A DIFFERENT WAR DANCE: STATE AND CLASS IN INDIA 1939–1945*

Much modern history has been written under the influence of imperialism and nationalism. These intoxicants, so often successful in instilling solidarity and pride, have often also blurred our vision in ways easy to identify but difficult to rectify. Two methodological moves, proposed here and attempted in combination, aim to bring into focus some blurred issues within modern Indian history. The first move is a comparison between the activities of state power in India and in Britain during the Second World War; the second is a comparison between the trajectories — the fortunes and misfortunes over the same period of time — of social classes and regions within India. By looking at history from above and below the unit of a single country or nation, we shall see a view which that category — 'the nation' — obstructs. The issues that will be clarified are the conduct of the Second World War, and the nature of late colonial state power.

This involves a shift of emphasis. After the publication of the multi-volume Official History of the Indian Armed Forces in the Second World War, historians who dealt with the 1940s in India turned their attention towards Indian independence and partition in 1947.¹ They dissected the details of constitutional negotiations, and of political mass mobilizations.² Massive amounts of archival material were published in the Transfer of Power series edited by Nicholas Mansergh, and the Towards Freedom project undertaken

¹ The argument of this article is distinct from that of my unpublished Ph.D. dissertation, 'The End of the Colonial State in India, 1942–1947', Cambridge, 1988. But it builds on the previous work, which Chris Bayly supervised, and on which John Iliffe provided very useful comments. Ranajit Guha gave advice which has sustained me. Hiren Mukerjee's response to a draft of this article helped, as did suggestions by Sumit and Tanika Sarkar. I owe thanks to Rukun Advani for editing and encouragement. Any errors are mine alone.

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Economic and social history was effectively sidelined, or used to provide a sombre backdrop to dramatic political events. Histories mentioned the huge strains the war imposed on India, particularly inflation and shortages culminating in the horrendous Bengal Famine of 1943. They lamented the violence and suffering that accompanied the partition riots in Punjab. R. C. Majumdar’s _Advanced History of India_, once considered an authoritative textbook, had a section on the war years entitled, typically, ‘The Hard Lot of the Common People’. A nuanced textbook, by Sumit Sarkar, recognized that there were some initial gains as long as the war was far away, and that business profiteering meant ‘a major step forward for the Indian bourgeoisie’; however, the overall impact of the war was depicted as disastrous for other social groups. A later general work, by Sugata Bose and Ayesha Jalal, highlighted the famine in Bengal, labelling it as ‘one of the more catastrophic, though least publicized, holocausts of the Second War’. The _New Cambridge History of India_ took the line that ‘[t]he Second World War had a devastating effect on economic life in India’.

In the present article, apart from correcting or at least severely qualifying this picture — by presenting an untapped vein of data about rural India — there will be a more radical shift of emphasis.


4 For example, the titles of the two chapters on the 1920s, 1930s and 1940s in the widely used textbook by Bipan Chandra, _Modern India_ (Delhi, 1971), are ‘Struggle for Swaraj — I (1919–1927)’ and ‘Struggle for Swaraj — II (1927–1947)’.

5 R. C. Majumdar, H. C. Raychaudhuri and Kalikinkar Datta, _An Advanced History of India_, 3rd edn, 2 vols. (Delhi, 1967), ii, 971; Sumit Sarkar, _Modern India, 1885–1947_ (Delhi, 1983), 383–4, 393, 405–8; Sugata Bose and Ayesha Jalal, _Modern South Asia: History, Culture, Political Economy_ (Delhi, 1999), 158–9. Bose and Jalal go on to assert that ‘[s]ocial groups such as the rich farmers of Punjab, who might have been expected to make large profits from rising grain prices, were prevented from doing so by the colonial state’s procurement and price control policies’.


7 To study the 1940s in India, historians so far have mainly used government files and politicians’ papers. One of the aims of this article is, by looking at the work published by scholars and academics, during the 1940s or soon afterwards, to bring a fresh range of sources into play.
I shall analyse the 1940s in India, not in terms of political negotiation or mass mobilization, but in terms of enhanced resource extraction.

