whose blending of Islamic activism and socialism was of a piece with wider currents in contemporary Pakistan (as the next section shows). In the midst of the war for Bangladesh's independence, he was later to exhort the workers "Don't burn the Adamjee Jute Mills, burn Adamjee!"[1099] Similar pronouncements were to rear their head in West Pakistan a few months later.

The Government of Bangladesh's nationalization of Adamjee Jute Mills in 1972 led to the precipitous decline of the firm, and its owners decided to not relocate its enterprises to West Pakistan, but to find friendlier shores in the United States and other countries.[1100] The Bawanīs, long inured to the realities of relocation from Burma to India to East Pakistan, re-consolidated

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[1096] Syedur Rahman, "Adamjee Jute Mill," *Historical Dictionary of Bangladesh* (Lanham: The Scarecrow Press, Inc. 2010), p. 5.

[1097] Kamran Asdar Ali, *Communism in Pakistan: Politics and Class Activism 1947-1972* (London: I.B. Tauris, 2015), p. 142.

[1098] Jyoti Sen Gupta, *History of Freedom Movement in Bangladesh, 1943-1973* (Calcutta, Naya Prokash [1974]), p. 55.

[1099] Syed Humayun, *Sheikh Mujib's 6-point Formula: An Analytical Study of the Breakup of Pakistan* (Karachi: Royal Book Co., 1995), p. 301.

[1100] "The Adamjees," Shahid Javed Burki, *Historical Dictionary of Pakistan*, p. 41.

what they could of their holdings in a truncated Pakistan. However, the very year that Bangladesh won formal independence, the nationalization carried out by Bhuttō's government eviscerated them further and many of the other leading industrial families of Pakistan, including those who had recently migrated from East Pakistan. This put a dramatic end to the political economy of free enterprise, though one riven with graft and corruption, that characterized early Pakistan.

In its examination of the political economy of West and East Pakistan between 1947 and 1972, this section has shown how the foremost Muslim commercial firms re-constituted themselves after Partition, capitalized on the institutional voids in Pakistan's emerging markets, captured the lion's share of the financial economy, flexibly navigated state power and regime change, supported competing religious firms, and expanded industrial and financial operations in both portions of the country. Although the fruits of these labors extended to a very small social base, the intensification of inequality in Pakistan in these decades was not simply the fault of the commercial firms. The leg-up enjoyed by the leading commercial firms as a result of the historical processes examined in earlier chapters was a gap that could never be closed in the space of a single generation, even if there had been an explicit government program aimed at this. Pre-independence regional inequalities, and the widely disparate economic trajectories of Muslim communities before 1947, persisted deep into Pakistan's formative decades - and continue today.

None of this is meant to exonerate those firms who did use the state for their own profit, or to downplay the disastrous long-term effects of a grossly unequal economic framework. All the same, the turn against capitalism after 1972 spelled the end of the "twenty-two families"' position at the commanding heights of the economy, and marked a deeper epochal shift in which the political economy of free enterprise that had sustained these commercial firms from the late nineteenth century until the third quarter of the twentieth century was dispensed with. Yet, as Bhuttō himself came to realize, any economy needs entrepreneurs and the capital and expertise they alone supply. These developments will be taken up below, but it is vital to appreciate the parallel story of the religious economy of Pakistan between 1947 and 1972, specifically the debates about Islamic economics among a multitude of religious firms and individual entrepreneurs.

Religious Firms, the State, and an Islamic Economy

Having sketched out the broad outlines of the political economy in which Muslim commercial firms operated between 1947 and 1972, this portion of the epilogue looks at how economic questions were debated among religious firms and Muslim economists in early Pakistan. One of the key differences between the religious economy of the colonial period and early Pakistan was that the state became an overt religious player in its own right, although different individuals within the bureaucracy held competing views about what an Islamic economy would actually look like. Non-state religious firms also sought to use state institutions to gain official sanction for their economic reforms. Crucial too, however, were international developments in the Middle East, which became a site for not only Pakistani monetary investment and labor, but also a key area of operations for many Pakistani religious firms and a source of intellectual and political inspiration. The upshot of these interactions between the state and religious firms in Pakistan, and select religious firms between Pakistan and the Middle East, can best be described as a synchronic process, whereby the initiatives of diverse actors to forge a truly Islamic transnational economic order congealed simultaneously and spurred one another on.

While the last chapter revealed the growing consensus among a wide array of religious firms that the term *ribā* in the Islamic foundational sources applied to all forms of interest in the modern economy, this section shows how many religious firms in early Pakistan, whatever their sincerely held differences, asserted that the bedrock of an Islamic economic framework was an interest-free economy. Thus, even if Pakistani modernists in the bureaucracy held a view of Islam rooted in particular "ethical sensibilities" that distinguished them from the *ʿulamāʾ*,[1101] when it came to the discourse of Islamic economics there was little qualitative difference in the groups' views. To be sure, while the Pakistani modernist Fazlur Rahman vociferously criticized the flawed scriptural hermeneutics used by the *ʿulamāʾ* to conflate modern financial interest and the ban on *ribā* in the Islamic foundational sources,[1102] plenty of other Pakistani government economists with modernist commitments held a view of *ribā* remarkably similar to that of the religious scholars. This included economics graduates from Aligarh Muslim University, who disregarded the earlier distinctions between interest and usury made by Sayyid Aḥmad Khān and other Aligarh-educated figures from the late nineteenth century. In other words, the rise of Islamic economics was manifestly not a consequence of the 'decline of modernism' and its supplanting by an *ʿulamāʾ*/Islamist reaction. Rather its inception owed in large measure to the modernist assent to the *ribā*/interest equivalence that drew its inspiration in Pakistan from an emulsion of *etatism*, bureaucratic fiat, and peculiar readings of the Islamic foundational sources and modernity.

From the first, the nascent Pakistani state turned its attention to fostering the creation of

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1101 Muhammad Qasim Zaman, *Islam in Pakistan: A History*, p. 92.

1102 Ibid., pp. 68-69.

what proponents called an 'Islamic economic zone' stretching into the Middle East, with Pakistan at its head. This took many forms. For one, Liaquat ʿAlī Khān, Pakistan's Prime Minister, called for the extension of the Truman Aid Plan to the Middle East, and the fostering of economic cooperation between Pakistan and the Arab states for the "realization of Islamic values, democracy, and social justice."[1103] Meanwhile, immediately before Partition, Ispahānī had participated in a trade delegation that toured the Middle East and published an extensive report on economic conditions.[1104] In 1949, Pakistan's Finance Minister, Ghulām Muḥammad, presided over the International Islamic Economic Conference in Karachi, held over a period of ten days and attended by some 200 delegates, where he gave a keynote on "Islamic Economic Principles."[1105] The conference's main findings were discussed in the Pakistani Constituent Assembly.[1106] Pakistan's initiative on this front was praised by American officials who saw it as an essentially anti-Soviet action.[1107]

Ghulām Muḥammad's counterpart, Zāhid Ḥussain, the first head of the State Bank of Pakistan, spoke episodically of the need to eliminate interest from the economy. He did so during his inaugural speech for the State Bank of Pakistan on July 1, 1948, and repeated it throughout

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1103 "Pakistan Prime Minister Urges Truman Aid Plan for Middle East," *Pakistan Affairs* (Information Division, Embassy of Pakistan., 1947).

1104 M.A.H. Ispahani, *Report of the Indian Trade Delegation to the Middle East* (Delhi: Manager of Publications, 1948).

1105 Ghulam Mohammed, *Inaugural address [at the International Islamic Economic Conference]* (Karachi, 1949).

1106 *The Constituent Assembly (Legislature) of Pakistan Debate: Official Report, Vol. 1* (1950), pp. 191-192.

1107 *Foreign Relations of the United States: The Near East, South Asia, and Africa, Vol. 5* (U.S. Government Printing Office, 1950).

his tenure.[1108] On that occasion, Jinnāḥ also stressed that the bank must "[evolve] banking practices compatible with Islamic ideas of social and economic life," while also lambasting the depravity of Western capitalism, but made no mention of abolishing interest.[1109] Ḥussain continued to pursue these threads with the cooperation of diverse religious and commercial actors. In 1949 he hosted the All-Pakistan Economic Conference in Lahore, which was attended by, among others, the Aḥmadīyya scholar, Mawlānā Muḥammad ʿAlī, who also composed several works in these years on Islam and economics, none of which seem to have upheld the earlier distinction between interest/usury made by select Aḥmadī commentators in the interwar period.[1110] Shortly before his death in 1957, Ḥussain wrote the following in a foreword to *Some Aspects of the Constitution and the Economics of Islam*, a text by the Aḥmadī scholar, Nāṣir Aḥmad Shaikh:

> The theme of interest-less economy, to which Mr. Sheikh has devoted a great deal of his attention, is very close to the heart of every Muslim. It is not a new theme. It probably goes back to the time when, upon emergence from barbarism, sympathy for fellow human beings in distress began to stir the spirits of warm-hearted men and women. The search for an interest-less economy involves a questioning of the structural foundation of economic life in this age. Countries like ourselves, deficient both in learning and the

[1108] Muhammad Anwar, *Modelling Interest-free Economy: A Study in Macroeconomics and Development* (Herndon, Va : International Institute of Islamic Thought, 1987), p. 11.

[1109] "Quaid-i-Azam's Speech On the occasion of the Opening Ceremony of The State Bank of Pakistan on 1st July, 1948," https://www.sbp.org.pk/about/history/h_moments.htm (Accessed 28 May 2019).

[1110] Dr. Zahid Aziz ed., *A Mighty Striving: Biography of Maulana Muhammad Ali* (Wembley: Ahmadiyya Anjuman Lahore Publications, U.K., 2011), p. 364.

physical and intellectual tools of modern life, have to go a long way before they can see any light. The quest for knowledge and light is a sacred duty enjoined upon Muslims, and Mr. Sheikh is indefatigable in the pursuit of this duty. Let him be a shining example to us all.[1111]

Whether Ḥussain believed this was a practical economic program or merely a utopian fantasy is hard to gauge, but not long after his death the State Bank of Pakistan opened up an "Islamic Section" alongside its Development Planning and Public Finance Sections.[1112]

Regardless of these official expressions of support from the corridors of the highest financial institution in Pakistan, Pakistani economists writing from the late 1940s to the early 1960s who openly advocated the creation of an 'Islamic economy' were completely ignored. To be sure, as seen below there were instances in which governmental ministries considered implementing some facets of an Islamic economic regime. But government factors tended to downplay the practicality of such endeavors, even when state economists began formulating blueprints for a future Islamic economy. A telling indication of this is the work *Public Finance in Islam* by S.A. Ṣiddīqī.[1113] Originally published in 1948, Ṣiddīqī's book - and his articles in the Pakistani press throughout the 1950s - only gained attention in the 1970s with the growth of the

[1111] "Foreword," Nasir Ahmad Sheikh, *Some Aspects of the Constitution and the Economics of Islam* (Woking: Woking Muslim Mission and Literary Trust, 1961), n.p. In several pages, Sheikh lampooned Mawdūdī's use of Islamic legal texts to defend "landlordism."