My starting premise is that states inaugurate wars and then try to make them the business of the peoples over whom they govern. Modern wars therefore test states, not just on the battle front, but also on the home front. During wartime a state’s appetite for resources increases. War requires a state to make unusual demands on society and to extract greater resources than usual from it. The extent to which it can do so, and the manner in which it operates, can be instructive: the state’s new burst of energy and activity provides a flare of light enabling us to see its features more clearly.

Using such a flare of light, this essay asks how resources were mobilized by the state in India during the Second World War, how the war effort was run, and what was the result. By glancing at the conduct of the war in Britain, from where India was ruled, the situation in India comes into sharper focus. Although neither country was actually invaded, the two states did not fight in the same way. I shall argue that the war dance of the colonial state provides clues to the character of state power in India.

### I

#### THE STATE’S ACTIVITIES

The Second World War caught the colonial state looking the wrong way. For decades, defence policy had assumed that the attackers would be Russian and that the attack would be from the north-west, through Afghanistan; but when the attack occurred the attackers were Japanese and they came from the east, through Burma. The Japanese invaded Assam and overran Manipur and the Naga Hills; bitter fighting in the defence of Kohima and Imphal captured the news headlines temporarily. Although Assam was the only province to be actually invaded, its neighbour, Bengal, was also severely affected. Many war factories were concentrated in Bengal, many thousands of troops from Britain, the United States, African countries, Australia and China were stationed there, and at times, especially when refugees poured in from Burma, a Japanese invasion seemed imminent. Only the eastern fringe of India became an active centre of
operations, but the whole country was sucked into the war effort. Although not a major battlefield, India became a major supply base in the Second World War, contributing heavily with men, materials, and money.

Let us look first at manpower. More than two million Indian men joined the Indian Armed Forces during the Second World War. These soldiers served in Africa, the Middle East, Burma and Europe. Some units, like the Fourth Indian Division, became legendary. Stories about the Indian Army were proudly told, as if with a military band playing in the background. The government of India boasted that the Indian Army was the largest volunteer force in history. In a strictly legal sense, the men were indeed volunteers who enlisted of their own will; but most of them, desperate for jobs, were forced to join up through necessity. In order to meet the army’s increased demand for manpower, old rules were relaxed to permit recruiting officers to enlist men who were underweight. Once in uniform, recruits came under the eye of army doctors. Medical investigations in training centres in north-west India, where standards of nourishment were better than among the agricultural labour of the south, showed that ‘most of the fresh recruits to the Indian army . . . were underweight and anaemic and often exhibited frank signs of deficiency. Their dietary intake before enlistment was far from being satisfactory’. An Anaemia Investigation Team was created. Army

8 The numbers in the Indian Armed Forces serving in India were as follows:

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<th></th>
<th>Army</th>
<th>Navy</th>
<th>Air Force</th>
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<tr>
<td>1 October 1939</td>
<td>169,800</td>
<td>1,700</td>
<td>22,300</td>
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<tr>
<td>1 September 1945</td>
<td>1,906,700</td>
<td>30,200</td>
<td>22,900</td>
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The numbers have been rounded off from: Government of India (hereafter GOI), Statistics Relating to India’s War Effort (Delhi, 1947), 2. The total number serving in India’s armed forces, inside and outside India, was 2,128,000 on 1 September 1945. While the orders of magnitude are clear, there is some discrepancy between estimates. According to the Official History, the total strength of armed forces in India on 1 October 1945 was 2,644,323 including 240,613 from the British Army, 2,018,196 from the Indian Army, 99,367 from the Indian States Forces, and some others. Sri Nandan Prasad, Expansion of the Armed Forces and Defence Organisation, 1939–45 (Delhi, 1956), 78. According to Judith Brown, in 1939 the Indian Army totalled 205,000 Indians, 63,469 British troops, and 83,706 troops from the princely states; by the end of the war, the total had risen to about two and a half million. Casualties amounted to 24,338 killed, more than 64,000 wounded, nearly 12,000 missing, and nearly 80,000 taken prisoner. Brown, ‘India’, 563–4.