[1112] Anwar, *Modelling Interest-free Economy*, p. 11; State Bank of Pakistan, *The State Bank of Pakistan: Its Growth, Functions and Organization* (Karachi: Dept. of Research, State Bank of Pakistan, 1959), p. 26.

[1113] S.A. Siddiqi, *Public Finance in Islam* (Lahore: Sh. Muhammad Ashraf, 1948).

Islamic finance industry in Saudi Arabia. It was translated in 1972 into Turkish and recently into Urdu.[1114] A similar experience occurred with the Dacca-based economist, Muḥammad ʿUzair, who was encouraged by Zāhid Ḥussain, the first Governor of the State Bank of Pakistan, to do research on 'interest-free banking,' but was unable to get his manuscript published "because no publisher was interested in publishing the book of a new author written on a new subject which would not attract a wide market."[1115]

Though ignored in Pakistan, the serialized versions of his articles that made it to press were translated into Arabic and aroused considerable interest in Kuwait and other Arab countries in the 1950s and 1960s, but his moment in the sun did not come until 1975 when he was invited to an article for on interest-free banking for the International Islamic Economics Conference in Mecca.[1116] If Anwār Iqbāl Quraishī, the Osmania University economist who was discussed in the last chapter, had constructed his notion of an Islamic economy in part by appealing to John Maynard Keynes' theory of interest, then ʿUzair appealed far more to Friedrich Hayek's understandings of business cycles, yet another round in what has been called the 'clash that defined modern economics.'[1117]

While the ideas espoused by professional Pakistani economists incubated in the pages of overlooked journals and monographs (for the time being at least), several religious firms in the country campaigned vigorously for the realization of an Islamic economic system from the

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1114 S.A. Siddiqi, *İslâm devletinde malî yapı* (İstanbul: Fikir Yayınları, 1972).

1115 Mohammad Uzair, *Interest-Free Banking* (Karachi: Royal Book Company, 1978), pp. i-ii.

1116 Ibid., p. ii.

1117 Nicholas Wapshott, *Keynes/Hayek: The Clash that Defined Modern Economics* (W. W. Norton & Company). Of course, Wapshott's book does not discuss this, but it would be a fitting coda to the reinvigoration of the clash over the past decades.

moment the Pakistani constitution began to be drafted in the early 1950s. As Feisal Khan has noted, the supreme paradox of Pakistan was that Islamists like Mawdūdī and many of the traditional and modernist *ʿulamāʾ* opposed its formation, but after 1947 embraced the idea wholeheartedly.[1118] Khan has further demonstrated Mawdūdī's significant role as a player in debates within Pakistani Legislative Assembly and other government institutions over the character of Islamic economics, and with Pakistani modernists over the meaning of *ribā* in the Islamic foundational sources.[1119]

In all these endeavors, Mawdūdī was assisted by the resources afforded by his own religious firm, *Jamāʿat-i Islāmī*. Founded originally in Lahore in 1941, by 1952 the neo-Salafi firm had adopted a second constitution that rendered it into a highly centralized, hierarchical organization complete with an amir and consultative council (*majlis-i shūra*).[1120] For all his harsh criticism of the *ʿulamāʾ* in the late colonial period, in the early 1950s Mawdūdī and the *Jamāʿat-i Islāmī* made several overtures to them, part of his bid to undermine their shared rivals in the *Majlis-i Aḥrār-i Islām*, the stalwart religious firm dating back 1920s Punjab.[1121]

In the early 1950s the *Jamāʿat-i Islāmī* laid out various plans in the constitutional debates for the creation of an economy founded on Islamic principles.[1122] According to Leonard Binder, initially the Directive Principles of State Policy had maintained that *ribā* was to be expunged "as

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1118 Feisal Khan, *Islamic Banking in Pakistan: Shariah-Compliant Finance and the Quest to Make Pakistan More Islamic*, ch. 2.

1119 Ibid., ch. 4.

1120 Elisa Giunchi, "The Political Thought of Abul Aʿlā Mawdūdī," *Il Politico*, Vol. 59, No. 2 (169) (April-June 1994), p. 357.

1121 Leonard Binder, *Religion and Politics in Pakistan* (Berkeley: University of California Press, 1963), p. 276-278.

1122 Ibid., p. 284.

soon as” possible. This, however, was changed to “as and when” at the last minute. This attracted the objections of many delegates, but A.K. Brūhī, advocate general of Sindh defended the language, noting “The essential thing to be noted about *ribā* is that although the word appears in Qurʾān, its actual practice, as discoverable from the case law in relation to the historical development of this doctrine of Riba is of a kind and character that we are entitled to adjust it to suit the given conditions and it has in fact been so adjusted down the ages.”[1123]

That was anathema to the *Jamāʿat-i Islāmī* and the *ʿulamāʾ* who saw *ribā* as encompassing all forms of interest across space and time.[1124] To protest the new wording introduced into the text, in 1956 Mawdūdī filed his motion for amending Article 25 of the Constitution. There he argued that Islam saw accepting interest as “much more heinous a crime than gambling, use of liquors and prostitution,” and that “of no other sin such a serious view has been taken by the Book of God.”[1125] As remarked above, however, this was not merely the position of the Islamists and the *ʿulamāʾ*, for even Zāhid Ḥussain understood *ribā* in the same way.[1126] Other delegates also pressed for legislation ushering in an Islamic economic order. A staunch supporter of women’s economic rights, Begum Jahānārā Shāhnawāz remarked in an exchange with Brūhī in the Constituent Assembly that an Islamic economic system was “the panacea for all the ills” in a modern economy. This was part of her broader program to codify the ‘Muslim Personal Law of Shariat’ and to uphold Islamic inheritance laws as a means to protect female inheritors and to engineer property redistribution away from “large estates and big

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1123 Ibid., pp. 329-330.

1124 Ibid., p. 330.

1125 “Part III- Directive Principle of State Policy: The Question of Interest,” in Khurshid Ahmad ed., *The Islamic Law & Constitution* (Lahore: Islamic Publications, 1980), p. 368.

1126 Ibid.

money."[1127] From the early 1950s then, one sees a widening consensus among religious firms and political actors that the world's first Muslim nation-state necessitated an economic framework to fit that fact.

Even as Mawdūdī's ideas failed to gain immediate state endorsement within Pakistan, he was acquiring a growing audience in parts of the Middle East, principally through the auspices of students he had mentored. Sayyid Abu Ḥasan ʿAlī Ḥasanī Nadwī was chief among these. Nadwī, a graduate of *Nadwa al-ʿUlamāʾ* had met Sayyid Quṭb, the Muslim Brotherhood leader, in Ṭāʾif in the early 1950s. The two collaborated on a number of works, and Nadwī introduced Quṭb to the writings of Mawdūdī, from whom he borrowed the term *jāhilīyya*.[1128] To be sure, Quṭb had formulated many of his ideas before being exposed to the writings of Mawdūdī and Nadwī, but his writings from the 1950s unmistakably exhibit that peculiar lexicon of neo-Salafism and anti-capitalism that was a hallmark of Mawdūdī and his devotees' writings in Hyderabad and Punjab from the 1940s. Not long after their first meeting, Quṭb wrote his *The Battle of Islam and Capitalism*, a work expressive of the dalliance between Islamist and leftist critiques of the state that became popular in Egypt and Pakistan from this period.[1129] His later commentary on the verses of the Qurʾān pertaining to *ribā* reveal how the problem of interest in the modern economy had been elevated to the centerpiece of the Islamist critique of capitalism.[1130] There Mawdūdī's interpretations of the verses on *ribā* were cited more than any other author.[1131] The

[1127] "The Finance Bill (30 March 1954)," *Constituent Assembly (Legislature) of Pakistan Debates: Official Report* (Karachi: Government of Pakistan Press, 1954), pp. 1033-1034.
[1128] Calvert, *Sayyid Qutb*, p. 217.
[1129] Ibid., pp. 158-159.
[1130] Sayyid Quṭb, *Tafsīr āyāt al-ribā* (Bayrūt : Dār al-Shurūq, [197-]).
[1131] Ibid., p. 16, n. 1; 20, n. 1, p. 30, n. 1; p. 42, n. 1.

late colonial South Asian debate on *ribā* was now making ground in the post-war Middle East, in the most activist of neo-Salafi organizations no less.

While Quṭb and the Brotherhood locked horns with the Egyptian state and gained followers among ordinary Egyptians, in the lower Egyptian town of Mit Ghamr the purportedly first 'Islamic bank' was founded in 1963.[1132] This institution is seen by the modern Islamic finance industry as its Ur-moment. While the bank's name - the Mit Ghamr Savings Bank - exhibited none of these pretensions, its deposit and lending practices sought to utilize several types of profit and loss sharing mechanisms that would allow it to avoid dealing with interest. The bank's brainchild was Aḥmad al-Najjār, who was devoted to embryonic ideas of microfinance then being espoused in developmental economics.[1133] Al-Najjār set up sub-branches of the bank, but these were closed down by Jamāl ʿAbd al-Nāṣir's government in 1968 for fear of Brotherhood connections.[1134] In truth, al-Najjār's relationship with the Muslim Brotherhood is a source of considerable debate, with some maintaining that he was equally influenced by the organization and the example of mutual banking institutions he studied in West Germany, and others contending that he had no ties to the Brotherhood.[1135] Given Nassar's

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[1132] For more on the genesis of the bank see James B. Mayfield, *Rural Politics in Nasser's Egypt: A Quest for Legitimacy* (Austin: University of Texas Press, 1971), pp. 230-248.

[1133] Inmaculada Macias Alonso, "Mit Ghamr: Pioneer in Islamic Banking," Unpublished paper presented at the 10th International Conference on Islamic Economics and Finance. http://www.irti.org/English/Research/Documents/Conferences/ICIEF/ICIEF_10/Inmaculada%20Macias%20Alonso.pdf.

[1134] Timur Kuran, *Islam and Mammon: The Economic Predicaments of Islamism* (Princeton: Princeton University Press, 2010), p. 14.

[1135] Anver M. Emon, "Islamic Law and Finance," Anver M. Emon and Rumee Ahmed, *The Oxford Handbook of Islamic Law*, p. 854.

hostility toward the Brotherhood, al-Najjār could hardly have positioned the institution as an explicitly 'Islamic' institution. A card-carrying member of the Brotherhood or not, it is perhaps an overstatement to argue that al-Najjār "hid the Islamic identity of his project under slogans of socialism."[1136] By the 1960s, the two discourses had so heavily interpolated one another in the writings of various Muslim commentators, both in Pakistan and Egypt, that they were practically indistinguishable. Over time, the socialist element diminished and the Islamist element was valorized.

Already in 1968, an article in the *Islamic Review* praised the Mit Ghamr experiment as a model for the creation of Islamic banks which would be "superior to the capitalistic conception of banking."[1137] There the Mit Ghamr bank was framed as a socialist model of banking rather than an Islamic one, but it was still hailed as an exemplar for fostering an infrastructure of Islamic banks down to the village level. The author of that piece was M.A. Mannan. Born in Bengal in 1938, Mannan served in several economic departments in West Pakistan, and in 1970 wrote his *Islamic Economics: Theory and Practice*. In the late 1970s he was appointed Professor at the International Centre for Research in Islamic Economics in Jeddah and, in 1984, Senior Economist at Jeddah's Islamic Development Bank.[1138] Mannan was emblematic of a second-generation of Pakistani economists who had enthusiastically embraced the vague ideas of an Islamic economy popular in their youth, but sought to systematize them into a formal academic

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[1136] "Symposium: Islamic business and commercial law," *Chicago Journal of International Law*, Vol. 7, Issue 2 (Winter 2007), pp. 377-622; at p. 585.

[1137] M.A. Mannan, "Theory and Practice of Interest-Free Banking," *The Islamic Review and Arab Affairs* (November-December 1968), pp. 5-10.

[1138] For a biographical survey see Mohamed Aslam Haneef, *Contemporary Islamic Economic Thought: A Selected Comparative Analysis* (Kuala Lumpur: S. Abdul Majeed & Co., 1995), pp. 13-26.

discipline with the help of their graduate training in economics (in his case at Michigan State University).

His 1968 article for *Islamic Review* is a precocious reflection of this, and how inspired figures like him were by the Mit Ghamr experiment (None paid any heed to the earlier 'Muslim' banks founded at the beginning of the century, like Lahore's Muslim Orient Bank). But the work also reveals how indebted Mannan was to the classic text of interwar Islamic economics: Anwār Iqbāl Quraishī's 1946 Islam and the *Theory of Interest*, which was heavily shaped by Mawdūdī's brand of scriptural interpretation as demonstrated in the last chapter.[1139] Mannan's piece further pinpointed *sharaka* and *muḍāraba*, two forms of profit-sharing used by Muslim merchants from the early medieval period, as the two cornerstones of a future Islamic banking sector.[1140] These became the core of the financing methods used by the Islamic finance industry because they purportedly were free of the taint of interest. With the help of Saudi capital, Mannan and many other Pakistani economists were provided an extraordinary opportunity to turn their ideas formulated in Islamic journals in the 1960s into concrete realities.

This section has reconstructed the bipartite feedback loop that laid the groundwork for a commitment to Islamic economics in Pakistan and the Middle East. The first part of this loop comprised the exchanges (sometimes in official fora) between Pakistani religious actors and bureaucrats who articulated a progressively shared vision of Islamic economics. The second part concerned the more diffuse intellectual exchanges between South Asian and Egyptian Islamists. Whereas the core ideas of Islamic economics were largely an export from South Asia to Egypt, the first 'Islamic banks' were Egyptian in origin and their structures were embraced by Pakistani

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[1139] Mannan, "Theory and Practice of Interest-Free Banking," pp. 5-10.

[1140] Ibid., p. 6.

economists, who in turn used this seed idea as the basis of a more ambitious framework for Islamic finance. Section three will examine this process at greater length. For now, the next section returns to the political economy of Pakistan from the late 1960s to the mid-1970s, which prepared fertile ground for the institutionalization of these ideas in the country, but which were preceded by a wave of nationalization that destroyed the leading commercial firms.

The '22 Families': Islam, Socialism, and the Attack on Muslim Private Entrepreneurship

This section shows how the changing religious and political economies of a redrawn Pakistan in the 1970s laid the framework for first, the articulation of an Islamic form of socialism under Bhuttō; secondly, the nationalization of key industries, the decline of leading Muslim firms, and the integration of cowed businessmen into the state; thirdly, a reaction among an alliance of religious firms, landlords, and business leaders against the "un-Islamic" socialist policies pursued by Bhuttō. In turn, this instigated the coup orchestrated by Żiāʾ al-Ḥaqq, who sought to integrate the Islamists and business leaders into a dramatically reshaped state structure that made Islamicization of Pakistani society its end goal. These decades rewrote the institutional framework governing the political and religious economies of Pakistan, with implications for the birth of Islamic finance as a global phenomenon.

As Farzana Shaikh has argued, although the 1950s had seen the onset of unresolved constitutional debates about the Pakistani state and Islam, it was only in the 1960s under the economic development programs implemented by Ayūb Khān "that the spotlight turned on the economic and social complexion of a state that professed to be founded on Islam."[1141]At the same time, certain actors within the Muslim League in Punjab and Bengal advocating land reform did so on the pretext that this was what an Islamic economic system, with the "red Mawlānā" Mawlānā Bhashanī being one of many to draw this link.[1142] After a decade in which the fruits of Ayūb Khān's development schemes failed to reach a broader demographic base, in part because of an inadequate focus on social welfare sectors, Muslim business was caught in the middle ground between the Muslim socialists demanding economic programs they deemed commensurate with Islam, and the proponents of an Islamic economy among the Islamists and the *ʿulamāʾ*.[1143] Even if Ayūb Khān's reign was characterized by his patronage of Pashtun entrepreneurs, the links between the general and some Memon businessmen, like Ṣadiq Dāwūd, proved disastrous. Memon firms, including the Haroon corporation, who had never supported the general were seen as beneficiaries of their relationship with the government and were subjected to nationalization.[1144]

As an earlier chapter demonstrated, ideas of "Islamic Socialism" certainly did not originate in 1960s Pakistan. Many interwar Muslim commentators conflated at least some of the goals of socialism and Islam, although many were keen to preserve at least an element of free enterprise. From the late 1950s, amidst the drive for economic modernization, these ideas gained added urgency. According to Fazlur Rahman, Ayūb Khān had invoked the phrase in his "Introduction to the Guidelines of the Third Five-Year Plan," but it was eventually expunged in

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[1141] Farzana Shaikh, *Making Sense of Pakistan* (Oxford: Oxford University Press, 2018), pp. 116-117.
[1142] Ibid., p. 123.
[1143] Ibid., pp. 123-125.
[1144] Laurent Gayer, *Karachi: Ordered Disorder and the Struggle for the City*, p. 136, 300, n. 8; Mahmood, *Karachi's Big Entrepreneurs*, p. 135.

the plan's printed reports after objections from Muslim businessmen, the *Jamāʿat-i Islāmī*, and the *ʿulamāʾ*.[1145] Even so, Ayūb Khān invoked the term in a speech to the National Economic Council, as the mouthpiece of the Karachi-based World Muslim Congress noted with approval.[1146] The Council Muslim League had in turn adopted a resolution in 1968 calling for "the establishment of Islamic social and economic justice for all the people of Pakistan," by means of the erection of state monopolies in industry, energy, trade, and agriculture.[1147] Surprisingly, even a business magnate like M.A.H. Ispahānī told the Pakistan Soviet Cultural Society in December 1969 that Jinnāḥ "was a believer in Islamic socialism," words that came in for criticism in *The Pakistan Review* which held that Islam had no need for a socialist "crutch."[1148]

In a curious mix of commercial entrepreneurship and Sunni religious activism, Ibrāhīm Aḥmad Bawanī, a prolific Muslim missionary and member of a great Memon industrial family, wrote his *Revolutionary Strategy for National Development* in 1970 inveighing against the "curse of interest" and the imperative for an Islamic economy built on socialist principles. Therefore, among an uneasy constellation of business and religious firms there was a vague sense that what the moment demanded was a reconciliation of the ideals of Islam and socialism.

Mawdūdī's *Jamāʿat-i Islāmī* serves as an interesting case study of how these ideas of

[1145] Fazlur Rahman, "Islam and the New Constitution of Pakistan," J. Henry Korson ed., *Contemporary Problems of Pakistan* (Leiden: Brill, 1974), p. 32.

[1146] "President Ayub Khan's Definition of Islamic Socialism," *The Muslim World*, Vol. 2 (5 September 1964), p. 18.

[1147] Siddiqui, *Conflict, Crisis, and War*, p. 123.

[1148] "Islam Needs no Crutch of Socialism," *The Pakistan Review*, Vol. 18 (Lahore, Ferozsons Ltd., 1970), p. 9, 15.

Islamic economics and socialism coalesced, albeit awkwardly, in the program advanced by a religious firm. Mawdūdī had earlier criticized ideas of "Islamic socialism" which he saw as a contradiction in terms, and an overextension of the state's role in economic affairs.[1149] By the end of the 1960s, however, his economic program came to share much of the socialist ideas espoused by the Pakistan People's Party, including the nationalization of industries.[1150] However, with the coup of Żiāʾ al-Ḥaqq many Islamists and *ʿulamāʾ* once again espoused ideas of free enterprise, but this sat ill at ease with their advocacy for social reforms, carried out by a combination of state and religious actors, that would create a truly Islamic society in Pakistan.

The chief consequence of Islamist and socialist mobilization around the idea of a Islamic socialism was an attack on the leading Muslim commercial firms. Paradoxically, the valorization of the "twenty-two families" into a polemical set-piece in its own right owed not to the protests of socialists or Islamists, but to a developmental economist trained at Cambridge and Yale, Mahbub ul Haq, who became Chief Economist of the National Planning Commission under Ayūb Khān.[1151] At a speech given in Karachi in April 1968, Haq inveighed against the concentration of "two thirds of the industrial assets, 80 percent of banking, and 70 percent of insurance" in the hands of these twenty-families. He further argued that this pattern of development had exacerbated disparities between East and West Pakistan and a spectacular

[1149] Giunchi, "Maududi," p. 370.

[1150] Ibid., pp. 370-371.

[1151] In the case of Mahbub ul Haq, because he is a well-known figure in the field of development economics, I've made an exception for my transliteration scheme and preserved the most popular transliteration of his name as is.

decline in the real wages of industrial workers.[1152]

Although Haq's primary aim was to reform the economic program of Ayūb Khān, his speech turned out to be a terrible own goal, as he himself later acknowledged, writing that "the debate on twenty-two family groups in Pakistan got completely out of control."[1153] Other Western economists writing at the time, such as Lawrence J. Wright, disputed Haq's assessment, maintaining that he was right to argue that wealth concentration in Pakistan was high, but that he had inflated the actual figures.[1154] Once the genie was out of the bottle it could not be contained. Even if Haq's speech was intended to jumpstart institutional reforms that would strengthen capitalism by spreading the benefits of development more widely and bringing an end to what he called "economic feudalism" of the bureaucrats, landlords, and industrialists, it morphed into a call for dispossession of the leading Muslim commercial firms.[1155]

In 1970 Haq left Pakistan to go work at the World Bank for a decade. There, like other Pakistani development economists associated with that institution and the IMF, he called for the creation of an "Islamic economic zone," but even the particulars of his ideas for what this entailed shared little with other Pakistani actors. For example, in 1977 at a conference hosted by the Islamic Council of Europe, Haq called for the creation of a Muslim OECD and a "dinar zone" that would rely on the cooperation between Muslim countries and the West, but which

[1152] Mahbub ul Haq, *The Poverty Curtain: Choices for the Third World* (New York: Columbia University Press, 1976), p. 6.
[1153] Ibid., p. 7.
[1154] Saeed Shafqat, *Civil-Military Relations in Pakistan: From Zufikar Ali Bhutto to Benazir Bhutto* (Boulder: Westview Press, 1997), p. 129. Shafqat cites from the study Lawrence J. White, *Industrial Concentration and Economic Power in Pakistan* (Princeton: Princeton University Press, 1974).
[1155] Ibid.

would ultimately be self-sufficient. But another delegate, Altaf Gauhar, ex-editor of *Dawn* and an ally of Ayūb Khān, used the conference to inveigh against the concentration of wealth in the hands of a chosen few, whether in Pakistan or outside it, calling for the people's overthrow of "all repressive national systems and arbitrary geographical barriers."[1156] Gauhar had earlier been imprisoned by Bhuttō's government, part of a crackdown on dissent that encompassed the leading business leaders. Once abroad he campaigned actively for Third World economic solidarity based on Islamic principles.