9 Something else, which no one boasted about, merits reflection. The number of blind people in India at this time was approximately the same, i.e. an estimated two million in 1944. M. S. Gore, ‘Social Welfare Services’, in P. N. Chopra (ed.), Gazetteer of India, iv, Administration and Public Welfare (Delhi, 1978), 660.
doctors, impatient with euphemisms, performed ‘feeding experiments’ on the new recruits. A soldier’s progress on the standard Indian army ration was monitored, and the results were later published by the Indian Council of Medical Research. It was found that in north-west India: ‘Irrespective of age or initial weight every recruit gained 5 to 10 lb of weight on basic [army] ration alone, within 4 months of enlistment and this gain continued at a diminishing rate thereafter’.10 This is what it meant, in terms of access to food and medicine, to join the army; and this is why ‘volunteers’ enlisted.

The malnourished young men who enlisted bore little resemblance to the ideal soldier of the British Indian Army. Ever since the late nineteenth century, the best Indian soldier was supposed to be a tall and lighter-skinned peasant, wheat-eating, healthy, handsome, loyal, straightforward, strong, and from the north-west of the country — a peculiar assortment of attributes, dignified by the grand title of the Martial Race Theory.11 In peacetime this theory of recruitment ensured that the Punjabi peasant provided the backbone of the army. In wartime, when the army became corpulent through its intake of malnourished soldiers, its Punjabi peasant backbone began to give way.12 While the largest number of recruits continued to come from Punjab, only a minority of them owned land: the majority were tenants, labourers and artisans. Young Jat Sikh farmers ‘barely trickled in; with food prices rocketing upward, they preferred to remain on the land’.13


11 It is another matter how convincing this doctrine, which proclaimed that short-statured rice-eaters were poor fighters, seemed to Allied soldiers facing the onslaught of the Japanese army.

12 Marking the ‘unequal interprovincial distribution of the army’, the following figures for some provinces were given by P. S. Lokanathan, Transition to Peace Economy (Delhi, 1945), 44–5:

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<tr>
<th>Percentage of All-India</th>
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<tr>
<td>Punjab</td>
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<tr>
<td>Madras</td>
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<td>United Provinces</td>
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<tr>
<td>Bengal</td>
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<tr>
<td>Bombay</td>
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<td>North-West Frontier Provisions</td>
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<td>Bihar</td>
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Therefore the lower castes of Punjab, who had earlier been refused recruitment, were welcomed now. The second highest number of recruits in India came from the province of Madras (the antithesis of Punjab in the Indian imagination). Unlike the Punjabis, the Madrassis who joined — and there were more than a quarter of a million of them — were mostly agricultural labourers. They became drivers, carpenters, cooks and electricians. The Bengali recruits in contrast were mostly from towns, and about a third of them were technical men. Towards the end of the war it became clear to the Member of the Viceroy’s Executive Council dealing with the resettlement of soldiers that, of the Indian army at that time, only a minority owned land and ‘a very large proportion is drawn from the artisan and labouring classes’.  

This meant the end of the type of army to which the Raj was accustomed, where son followed father into military service and loyalty was assured. Many Punjabi Jat Sikh families had a tradition of military service to the British which went back to the 1850s; the military expansion during the Second World War reduced the offspring of such families to a small minority. This explains why the new soldiers seemed less reliable. According to military intelligence, they looked over their shoulders towards home, becoming easily alarmed by the stories of famine and revolution which they read in vernacular newspapers or in letters. A commanding officer commented: ‘I feel sometimes that I do not command this Battalion; it is commanded by forces in the Punjab’. It seemed to the war department that ‘the great expansion of the Indian Army makes its loyalty much less certain than it was and affords the enemy, external or internal, a far better target for propaganda than the carefully selected and trained pre-war army’. In 1943 Churchill’s fear that the Indian army would...
turn against the British even led him to contemplate a drastic reduction in its size.  