Bhuttō pursued a similar agenda throughout his tenure, which began with the nationalization blow against the "twenty two families." The hammer fell on January 3, 1972 with the passage of the Economic Reforms Order, 1972. The opening articles give a glimpse of the strange fusion of socialism and Islamic economic ideas then en vogue in Bhuttō's administration:

> Whereas the benefits of economic development and industrialization have remained confined to the privileged few to the detriment of the common man;
>
> And whereas Islam enjoins equitable distribution of wealth and economic power and abhors their concentration in a few hands;
>
> And whereas it is the duty of Government to ensure that the wealth and economic resources of the country are exploited to the maximum advantage of the common man;

[1156] These articles are contained in Mahbub ul Haq's file at the World Bank. "A five-point 'vision' to inspire the Muslim nations," *The Times* (12 July 1977), p. 15; "Riches and Poverty in the Muslim World," *The Times* (12 July 1977), p. 7.

And whereas those who control the means of production are accountable to the people through their chosen representatives;

And whereas it is necessary to safeguard the interest of the small investor;

And whereas it is necessary for that purpose to provide for redeeming the promises made to the people in that behalf from the time to time since the creation of Pakistan.[1157]

The act gave the federal government the powers to nominate the board of directors for companies, a measure that ensured the demographic dilution of firms that had community or family-centered management.[1158]

Longstanding concerns were not spared Bhuttō nationalization, including the Muslim Commercial Bank, which had been founded by Ḥajī Dāwūd Adamjī in 1947, and Habib Bank, Pakistan's only commercial bank at independence. The resistance launched by some business leaders was largely futile, even when appeals were made to unassailable arithmetic : at a conference of business leaders held at Karachi in 1973 it was argued by one attendee, Razak Adamjī, "that the total wealth of the so-called twenty two families is not even one tenth of the

[1157] The text of the order can helpfully be consulted at the following site legal site: https://joshandmakinternational.com/resources/laws-of-pakistan/land-property-acquisition-and-conveyancing-laws-of-pakistan/economic-reforms-order-1972-presidents-order-1-of-1972-gazette-of-pakistan-extraordinary-3rd-january-1972/ Accessed 27 May 2019.

[1158] See Ibid., 3 a.

assets of TATA family."[1159] Perhaps unknown to Adamjī was that portions of the Tata's business empire had been nationalized in the intervening decades, not least their airline company in the early 1950s, but they narrowly escaped Indira Gandhi's nationalization of the steel industry in 1972.[1160]

With Bangladesh lost and the leading entrepreneurs quickly extracting their capital from the country, Pakistan's economy experienced an enormous contraction under Bhuttō, with growth declining from its peak 6% under Ayūb Khān to 4% under the PPP.[1161] By several accounts, Bhuttō's cabinet did not possess a single economist. With many of the best Pakistani economists working for the World Bank, IMF, or in Saudi Arabia, or linked to the preeminent commercial firms, this proved to be a severe disadvantage. According to a *New York Times* piece written at the time of Bhuttō's ascendancy to office, when the World Bank President Robert S. McNamara met with him and his officials in Islamabad, a significant portion of the time was spent explaining basic banking terminology to the group. This severe dearth of trained economists meant that Bhuttō had to go cap-in-hand to the very families he had dispossessed in the nationalization drive, but many refused to play his game.[1162]

The two exceptions were Rafique Saigol and S. Bābar ʿAlī, both of whom came back to work for Bhuttō in government-sponsored development institutions. Their stories confirm

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[1159] Chamber of Commerce & Industry (Pakistan), *Economic Revival and Private Enterprise in Pakistan: Proceedings of the Businessmen's Conference, Karachi, May 14-17, 1973* (Karachi, Chamber of Commerce & Industry [1973]), p. 35

[1160] Mary C. Carras, *Indira Gandhi, In the Crucible of Leadership: A Political Biography* (Boston: Beacon Press, 1979), p. 147.

[1161] Cohen, *The Idea of Pakistan*, p. 83.

[1162] James P. Sterba, "Bhutto Picks Up The Pieces of Pakistan," *The New York Times* (25 June 1972), p. 7.

Papanek's argument that the move into politics by leading Muslim commercial firms was a second-generation story. However, their experiences also show how it was only in the wake of the Bhuttō's partial reversal of nationalization that led Muslim commercial firms into a deeper and more formal alliance with the state. Arguably, this continued into the rule of Żiāʾ al-Ḥaqq, which was not a return to private enterprise as is sometimes averred, but rather the further consolidation of a process whereby business and the state became partners in the later years of Bhuttō's rule.

The case of the commercial entrepreneur S. Bābar ʿAlī serves as an ideal illustration of this salient fact. ʿAlī was the scion of the Waziralis, a firm whose origin dates back to 1875. From their headquarters in Lahore, they made a fortune as suppliers to the British Army in Punjab, and acquired an outsize place in the import-export business by Partition. They became even bigger economic players after 1947 by expanding into the mill industry and setting up numerous joint-ventures with Ford and Lever Brothers.[1163] Bhuttō appointed S. Bābar ʿAlī as head of National Fertilizer Corporation. As he explained at the time, ʿAlī's goals in working with the Bhuttō government included poverty alleviation in the agricultural sector, and the reduction of costly fertilizer imports which both exhausted Pakistan's scarce foreign exchange reserves and deprived most farmers of fertilizer by virtue of high cost.[1164] As ʿAlī himself acknowledged, making Pakistan more self-sufficient in agriculture was entirely dependent on foreign capital, however.

[1163] David A. Andelman, "A Pakistani Capitalist Runs a Nationalized Industry," *The New York Times* (31 July 1977), p. 3.

[1164] Ibid.

For that reason, ʿAlī embarked on several international trips in order to gain funding, including to Abu Dhabi, whose national oil company took out a 48% stake in a $200,000,000 nitrophosphate plant. Saudi Arabia was also on his radar screen, and in 1977 he garnered a promise from the Saudis for a "$200 million urea plant that will begin producing some 1.700 tons of fertilizer a day by the end of next year." The reliance on enormous loans from the Saudis and the Gulf states heralded a new political economy of debt in Pakistan that still has reverberations today.

Other than his cultivation of Middle Eastern capital, ʿAlī is of interest for present purposes as an entrepreneur who not only recognized that nationalization was an irreversible process, but who also threw his allegiance behind General Żiāʾ al-Ḥaqq. As he told *The New York Times* in 1977, shortly after Żiāʾ had thrown Bhuttō from power, nationalization meant that "Banks, insurance, and all that...have become too much a part of the Government." He predicted that instead of privatization, Żiāʾ's government would restore the entrepreneur's confidence that he was a vital part of the national economy, while keeping him subservient to the state's development goals.[1165]

Ultimately, the prime consequence of Bhuttō's nationalization was the obstruction of progress in capital-intensive industries, the decline of leading business houses, and a reform deadlock in the corporate, industrial, and state sectors.[1166] If anything, nationalization only assisted the bureaucracy, failing to trickle down to the masses.[1167] At the same time, Bhuttō's

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1165 Ibid.

1166 Nadeem Malik, *Corporate Social Responsibility and Development in Pakistan*, p. 44.

1167 Seyyed Vali Reza Nasr, *The Vanguard of the Islamic Revolution: The Jama'at-i Islami of Pakistan* (Berkeley: University of California Press, 1994), p. 173.

regime tried to instrumentalize the popular discourse of Islamic economics for its own purposes. It was under his watch that a famous Islamic Summit was held at Lahore in 1974, where ideas were debated for the creation of an International Islamic Bank.[1168] Pakistan's representative at the conference was Ghulām Ishāq Khān, the head of the country's state bank, who had also participated at meetings in Jeddah the year before where details for the said bank were hashed out.

These efforts sat at odds, however, with other economic policies of a more outright socialist bent that Bhutto implemented, especially land reform. These were deemed "un-Islamic" by a broad range of actors, who formed the nucleus for an opposition movement called Nizām-i Muṣṭafa, which took shape by 1975. This movement instigated a deeper reaction against socialism. Over time, the leftward swerve under Bhuttō led to a massive capital infusion by a range of the lower middle-class, landed elites, *muhājirs*, and even Saudi Arabia into groups like the *Jamāʿat-i Islāmī*.[1169] The Saudis in particular plowed money into the coffers of the *Jamāʿat-i Islāmī*, and deeper ties were made between Saudi *ʿulamāʾ* and *Jamāʿat-i Islāmī* activists.[1170] It was these forces that toppled Bhuttō in 1977, with the *Jamāʿat-i Islāmī* having the biggest hand. In postcolonial Pakistan, a religious firm with access to an enormous infrastructure of mobilization could precipitate a coup.[1171]

1168 Aziz Beg and Nasim Ahmad ed., *Story of Islamic Summit in Lahore* (Lahore : Babur and Amer Publications, 1974), p. 250.

1169 Nasr, *The Vanguard*, pp. 59-60.

1170 Ibid.

1171 Seyyed Vali Reza Nasr, *Mawdūdī and the Making of Islamic Revivalism* (New York: Oxford University Press, 1994), p. 46.

While Bhuttō's downfall had been ushered in by the consortium of parties united under the label Nizām-i Muṣtafa, that trope now became a paradigm for the re-engineering of Pakistani society under General Żiāʾ al-Ḥaqq. A range of Islamic institutions that had been created under Ayūb Khān, but which had more or less been politically dormant, now entered into the political scene in a forceful way. Representative in this respect was the Council of Islamic Ideology (CII). First created in 1957, the CII had received a request from the Pakistani government as early as 1963 inquiring whether "whether interest-based government borrowings fell under the definition of *riba*." It took six years to formulate a reply in the affirmative.[1172] Under Żiāʾ al-Ḥaqq, however, the CII took on a life of its own. Soon after the coup, it set up a research team of 15 economists and bankers to develop a blueprint for re-engineering the country's financial economy along 'Islamic lines.'[1173] The elimination of all interest became its primary preoccupation, and the council began engineering a series of profit and loss-sharing instruments as an alternative to charging interest.[1174]

Some of these economists and jurists had waited for this moment ever since Pakistan emerged on the map. Anwār Iqbāl Quraishī, the Osmania University economist who wrote his *Islam and the Theory of Interest* back in 1946, and who campaigned over the intervening decades in Pakistan and Saudi Arabia for the turn to Islamic finance, dedicated his 1979 work, *The Economic and Social System of Islam* to Żiāʾ al-Ḥaqq, who he called "a true soldier of Islam...for his laudable efforts and keen initiative in introducing the much coveted Nizam-i Mustafa in

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[1172] M. Mansoor Khan and M. Ishaq Bhatti, *Developments in Islamic Banking: The Case of Pakistan* (New York: Palgrave Macmillan, 2008), pp. 77-78.