A new type of army, more diverse than before, produced a new set of problems. Should we take the official historian of the army at his word when he blandly asserts that 'difficulties which had arisen, by the use of Punjabi instructors for training recruits from South India, for example, were gradually overcome'? Mind-boggling though these difficulties may seem? It could be difficult even to get people from the same region to work together: the refusal of the Jats to serve with lower castes from their own region led to the creation of separate low-caste regiments. Problems also arose not just because men had to work with each other, but because they had to operate modern equipment with which they were totally unfamiliar. During the Second World War, the Indian army became more technical. Cavalrymen, used to horses, were in the Middle East given trucks to mount instead. There were, of course, a large number of accidents. One general recalled how the driver of a jeep, having to drive over a ditch, deliberately pressed the accelerator instead of the brake, and complained to the officers who visited him later in hospital that their new machinery was useless because any horse would have galloped over the ditch with ease.

Comparison makes the limitations clearer still. The Indian Army did multiply tenfold, but in Britain, where conscription was introduced, the army multiplied twenty-five times, from about two hundred thousand to over five million. In America the army expanded eighty-fold, from under two hundred thousand, to about sixteen million. The Indian Army suffered 180,000 casualties, of which between 30,000 and 40,000 were fatal. But about 300,000 British soldiers, and another 400,000 Americans, died at the same time (and these figures fell far short of the 3.25 million German and seven million Russian military casualties). Moreover, the casualties in Western societies cut across social

18 L. S. Amery to the marquess of Linlithgow, 21 June 1943: Mansergh (ed.), Constitutional Relations between Britain and India, iv, document 17.
19 Prasad (ed.), Official History of the Indian Armed Forces, xvii, India and the War, 257 (this volume was published in 1966).
22 The figure of about two hundred thousand for the British Army in the 1920s is from Brian Bond, British Military Policy between the Two World Wars (Oxford, 1980), 91; the figure of over five million is from Arthur Marwick, Britain in the Century of...
strata. The elder son of Anthony Eden, British Foreign Secretary from 1941 to 1944, was killed on the Burma Front.\(^2\) Maurice Hallett, the Governor of the United Provinces, presided over the annual police parade in Lucknow the day after he was informed that his son had been killed.\(^2\) Even the Viceroy, Lord Wavell, worried about his only son, especially when he ‘had a telegram this morning to say that Archie John was seriously wounded, no details’. He was soon to learn that while his son’s right hand was slightly damaged, his left hand had been amputated as a result of wounds sustained on the Burma front.\(^2\) The Indian upper classes, for whom joining the army was a matter of choice, were much less vulnerable.

If we turn from manpower to war production we can hear military bugles once again in the official version:

> At the outbreak of war, our industries, established — as were all the factories of the United Nations — for the pursuit of peaceful trade, directed their endeavours to the grim business of war. At first their output was but a mere trickle, but as the months passed, the flow of war materials, of supplies, of essentials to arm and sustain men on the battlefields, grew into a mighty flood.\(^2\)

With meticulous attention to detail, the statisticians of the Government of India recorded that (of all things) the number of geometry protractors produced had risen from 499 in 1941 to 8,143 in 1943. They also noted that the armed forces ‘were able

\(^{n. 22\text{ cont.}}\)


\(^2\) Robert Rhodes James, *Anthony Eden* (London, 1986), 297, 300, 302. In the First World War, ‘[c]asualties were about three times heavier in proportion among junior officers than with common soldiers. This struck at the highest in the land. Asquith lost his eldest son; Law lost two sons’: Taylor, *English History*, 120.

\(^2\) Maurice Hallett lost an eye the next day, due to a burst blood vessel: B. N. Lahiri, *Before and After* (Allahabad, 1974), 72–3.


to show a large increase in their output of dairy products’, without pausing to mull over the appropriateness of this expertise.