[1173] Ibid., p. 78.

[1174] Ibid., p. 79.

Pakistan…"[1175] For all the dissonance of the Islamic finance program in Pakistan over the next decade and a half, and the reluctance of jurists and civil bureaucrats to carry it through,[1176] the rules of the economic and religious game in the country had changed irrevocably. A.K. Brūhī, the jurist who in 1954 had defended the change from "as soon as possible" to "as when and possible" in the constitutional clause concerning *ribā*, became one of Żiāʾ al-Ḥaqq's closest allies in the judiciary. From the late 1960s he had been a minority voice stressing that Islam was incompatible with *both* capitalism and socialism, self-sufficient in its own right.[1177]

This section has argued that nationalization - carried out in part on the pretext that this is what Islamic socialism demanded - eviscerated the leading commercial firms. This led to a process whereby the state co-opted personnel from the leading commercial firms and used them as a vehicle of social engineering and economic development. If the period from 1947 to 1972 had been one in which the top commercial firms engaged in state capture, from 1972 to 1977 they were captured by the state. Many of these entrepreneurs who reconciled themselves to the state, however, did so out of necessity rather than conviction. None were willing to go to the wall for Bhuttō's regime, and quickly transferred their loyalties to the new military regime, which was more sympathetic to business and keen to recruit the support of Islamists. Although the new regime was happy to recruit business support, it was by no means interested in restoring the

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1175 Anwar Iqbal Qureshi, *The Economic and Social System in Islam* (Lahore: Islamic Book Service, 1979), p. iii.

1176 Charles H. Kennedy, *Islamization of Laws and Economy: Case Studies on Pakistan* (Islamabad : Institute of Policy Studies, 1996), p. 46.

1177 A.K. Brohi, "The Concept of Islamic Socialism," John J. Donohue and John L. Esposito eds., *Islam in Transition: Muslim Perspectives* (New York: Oxford University Press, 2007), pp. 111-113. Original article published in late 1960s.

commercial firms to prominence and from this point the Pakistani military expanded vigorously into the business sector, coming to control huge portions of the economy, to the lasting detriment of the country as a whole.[1178] At the same time as the army consolidated its grip on the economy the regime began openly advocating for the turn to Islamic financial system. Over the past years the contours of that emerging industry had been hashed out between Islamabad and Jeddah, where several Pakistani economists had been employed to modernize the Saudi financial system since the late 1950s. The next section examines these actors at length.

Islamic Capitalism Redux?: Pakistan, the Islamic Development Bank, and the turn to Islamic Finance

This final section studies the process whereby Pakistani economists and bankers were dispatched to the Middle East from the late 1950s. The impetus for this was not the Pakistani state as such, but rather the two leading institutions spawned by the Bretton Woods Conference in 1944 - the International Monetary Fund and the World Bank. Several Pakistani economists joined these institutions in the early 1950s, and from this position gained an inordinate role in reforming the postwar economies of several Middle Eastern states, especially Saudi Arabia.[1179] These figures had a large hand in completely remaking the political economy of the Middle East,

[1178] Ayesha Siddiqa, *Military Inc.: Inside Pakistan's Military Economy, Second Edition* (London: Pluto Press, 2017), ch. 6.

[1179] I have tracked down several records related to Quraishī and other Pakistani economists in the International Monetary Fund archives in Washington D.C. and hope to incorporate them into the final version of this dissertation.

and with the breakneck ascent of petrodollars from the late 1960s, the religious economy of global Islam would be transformed as well.

One of the earliest Pakistani economists to gain employment in the Middle East was Anwār Iqbāl Quraishī. After leaving his position as economics professor at Osmania University he became an important financial official in Pakistan. From there he pivoted to the International Monetary Fund on its Middle East desk and for the World Bank.[1180] During the Suez Crisis in 1956 Quraishī was listed as "financial adviser to the Government of Saudi Arabia."[1181] Muḥammad ʿUzair (the economist whose earlier work on Islamic finance had been snubbed) and Quraishī collaborated in the 1960s on various banking projects in Pakistan, after Quraishī's return from Saudi Arabia.[1182] At the same time, the Gulf and Saudi Arabia were quickly becoming a haven for Pakistani labor, whose remittances helped obscure the disastrous effects of Bhuttō nationalization and Bangladesh's secession on the Pakistani economy.[1183]

However, the transformation of Saudi Arabia into a financial powerhouse was largely the work of the Pakistani technocrat Anwār ʿAlī. Sent as an the officer by the IMF and World Bank to Jeddah in the 1950s, ʿAlī headed the Saudi Arabian Monetary Authority from 1958 to 1974. Born in the Punjabi city of Gujranwala in 1913, unlike many colleagues in the Pakistani economic bureaucracy who were Aligarh alumni, he had graduated with a master's degree in

[1180] His later work speaks often of the IMF. See Anwar Iqbal Qureshi, *Developments in Pakistan Economy Since the Revolution* (Karachi: Nabeel Publishing House, 1961).

[1181] *Middle Eastern Affairs* (Council for Middle Eastern Affairs, 1956), p. 478.

[1182] Mohammad Uzair, *Banking Challenges: Proceedings of All Pakistan Banking Seminar* ([Karachi] Pakistan Banking Society [1967]), pp. 12-13.

[1183] Cohen, *The Idea of Pakistan*, p. 83.

economics in 1934 from Ismailia College in Lahore.[1184] (That institution was originally founded by the *Anjuman-i Ḥimayat-i Islām*, a religious firm that was conceived by its architects as a bulwark for Islam in late nineteenth-century Punjab, as chapter 3 demonstrated.) Like Zāhid Ḥussain, Anwār Iqbāl Quraishī, and other Pakistani economists trained in the late colonial period, Anwār ʿAlī worked within the colonial civil service, eventually becoming undersecretary in the Ministry of Finance in India. After migrating to Pakistan, he became deputy undersecretary in the Ministry of Finance and director of the National Bank in Pakistan, all before moving to Saudi Arabia in 1958.[1185]

One year before the move, as a staff member at the International Monetary Fund in 1957, Anwār ʿAlī wrote a highly sophisticated survey of banking in the Middle East (in which he included Pakistan).[1186] Regarding interest rates, he remarked that in Pakistan, Egypt, and Iraq these were surprisingly low, a fact he chalked up to the "narrowness of the sphere within which commercial banks operate...and the conservative safety margins that are normally required."[1187] In turn, he argued that raising interest rates would "attract into the banking system some savings which presently go into landed property, real estate, or hoards. This would also have a healthy effect on capital formation. To be effective, however, such a policy might call for an increase in interest rates so substantial that it would probably be resisted on political, social, and fiscal

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1184 "Ali, Anwar," *World Who's Who in Commerce and Industry, Vol. 14* (Chicago: Marquis - Who's Who, 1965), p. 14.

1185 See the short biographical details on Anwar Ali contained Thomas W. Shea, "The Riyal: A Miracle in Money," *Saudi Aramco World*, Vol. 20, No. 1 (January/February 1969), pp. 26-33.

1186 Anwar Ali, "Banking in the Middle East," *Staff Papers:International Monetary Fund,* Vol. 6, No. 1, (1957), pp. 51–79.

1187 Ibid., p. 63.

grounds."[1188] Elsewhere, he called for the growth of private capital participation in industry. Citing the example of Pakistan, he argued that state-sponsored projects undertaken in cooperation with private capital was one way to generate this outcome.[1189] On numerous occasions, he pointed out that capital and government security markets in the Middle East were in need of serious overhaul, supplying one way, along with sound central bank policy, to combat the seasonal variation in the banking business.[1190] Fascinating is that nowhere in his panoramic report on banking in the Middle East does Anwār ʿAlī mention Saudi Arabia. His transfer to the country in 1958 likely brought a steep learning curve along with it.

As head of SAMA, effectively the Saudi central bank, Anwār ʿAlī completely overhauled the political economy of Saudi Arabia, overseeing among other reforms, the introduction of Saudi paper currency.[1191] Throughout his tenure, Anwār ʿAlī had his secretary translate government documents from Arabic into English.[1192] The passing of the relevant paper currency legislation followed an extensive question and answer session involving various Saudi *ʿulamāʾ* and Anwār ʿAlī.[1193] ʿAlī likely had his work cut out for him as Muḥammad ibn Ibrāhīm Āl al-Shaikh, the Grand Mufti of Saudi Arabia between 1953 and 1969, was adamant throughout his

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[1188] Ibid.

[1189] Ibid., p. 68.

[1190] Ibid., p. 74.

[1191] *Annual Report: 1380 A.H.* (Saudi Arabia Monetary Agency: Kingdom of Saudi Arabia), p. 21.; Mohamed A. Ramady, *The Saudi Arabian Economy: Policies, Achievements, and Challenges* (New York: Springer, 2005), p. 83.

[1192] Ahmed Banafe and Rory Macleod, *The Saudi Arabian Monetary Agency, 1952-2016: Central Bank of Oil* (New York: Palgrave Macmillan, 2017), p. 300.

[1193] Usama Hasan ed. and trans., 'Abdullah b. Sulayman b. Mani', *Paper Money: Its reality, history, value and legal ruling* (1st ed. 1391/1971, 2nd ed. 1404/1984), p. 16. The original work is titled *al-Waraq al-naqdī tārīkhuh, ḥaqīqatuh, qīmatuh, ḥukmuh* (al-Riyād: Maṭābiʿ al-Riyāḍ, [1971]), p. 29.

tenure that paper currency bore *ribā*. Āl al-Shaikh also banned selling Saudi riyals for other currencies, and on occasion upbraided government ministries and other *ʿulamāʾ* for contradicting this line.[1194] Curiously, unlike Anwār Iqbāl Quraishī who was adamant that an Islamic economy meant an interest-free one, Anwār ʿAlī found the Saudi opposition to interest banking not only impractical, but even a little quaint. According to one American ambassador at the time,

> One of the first things Anwar told me about the messy finances he faced was that he had discovered to his dismay that many Saudi accounts in New York were not drawing any interest. He found it touching that the banks were so sensitive to the Saudis' religious scruples against acceptance of interest.[1195]

Here Anwār ʿAlī was voicing one of the many legitimate interpretations of interest banking articulated by Indian Muslims over the past century and a half. But, with many of his counterparts in Pakistan and Saudi Arabia rejecting this as just so much heresy, this position could not hold out for long.

Anwār ʿAlī's found a willing collaborator in Faiṣal ibn ʿAbd al-ʿAzīz Āl Saʿūd (d. 1975). His annual reports for the Saudi Arabia Monetary Authority consistently praised Faiṣal's oil policies. Anwār ʿAlī and his ministry, however, played in inordinate role in drawing up new banking legislation and diversifying the banking system throughout the country. In June 1966,

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[1194] *Majmūʿ fatāwā wa-rasāʾil Samāḥat al-Shaikh Muḥammad ibn Ibrāhīm ʿAbd al-Laṭīf Āl al-Shaikh* (Makka al-Mukarrama: Maṭbaʻa al-Ḥukūma, 1399), pp. 179-181.

[1195] Quoted in Ron Chernow, *The House of Morgan: An American Banking Dynasty and the Rise of Modern Finance* (New York: Grove Press, 2010, p. 607.

the Banking Control Law was promulgated by royal decree. According to Anwār ʿAlī, "Besides providing enabling measures for an effective monetary policy, the Law would ensure the solvency and liquidity of commercial banks, thus safeguarding the interests of the depositors and at the same time ensuring the smooth growth of the economy."[1196] Although Saudi banks constituted only three of the ten commercial banks operating in the country, they had a disproportionate number of banking offices in the country and "play a dominant role in the nation's banking system...responsible for over 60 per cent of total assets and liabilities of the whole banking system." [1197] Helping Saudi banks sustain themselves was one pillar of SAMA's strategy under Anwār ʿAlī. Another was the tutelage given to Saudi staff at SAMA's Banking Training Center.[1198] Additionally, SAMA's efforts to help expand the Saudi private sector, especially from 1968, served as a fitting contrast with the strident demands for nationalization and socialism in Pakistan.[1199] Indeed, if various Pakistani state-owned financial institutions were increasingly captured by the leading merchants families in the years before nationalization, then commercial banks in Saudi Arabia served as a counter-example in which they preserved their independence and facilitated the expansion of the private sector in the country.[1200] In all these years, none of the annual reports show any concern with the construction of "Islamic banks."

All the same, Anwār ʿAlī did forge links with other financial institutions in the Islamic world. In 1968, with the help of factors in the National Bank of Pakistan, he helped engineer the

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[1196] *Research Department: Saudi Arabia Monetary Agency, Annual Report, 1384-85 A.H. (1965)*, p. 3.
[1197] *Research Department: Saudi Arabia Monetary Agency, Annual Report, 1385-86 A.H. (1966)*, pp. 24-25.
[1198] Ibid., p. 30.
[1199] *Research Department: Saudi Arabia Monetary Agency, Annual Report, 1387-88 A.H. (1968)*, p. 4.
[1200] Ibid., p. 18.

birth of a joint Pakistan-Saudi bank, called Millat Bank of Saudi Arabia Ltd. In December 1973, when a combined Saudi and Pakistani Preparatory Committee was created to spearhead the Islamic Development Bank (IDB), the Saudi government elected Anwār ʿAlī as Vice Chairman.[1201] Soon enough, experts from various states converged on Jeddah to work out the details. Although Anwār ʿAlī died of a heart attack before the agreement was signed, that the IDB was even a possibility stemmed from his reforms as head of SAMA over the previous sixteen years.

Anwār ʿAlī's successor at SAMA was a Saudi citizen, but two other Pakistani developmental economists, ʿUmar Chapra and Misbāḥ al-Dīn Farūqī, continued to work for the agency and participated actively in the creation of IDB. Born in Bombay into a Memon commercial family,[1202] Chapra earned a PhD from the University of Minnesota and spent the late 1950s and early 1960s writing articles for Islamabad's *Pakistan Development Review* on the bank rate and seasonal variations in bank activity.[1203] He joined SAMA sometime in the mid-1960s, where he was mentored by Anwār ʿAlī.[1204] Since then he has continued to pursue the development of Islamic finance, not only in Saudi Arabia and Pakistan, but on a global scale.[1205]

1201 S.A. Meenai, *The Islamic Development Bank: A Case Study of Islamic Co-Operation* (Routledge: New York, 2009), p. 9.

1202 See him listed as an employee of SAMA in Faruq Ahmad Chotani, *Memons International Directory* (Bombay : Memons International, 1971), p.99.

1203 M. Umer Chapra, "Effectiveness of Bank Rate Instrument in Pakistan," *The Pakistan Development Review*, Vol. 2, No. 1 (1962), pp. 84–96; M. Umer Chapra, and A. N. M. Azizur Rahman, "Seasonal Variations in Scheduled Banks' Activity," The Pakistan Development Review, vol. 2, no. 3 (1962), pp. 422–432.

1204 M. Umer Chapra, *The Economic System of Islam: A Discussion of Its Goals and Nature* (Karachi: Dept. of Publications, University of Karachi, 1971)

1205 Ibid., p. 11.

Over the last four and a half decades, he has become one of the most effective advocates of Islamic finance and was head of SAMA in the 1990s.[1206] He was among the Pakistani scholars arguing in the 1970s for the Pakistani state to live up to what Islam demanded of state power in the economic sector and erect an "Islamic Welfare State."[1207]

The charter for IDB was signed by the finance ministers of twenty-seven countries in October 1974. Its subscription capital, denominated in "Islamic dinars," was 750,000,000 more than one-fourth of which was from Saudi Arabia.[1208] SAMA was to be IDB's trustee and depository, but the bank would also cooperate with the IMF to work out international exchange rates and the dinar.[1209] Those who had participated in the IDB's creation had agreed that interest and *ribā* were equivalent,[1210] but from the first international commentators noted the unpleasant fact that the funds "invested' by the IDB in SAMA accrued substantial amounts of interest, something which SAMA's internal accounting seems to have masked by adding the interest to the market value of assets.[1211] In truth, SAMA and the Islamic finance sector have not always seen eye-to-eye in Saudi Arabia,[1212] but there are several shared presuppositions about what

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1206 M. Umer Chapra, "Why has Islam prohibited interest?: Rationale behind the prohibition of interest," Abdulkader S. Thomas ed., *Interest in Islamic Economics: Understanding Riba*, pp. 96-112.

1207 M. Umar Chapra, *The Islamic Welfare State and Its Role in the Economy* (Leicester: Islamic Foundation, 1979).

1208 "Islamic Development Bank: Articles of Agreement, Annexure A," cited in W. E. Kuhn, "The Islamic Development Bank: Performance and Prospects." *Nebraska Journal of Economics and Business*, Vol. 21, No. 3 (1982), p. 53.

1209 Kuhn, "The Islamic Development Bank," pp. 53-54.

1210 Abdulkader Thomas, *Interest in Islamic Economics: Understanding Riba* (Routledge: London and New York, 2006), p. 136.

1211 Kuhn, "The Islamic Development Bank," p. 62.

1212 Rodney Wilson, *Economic Development in Saudi Arabia* (Routledge: New York, 2004), p. 60.

'authentic' Muslim capitalism looks like, and their interdependence and ultimate subservience to the Saudi royal family is undeniable.

IDB immediately began looking abroad for opportunities to expand, and its religious appeal was undeniable. Already in 1977 the Islamic Development Bank was publishing plans for the "Islamisation of Banking in Pakistan."[1213] The changed political climate in the country greatly facilitated this, not least because Mawdūdī's disciple, Khurshīd Aḥmad, had economic minister under Żiāʾ al-Ḥaqq. Aḥmad made it his stated object to truly 'Islamize' the economy of Pakistan.[1214] Nevertheless, not all those calling for the Islamic economic order were pleased with the Saudi dominance, even those in Żiāʾ al-Ḥaqq's inner circle. One figure was Altaf Gauhar, a former member of the *salariat* and the ex-editor of *Dawn* who had presented his ideas of an Islamic economic system to the Islamic Council of Europe in 1977.[1215] He threw in his lot with Żiāʾ al-Ḥaqq in 1977, and devoted himself to building Third World solidarity. By the 1980s, he was blaming Kissinger for "co-opting important Arab countries into the Western banking system and thus splitting the Third World," not least via drawing up arrangements with SAMA for the purchase of US treasury securities and the funneling of petrodollars into American banks.[1216]

The birth of "Petro-Islam"[1217] dates precisely from this moment, and petrodollars have had a dramatic effect on reshaping the religious economy of Islam, not only in Pakistan, but

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[1213] Islamic Development Bank, *Annual Report* (Jeddah: Islamic Development Bank, 1977), p. 36.

[1214] John L. Esposito and John O. Voll, "Khurshid Ahmad: Muslim Activist-Economist," *Muslim World* 80, 1 (January 1990): 24-36.

[1215] Altaf Gauhar, *The Islamic Concept of World Economic Order* (London: Islamic Council of Europe, 1977)

[1216] Altaf Gauhar, *Arab Petrodollars: Dashed Hope for a New Economic Order* (Lahore, Pakistan : Group 83, 1987) pp. 18-19, 24.

[1217] Gilles Kepel, *Jihad: The Trail of Political Islam* (London: I.B. Tauris, 2006), ch. 3.

throughout the globe. Unbeknownst to most commentators, however, is the fact that the institutional basis of "Petro-Islam" drew in part from the technocratic experience of Pakistani economists at SAMA and the IDB.

Conclusion

This epilogue has argued that the colonial-era dominance of select Muslim commercial firms gave them a distinct edge in Pakistan's early political economy. In both the eastern and western sections of the country they cornered immense portions of the market by mobilizing their better access to capital, their business experience, their privileged access to financial institutions, and their contacts with the *salariat*. This prompted a backlash against them in government and non-governmental circles in Pakistan that eventually triggered nationalization of their assets, which reduced many of them to rack and ruin.

As this epilogue has further asserted, rising in parallel to a political economy framework that began with speculation and ended with nationalization, was a vocal call for the conversion of the country's economy to an Islamic system. What that looked like in reality was a topic hashed out among a multitude of religious firms and state organizations in Pakistan and elsewhere. Arguably, in a religious economy constrained by an interventionist state apparatus the potential outcomes of these exchanges was, if not foreordained, than at least severely restrained. There was, in other words, a tension between a political economy framework that had been underpinned by particular brands of Muslim capitalism that had been espoused by the leading Muslim commercial firms since 1850, and a religious economy full of actors who wanted to supplant their preeminence with a new Islamic economic order that would level the playing field.

It bears repeating that this was not a skirmish between an Islamic modernist view and a Islamist/neo-traditionalist view of Islam and capitalism. For one, the leading Muslim commercial entrepreneurs since 1850 were not simply disenchanted modernists, but patrons and beneficiaries of a vast multiplicity of rival religious firms, enchanted or otherwise. Moreover, many of the modernist bureaucrats and economists in early Pakistan were some of the most spirited proponents of Islamic economics and shared much with the Islamists/neo-traditionalists in their demands for an alternative to capitalism. These developments are unintelligible without reference to the history examined in earlier chapters, and the legacies of colonial-era intra-Muslim rivalries about the proper relationship between piety and profit have extended deep into the postcolonial epoch. When Pakistan's current Prime Minister Imran Khan speaks of an "Islamic welfare state" and decries "Islamic socialism,"[1218] he likely does not realize that he is entering into a discursive field with a very long history behind it.

[1218] Sadanand Dhume, "Will Imran Khan Turn Pakistan Into an Islamic Welfare State?," *Wall Street Journal* (12 July 2018).