The Indian army required and received supplies of guns, ammunition, food, uniforms, sheets, blankets, tents, boots, medicines, drink, tobacco, as well as a whole range of other stores. Armies get voraciously hungry in wartime. India was an important arsenal for the Middle East operations, and for the war in Burma. The British and American armies also received supplies from India. A compilation entitled Statistics Relating to India’s War Effort revealed that India had supplied nearly four hundred million tailored items, twenty-five million pairs of shoes, thirty-seven thousand silk parachutes and four million cotton-made supply-dropping parachutes.\(^{27}\) India’s chief industrial contribution during the war was cotton textiles. At one stage, India provided the enormous amount of 1.2 billion yards of cloth per annum to the defence forces; in fact, it was said in 1947 that ‘India clothed the armies east of Suez’.

While language calling for a great leap forward in production was used in India, in reality the production of really necessary commodities (as opposed to items such as protractors) remained obstinately immobile, or increased only slightly. The production of coal, on which the railways and the steel industry depended, actually fell during the war.\(^{28}\) Mill-made cloth production in India — some four billion yards before the war — went up to about 4.6 billion yards, with virtually the same equipment. The result of this effort was an ‘exhaustion both of machinery and of labour’.\(^{29}\) While existing machinery was often worked to the point of collapse, the import of machinery, on which Indian industry depended, was limited by the wartime shortage of shipping. The war showed that an economy without a capital goods sector was incapable of athleticism. As far as agriculture went, the ‘Grow More Food’ Campaign was announced, but the amount of food grown remained more or less the same.\(^{30}\)

By contrast, British production increased considerably, even in agriculture. The agricultural labour force was expanded by one-fifth, while the total acreage of land under cultivation rose from

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\(^{27}\) GOI, *Statistics Relating to India’s War Effort*, 7, 11; A. R. Prest, *War Economics of Primary Producing Countries* (Cambridge, 1948), remains the most lucid summary.


\(^{30}\) GOI, *Statistics Relating to India’s War Effort*, 15.
twelve million to eighteen million. Industry accelerated much faster. By 1943 British production of bullets, tanks and ships was over eight times as large as in the first three months of the war. The number of aircraft produced was 2,800 in 1938; just under 8,000 in 1939; 20,000 in 1941; and over 26,000 in 1943 and 1944. Between 1939 and 1942 the production of machine tools rose three-fold. The British war effort reached a limit in 1943, because manpower was unavailable to increase the size of the armed forces or the labour force in factories.

To regulate consumption, items in short supply were strictly rationed in Britain. Whereas foodgrains were the focus of rationing in India, British rationing involved the supply of food-stuffs like meat, eggs and butter, while bread, flour, potatoes and oatmeal were available in unlimited quantities. British rationing affected the vast majority of the population. Rationing in India centred on urban areas, thus involving only a fraction of the total Indian population. In Britain the ration merely determined what a person ate; in India, it might determine whether a person ate at all. British rationing carried, for the majority of people, connotations of equality; Indian rationing offered, to a minority of Indians, a promise of subsistence. To those people able to afford very high prices for them, almost all items of consumption remained easily available in India.

Having considered how the colonial state mobilized manpower and acquired materials, let us turn to the question of money. War finance posed two major problems. By what financial arrangements were Indian resources to be put at British disposal? And how were the resources to be raised from Indian society?