Figure 1 – Leading Muslim Business Houses from 1947-1972

Hanna Papanek

TABLE 1

SUMMARY OF SOCIAL AND BUSINESS BACKGROUND OF THE TWELVE BIG HOUSES

Name	Community	Family Origin	Business Headquarters Location, Pre-1947
1. Dawood	Memon	Kathiawar (Bantva)	Bombay
2. Habib . .	Khoja Isnasheri	Bombay	Bombay
3. Adamjee	Memon	Kathiawar (Jetpur)	Calcutta
4. Crescent	Punjabi Sheikh	Western Punjab (Chiniot)	Delhi
5. Saigol. . .	Punjabi Sheikh	Western Punjab (Chakwal)	Calcutta
6. Valika . .	Dawoodi Bohra	Bombay	Bombay
7. Hyesons.	(None)	Madras	Madras
8. Bawany.	Memon	Kathiawar (Jetpur)	Rangoon
9. Amin . . .	Punjabi Sheikh	Western Punjab	Calcutta
10. Wazirali.	(None, Syed)	Western Punjab (Lahore)	Lahore
11. Fancy. . .	Khoja Ismaili	Kathiawar	East Africa
12. Colony. .	Punjabi Sheikh	Western Punjab (Chiniot)	Lahore

Reproduced from Papanek, “Pakistan’s Big Businessmen,” p. 27. Compare to figure 1 in chapter 1.

Figure 2 - Habib Bank, Pakistan's First Commercial Bank

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Habib Bank Ltd.

(Estd. 1941)

Regd. Office:— Hanuman Building, Tamba Kanta, BOMBAY.

Management:--Messrs Ahmed Habib (President), Ghulamali Samsuddin, D. E. Parekh, Ismail Abdulkarim Panju, Dawood Habib, (Managing Director), Mahomedali Habib (Managing Director), H. Vishram, (Manager).

A short history:—It is a joint stock bank established in August 1941 and was included in 2nd Schedule of Reserve Bank of India in November 1941. It transacts all kinds of banking business.

Branches:—It has got 12 offices.

Position of Capital as on 31-12-1945.

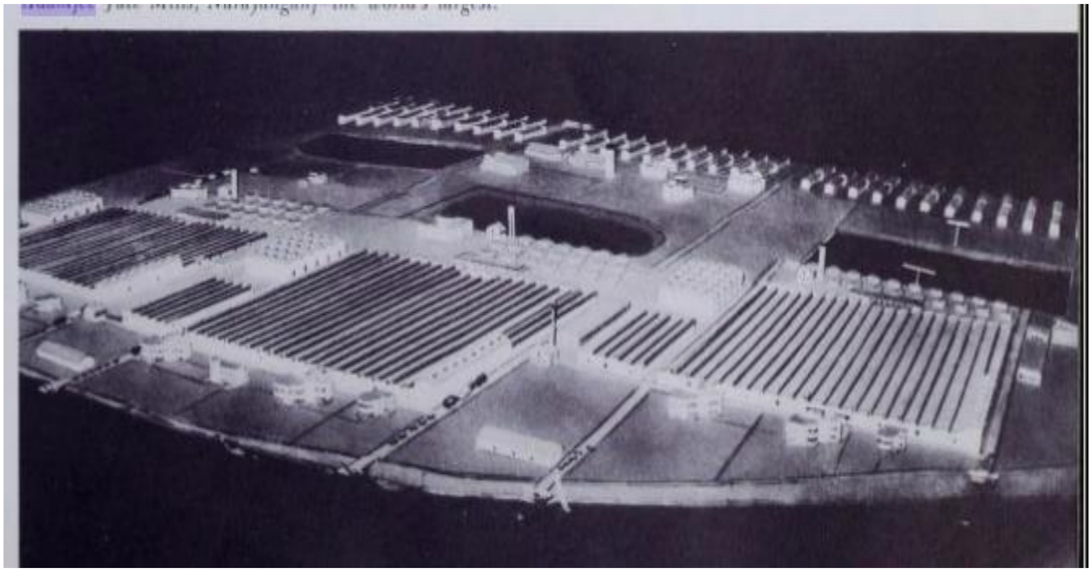
Authorised:—	Rs. 2,00,00,000
Paid-up:—	Rs. 20,00,000
Working:—	Rs. 6,93,30,254

(Comparative statement in thousands of rupees)

For the Period ending	31st Dec. 1942	31st Dec. 1943	31st Dec. 1945
(a) Paid-up Capital	50,00	50,00	50,00
(b) Reserve	1,00	2,00	3,00
Total of (a) & (b)	51,00	52,00	53,00
% to (h) below	13.7	11.2	7.7
(c) Deposits	3,07,[illegible]	3,94,72	5,73,43
% to (h) below	82.[illegible]	85.4	83.1
(d) Cash	1,17,86	1,02,80	1,48,54
% to (c) above	38.2	26.[illegible]	26.1
(e) Investments	1,27.37	2,60,54	4,06,08
% to (c) above	42.3	66.0	71.2
(f) Loans & Advances	1,18,97	88,85	84,26
% to (c) above	38.6	22.3	14.8
(g) Profit & Loss	6,20	5,08	8,16
% to (c) above	2.0	1.2	1.4
(h) Working Capital	3,71,26	4,61,66	6,93,30
Number of offices	4	8	12

Foreign Agents:—Midland Bank Ltd.
Chase National Bank of the City of New York.

Figure 3 - Adamjee Jute Mills in 1954, then the largest in the world



Picture taken from *This is Pakistan : a report of progress, published on the occasion of the Prime Minister of Pakistan's visit to the United States, October 1954* (Embassy of Pakistan, Washington DC, 1954), p. 11.

Conclusion: Histories of Capitalism and Islam

Over the past six chapters and epilogue this dissertation has demonstrated that the economic history of South Asian Muslim constituencies in the period of colonial rule was highly variegated. Regional disparities, competing legal interpretations, capital availability, centers of financial concentration, and variant accounting methods were just some of the factors modulating different institutional outcomes in the marketplace. It is transparent that the structures of Islamic law were at once far too fractured and dynamic to ensure only a singular institutional outcome. Likewise, Muslim and non-Muslim economic life was too inextricably linked, and too riven with blurred lines, to allow for any assertion of Hindu-Muslim institutional disparity.

To argue this is not to say that significant institutional divisions among communities did not exist. There were many such boundary mechanisms, but these were as much aimed at other Muslims as they were against non-Muslims. Ultimately, the story of intra-Muslim disparity is more compelling, not least because it supplies the opportunity to trace the multiple economic trajectories of rival Indian Muslim commercial and religious firms and to reconstruct the diverse articulations of religion that Muslim institutions could produce. Nowhere does the evidence presented here support the thesis of a Muslim ‘indifference’, by dint of cultural or institutional barriers, to capitalist institutions.

The various commercial and religious firms explored throughout these pages sought to exploit the institutional voids that had emerged as a consequence of the salient features of nineteenth-century globalization: the creation of an international public sphere and a densely inter-linked capitalist world economy. None of this meant that Indian Muslims participated in this realm as equal players: the inequities of colonial rule ensured that could never be the case. But by working at the interstices of various emerging markets and state powers, Indian Muslim commercial and religious firms played an outsized role as economic actors and propagators of Islam in many parts of the globe. In this, they were often in competition with one another for 'market share', and espoused competing religious projects.

Particular combinations of endogenous Islamic institutions and imported European ones, when combined with geographic placement and better access to capital, meant that select Muslim communities were more economically successful throughout the colonial period than others. None of this owed to primordial qualities, especially a group's pre-conversion status as Hindus. In fact, many of the leading commercial and religious firms from such communities were some of the most dedicated impresarios of Islam's global expansion and propagation. While forging ready commercial contacts with non-Muslims, they pursued any number of ethical values rooted in select permutations of the Islamic tradition, the institutional character of which were shaped by conflict and cooperation with other Muslims and non-Muslims.

Throughout this dissertation, the dual frameworks of political and religious economy have supplied the methodological toolkit needed to reconstruct a history of intersecting commercial enterprise and religious activism completely missed in existing studies of Indian Muslim economic history. By conceiving of religious organizations as firms operated by entrepreneurs who furnished Muslim constituencies with a range of services (religious or otherwise) and became beneficiaries of merchant capital, this dissertation has demonstrated the dense infrastructures underpinning Muslim economic activity in this period. For many Muslim commercial entrepreneurs, community-based religious firms supplied a crucial point of entry into the market, by supplying them with education, credit, a cheaper means of dispute arbitration, and far-flung commercial contacts. In the end, these helped mitigate, though in varying degrees, the very high costs of doing business in the colonial period, and were a fundamental feature of the institutional bundle that ordained economic success for select Muslim constituencies.

At the same time, a focus in the dissertation on the dissonance attendant to moments of religious supra-firm collaboration - which acted as the crucible for the political mobilization of Muslims at the all-India level - has shown how the religious agendas of individual firms, and their conceptions of what an authentically Islamic commercial life might look like, were ultimately unassimilable. The economic program espoused by a political party like the Muslim League in the late colonial and early post colonial period represented only one reading among many on offer. By the 1940s, despite the support given to the League by leading Muslim merchants, its economic program was increasingly pitched as a repudiation of the economic status quo, which it saw as a mixture of Muslim-Hindu disparity, British-Hindu collaboration, and an oligopoly engineered by Muslim landlords and commercial elites. All three, they thought, were a result of unchecked capitalism run amok.

In turn, that fueled the desire for an Islamic "alternative" to capitalism, an idea that by its very nature renounced the forms of economic activity embraced by the leading Muslim commercial firms. From the mid-1920s, this disavowal drew strength from a newly confrontation style of Islamic activism championed by an array of upstart religious firms, a growing class of Muslim economists who were enthusiastic proponents of inter-war socialist thought, and a consensus that interest and usury were the cause of Muslim penury and economic backwardness. By the third decade of postcolonial Pakistan, the intra-Muslim economic disparities that had built up over the previous century, and the traction gained by anti-capitalist ideas of Islamic economics, became the pretext for the spoliation of the former and the institutionalization of the latter. The birth of Islamic finance relied on collaboration between various actors within Pakistan and new religious and commercial firms in the Middle East, many of whom had previously resisted the efforts of Indian Muslim entrepreneurs in the colonial period to extend banking services to their territories. The ascent of these new entrepreneurs came partially at the cost of the older forms and conceptions of Muslim capitalism studied in these pages.

Stephen Kotkin has argued that "Modernity was not a sociological but a geopolitical process."[1219] In other words, developing the political and economic institutions necessary to compete at the global level does not demand a passage from tradition to modernity as modernization theorists held. Kotkin's comments can productively be expanded to the history explored in this chapter. As this dissertation has shown, abiding by one particular brand of Islam was never a prerequisite for economic success from 1850. South Asian Muslims forged unique syntheses of religious and economic institutions, while also crafting links with non-Muslims. Different combinations catapulted certain firms to the apex of the regional economy. For the architects of Islamic finance, however, there is only form of authentic Muslim economic enterprise that could be labelled 'Islamic': their own. That sobriquet masks the fact that Islamic finance entailed the repudiation of much of the legal and customary underpinnings of Muslim capitalism over the previous two centuries. When scholars speak today of "Meccanomics"[1220] - the rise of a Muslim middle class that they argue will turn the tide against Muslim extremism - they not only overlook the previous history of modern Muslim capitalism, but also inadvertently reproduce the Islam/capitalism dichotomy beloved of Mawdūdī and others. The eventual emergence and the subsequent growth of Islamic finance was a product of very recent historical

[1219] Stephen Kotkin, *Stalin: Waiting for Hitler, 1929-1941* (New York: Penguin, 2018), p. 296.