32. The increase in production in the United States was even more spectacular. It astonished American economists. The most influential American Keynesian, Alvin Hansen, wrote in 1944: ‘We have reached a stage in technique and productivity which a few years ago no one believed possible’. Quoted in Kennedy, *Freedom from Fear*, 786.
33. Oddy concludes: ‘If the overall trend in the twentieth century was towards a common experience in eating patterns, the principal agency in narrowing the gap between the rich and poor was the social effect of war’: D. J. Oddy, ‘Food, Drink and Nutrition’, in F. M. L. Thompson (ed.), *The Cambridge Social History of Britain, 1750–1950*, i, *People and their Environment* (Cambridge, 1990), 262.
34. ‘They could buy whatever they liked and in any quantity, since in India meat, fish, eggs, milk, fresh vegetables, fruits, butter, etc., have been scrupulously excluded from all rationing or control schemes’, wrote someone who felt that ‘from the point of view of opportunities for unrestricted consumption, India was perhaps the only Paradise for rich men’: Rabindranath Chatterji, ‘Food Rationing in India’, *Indian Jl Econ.*, xxvi, pt 4 (1946), 626.
No doubt the simplest financial arrangement would have been a confiscation of Indian revenues, but the era of Clive was over. At the end of the First World War India had paid a substantial lump sum to Britain towards the costs of the war, but during the Second World War it seemed to Keynes, who did mention the option, that ‘[p]olitically this is perhaps the least easy to bring off’.\textsuperscript{35} This was because the opinion of Indian officials and industrialists could not be ignored. The troops from Australia, New Zealand and Canada who fought during the Second World War would be paid for entirely by their own countries, but the Indian troops would have to be paid for, at least in part, by Britain. This meant that, in some shape or form, money would have to be credited to the Government of India.

A financial agreement reached early in the war divided the costs between the Government of India and the British Exchequer.\textsuperscript{36} The payments due to India would be made in sterling in London, but they would be credited to an account which would be frozen, and hence unavailable to India. Thus arose the issue of the sterling balances. Although it could be said that India was being paid for her services, no payment was actually being made at that time. In other words, because a voluntary financial contribution was out of the question then, and looting was impossible, a forced loan provided the answer.\textsuperscript{37} ‘I was always comforted by the feeling that it was merely a postponement; that India was exporting supplies and rendering services for which she was receiving credit, which could be utilized after the war’, recalled the Finance Member of the Viceroy’s Executive Council a decade later.\textsuperscript{38}

Misgivings were voiced about this method. Churchill, convinced that the arrangements were unduly favourable to India,


\textsuperscript{36}For details, see R. S. Sayers, \textit{Financial Policy, 1939–45} (London, 1956), 252–73.

\textsuperscript{37}It was, of course, a loan from a very poor country to a much richer one. Gallagher’s remark that ‘India during the war exploited Britain’ is based on several errors, the first of which is confusing an IOU with the payment itself — a mistake less damaging to historians than to lesser mortals. See John Gallagher, \textit{The Decline, Revival and Fall of the British Empire: The Ford Lectures and Other Essays}, ed. Anil Seal (Cambridge, 1982), 139. Nor need we believe the weightlifter who grunted that ‘the peoples of Hindustan . . . were carried through the struggle on the shoulders of our small Island’: Winston S. Churchill, \textit{The Second World War}, 6 vols. (London, 1948–54), iv, 181. Sayers is categorical that ‘[t]his scarcely squares with the facts’: Sayers, \textit{Financial Policy}, 271.

argued for a revision of the financial settlement. He was told that it would be unwise: India would resist, paralysing the war effort. As the secretary of state for India, Leo Amery, remarked, when driving in a taxi to the station to catch a life-or-death train, you do not loudly announce you have doubts about whether to pay the fare. It was better for Britain to owe the money. By the end of the war, over £2,000 million had been spent by the Indian government; on the basis of the financial agreement, about half the amount was attributable to each party. Thus the war transformed India from a debtor to a creditor nation, with sterling balances of well over £1,000 million. During the Second World War, while Britain stripped herself of overseas assets, India overcame her foreign debts.

But, as long as the war continued, it was the Government of India which was forced to raise all the money. P. S. Lokanathan, a contemporary economist and later the director of India’s National Council of Applied Economic Research, calculated that the war, roughly speaking, ‘witnessed a threefold increase in the intensity of fiscal pressure’. In other words, in real terms, compared to its pre-war expenditure, the colonial state spent three times as much by the end of the war. After pronouncing that ‘during the war, public expenditure has undergone a revolutionary change’, Lokanathan went on to add that the level of this public expenditure ‘is something unprecedented in our economic history’.