[1220] Vali Nasr, *Meccanomics: The March of the New Muslim Middle Class* (Oxford: One World, 2010).

contingency, and the controversies it has aroused among Muslim constituencies since the 1970s - and the difficulties it has experienced in displacing 'conventional' financial institutions run by Muslims - suggests that the older forms of Muslim capitalism are still alive and well.

By permitting any number of institutional outcomes, and transcending the problem of religious 'authenticity,' the religious economy model supplies a better framework for writing histories of Muslim capitalism than that offered by the 'moral economy' framework or the 'economics of religion' literature, both of which tend to rely on universalist, a-contextual notions of Islam. From "Hindu rates of growth" to "Confucian values," economists have often resorted to a crude culturalism, particularly in instances where existing models of the free market and capitalist enterprise do not match some ideal Euro-American gold standard, but studies on Islam seem particularly ill-served.[1221] Indeed, as applied here, the religious economy model has shown that sharp divide drawn between Islam and capitalism as monolithic, totalizing systems by Islamic commentators from the beginning of the twentieth century - and scholars since - was not a reflection of any real opposition that Muslims had to navigate.

By historicizing this divide, one can only regard assertions such as the following - contained in a work on Islamic law for a general readership - as part of the conceptual problem: "The Shariah principle of moderation occupies a middle position between liberal capitalism and socialism. Islam is a practical religion."[1222] The assumption that Islam represents some middle ground between capitalism and socialism shows an insufficient historical awareness of how the

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[1221] For a review of the debates about culture in the field of economics see Sjoerd Beugelsdijk and Robbert Maseland, *Culture in Economics: History, Methodological Reflections and Contemporary Applications* (Cambridge: Cambridge University Press, 2010).

[1222] John L. Esposito and Natana J. Delong-Bas, *Shariah: What Everyone Needs to Know* (Oxford: Oxford University Press, 2018).

discourse of Islam as a self-contained socio-economic system first emerged, and the rest of the chapter from which the quote is taken cites only from the work of proponents of Islamic economics. The task of reifing the divide between capitalism and Islam (both theorized as systematic social systems) was predominantly an intellectual posture, one elaborated from the turn of the century by an assortment of Indian Muslim politicians, scholars, and activists who, inspired in part by European and American discourses, held up Islam as an alternative to the materialist excesses of capitalism. Most Indian Muslims, whether members of a village cooperative society, a high-rolling merchant, or even a religious scholar, did not experience these tensions between commercial and religious life in such absolute terms.

To be sure, before and after this dichotomy between Islam and capitalism crystallized, there were numerous difficulties involved in assimilating new institutions and instruments intrinsic to modern capitalism, such as the bank, paper currency, or interest-bearing bonds. Nevertheless, examples are plenty, from late Qing China to Meiji Japan and the Reconstruction United States, where communities had to wrestle with the ambiguities presented by these phenomena and were compelled to suffuse them with context-specific meanings and values. For all populations, not least Indian Muslims, this was carried out with reference to the cultural resources available to them, which were never static, but constantly in flux. There was no 'ideal' capitalism anywhere in the globe where such innovations were easily assimilated in a manner devoid of contentiousness and negotiation.

In that sense, the Indian Muslim histories examined here are no more or less exceptional than other local histories of global capitalism, and the attributes that gave the Indian Muslim case its particular hue was no deviation from purportedly 'universal' histories of capital. Although a large portion of this world was not of Indian Muslims' own making, and it would be ridiculous to supply agency where real historical actors had none, the sources reveal actors literate in a complex web of commercial and religious vocabularies. That interpolation demands greater sensitivity to not only the hermeneutics of Islamic legal scholarship, but also acts as a corrective to the temptation to draw too sharp a divide between ‘normative’ and ‘lived’ religion in a highly illiterate society.

The history covered in these pages can serve as a bridge between the so-called ‘new history of capitalism’ and the venerable historiography of South Asian capitalism. Sven Beckert and Christine Desan has defined the former as a field concerned with examining how cultural forces modulate political economy.[1223] A still clearer definition comes from Jeffrey Sklansky, who has lately written that the new history of capitalism must seek to break down the dualism between labor and finance in earlier histories of capitalism which has constrained conceptions of capitalist development.[1224] This is a point of departure from the social history associated most readily with E.P. Thompson, which in upholding the Aristotelian division between labor and money, construed the financial domain as the sole preserve of major industrialists and banking firms.[1225] Some recent scholarship in the new history of capitalism has begun to bridge this divide, leading to new and sophisticated understandings of what has been called by one commentator, the 'Great Collateralization', in which the ascent of finance “reformatted a society

[1223] Sven Beckert and Christine Desan, “The New History of American Capitalism,” https://hbswk.hbs.edu/item/the-new-history-of-american-capitalism.

[1224] Jeffrey Sklansky, “Labor, Money, and the Financial Turn in the History of Capitalism,” *Labor: Studies in Working-Class History of the Americas* Vol. 11, No. 1 (Spring 2014), p. 28.

[1225] Ibid., p. 29. As Sklansky notes, the tendency of Robert Brenner and E.P. Thompson to give finance a peripheral role in the mode of production spoke to the social conditions out of which this history emerged. Ibid., p. 33.

with markets to operate as a market society", often in violent fashion.[1226] Other historians have pointed to the ways in which the financial uncertainties integral to capitalist regimes prompted new fraternal associations and corporate institutions to cope with risk.[1227]

For all this, the tendency in the new history of capitalism to conceive of capitalism as something akin to a pernicious miasma permeating all human relationships undoubtedly needs to be kept in check. Empirically-based studies of South Asia and other parts of the globe that highlight processes of vernacular translation will provide a much-needed antidote to this. While some historians associated with the new history of capitalism have welcomed the turn away from theoretical definitions, John Clegg has argued persuasively for a "more robust conception of capitalism" that attests to its historic specificity. Clegg goes on to note that one does not need to be a believer in 'pure' capitalism nor a structuralist to accept that capitalist societies share certain frameworks - market dependance being the key hallmark - that are not identical in character.[1228] Advancing such a clear definition does not give license to the anti-theoretical empiricism that has recently replaced the cultural and linguistic turn.[1229] What the current historiographic moment demands is a sharper appreciation of the particular institutional forms integral to capitalism, one that can only be sustained by the hard, patient, philological work of finding and studying empirical sources.

Besides drawing inspiration from this literature, for historians of South Asian capitalism

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1226 Michael Zakim and Gary J. Kornblith, *Capitalism Takes Command: The Social Transformation of Nineteenth-Century America* (Chicago: University of Chicago Press, 2012), pp. 280-2.

1227 Jonathan Levy, *Freaks of Fortune: The Emerging World of Capitalism and Risk in America* (Cambridge: Harvard University Press, 2012).

1228 Ibid., 284.

1229 Ibid., 286.

the task remains to integrate more vernacular materials into their narratives, not least to correct the severely limited picture given by colonial records. Too often there has been a tendency to take colonial legislative records or censuses as the final word in indigenous economic history, although this is partly driven by necessity. Coupled with the decline of political economy in South Asian historiography more generally, the preference for colonial sources has arguably created a highly caricatured notion of capitalism among many South Asianists. Beyond this, if one were to write the economic history of Indian Muslims only with reference colonial sources then one would miss the many examples, contained only in vernacular materials, in which Indian Muslims show a ready engagement with the institutions and instruments of modern capitalism.

In many cases, Islamic legal materials supply the best window into this world. Unfortunately, Islamic commercial law from the eighteenth to the twentieth centuries has not been well-served by historians. Three trends have condemned it to obscurity: an innate preference for classical writers in accounts of Islamic law; an inordinate focus on later modernists, Islamists, and the architects of 'Islamic finance' in histories of Islamic economic thought and capitalism; and finally the conviction that Islamic commercial law reached an irrevocable crisis point by the dawn of the eighteenth century. To emphasize the law's reach is not to repeat the mistake of scholars who assumed "that Islam is, first and foremost, Islamic law," but any scholar familiar with the macrocosm of Islamic commercial law in these centuries one must take issue with recent attempts to frame Islamic law as irrelevant and the antithesis of a pre-modern 'Persianate' Islam.[1230] Modern historians explain away these issues at their peril, and

[1230] Frank Griffel, "Contradictions and Lots of Ambiguity: Two New Perspectives on Premodern (and Postclassical) Islamic Societies. Review Article of Shahab Ahmed's "What is Islam?" and Thomas to the detriment of their actors.

The study of Islamic commercial law is not only vital for the history of capitalism. Because debates over commercial law were bound up with the frenetic debates across the Islamicate world in this period over *ijtihād* (independent judicial reasoning), *taqlīd* (adherence to a single law school, or *madhhab*), *ikhtīlāf* (contradiction within and among legal schools), and a renewed devotion to the study of *ḥadīth* (the canonical deeds and sayings of the Prophet Muḥammad gathered in authoritative collections), attention to these sources supplies a productive means for writing better histories of Islam more generally. One late-nineteenth century Islamic scholar found the profusion of *fiqh* commercial rules so confounding that he wrote an entire Urdu work on the subject later in the century that would encompass "all manner of Muslim transactions (*tamām musulman muʿāmalāt*)".[1231] It would have been news to him, and many others studied in these pages, that Islamic commercial law or religious firms had failed to keep up with the great changes in nineteenth-century capitalism. Such an assertion would have meant that Islamic religious scholars had failed in an essential social responsibility they performed for Muslim constituencies, that is elaborating regulations for managing social interactions (*muʿāmalāt*) that were not only reconcilable with matters of worship (*ʿibādat*), but rooted in *sharīʿa*.

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[1231] Muḥammad Tāʾib, *Taḥir al-Anwār* (no place of publication, 1302 [1885]).

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JMI, PA, MMAP – Jamia Millia Islamia, Premchand Archive, Muhammad Ali Jauhar Papers, New Delhi

JRUL - John Rylands University Library, University of Manchester

HSBC - Hong Kong & Shanghai Banking Corporation Archives, London

IUK – Istanbul Üniversitesi Kütüphanesi (Istanbul University Library)

NAI – National Archives of India, New Delhi

OBA – Ottoman Bank Arşivi (Ottoman Bank Archives), Istanbul

OUL – Osmania University Library, Hyderabad

RRL – Raza Rampur Library, Rampur

SBI – State Bank of India, Kolkata

SVK - Sundarayya Vignana Kendram, Hyderabad

TRC – Kızılay (Turkish Red Crescent), Ankara

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