This posed a huge problem. The colonial state was not good at raising financial resources. Even when it came to meeting its normal expenses in peacetime, it proved inept. While ruling over the same territory, the Mughal state had extracted proportionately much higher taxes than the colonial state was able to. Despite

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40 The sterling debt extinguished by India during the war was about £300–350 million; the sterling balances, which accumulated to India’s credit, stood at £1,321 million at the end of 1945: Sayers, Financial Policy, 256–9.

41 According to Lokanathan, in 1938–9 the Central Government spent about Rs 85 crores, and the provincial governments another Rs 85 crores, so that if the expenditure by local authorities was included, total public expenditure in India was well within Rs 200 crores per annum. In 1944–5, on the other hand, the total public expenditure was well above Rs 1,200 crores. Lokanathan added that, ‘taking the war period as a whole, the general price level was nearly twice as high as before the war’. This meant that, in real terms, the public expenditure had increased by a factor of three. Lokanathan, Transition to Peace Economy, 10.
the relatively small size of the colonial budget, balancing the budget remained a regular cause for concern. Western states expanded their fiscal girth in the twentieth century, while the fiscal size of the colonial state in India remained stubbornly stagnant.\textsuperscript{42} For full twenty years after World War I, civil expenditure in India remained more or less stationary while expenditure on Defence Services declined by nearly 25 crores of rupees.\textsuperscript{43} Financing the war effort became a major challenge. It demanded profligacy from a creature of limited means.

The means employed by the British state to raise resources from the British people were taxation and borrowing. Taxes rose steeply in Britain: the Excess Profits Tax, 60 per cent at the beginning of the war, was raised to a confiscatory 100 per cent in May 1940. Lending money to the state in its hour of peril, through Savings Certificates, the Post Office Savings Bank, Defence Bonds and the like, was projected as a patriotic virtue. The amounts borrowed were substantial, almost £3,000 million annually, or very roughly equal to the total amount of annual taxation.\textsuperscript{44}

Similar expedients were tried in India: levels of taxation were raised and savings schemes announced. But Indians who could afford to pay high taxes proved unwilling to do so. The Indian public showed no desire whatsoever to contribute to the state’s finances. On the contrary, there was actually a withdrawal of savings in Post Office Banks.\textsuperscript{45} There was also a panicky scramble for the encashment of currency notes in favour of silver one-rupee coins, which were drained out of the Reserve Bank, and practically disappeared from circulation.\textsuperscript{46} Keynes described the serious problem

\textsuperscript{42} Dharma Kumar, Colonialism, Property and the State (Delhi, 1998), 207–8.
\textsuperscript{43} S. Subramanian and P. W. R. Homfray, Recent Social and Economic Trends in India, revised edn (Delhi, 1946), 15.
\textsuperscript{44} W. K. Hancock and M. M. Gowing, British War Economy (London, 1949), 163, 348, 502. Britain also liquidated overseas investments, and other countries contributed to British costs. The Canadians gave a billion-dollar gift. Aid from American coffers came in the form of Roosevelt’s Lend-Lease programme, in effect a massive gift of materials which ‘was an absolute necessity of Britain’s survival’. C. P. Hill, British Economic and Social History, 1700–1982, 5th edn (London, 1985), 273–4.
\textsuperscript{45} Report on the Work of the Indian Posts and Telegraphs Department, 1945–46 (Calcutta, 1948). The Post Office savings data have been correlated with war rumours to suggest that the colonial state in India, when faced with the possibility of a Japanese invasion, suffered a rapid loss of credibility. See Indivar Kamtekar, ‘The Shiver of 1942’, Studies in History, xviii (2002).
of Indian war finance as early as 1940: ‘The main problem of the Government of India arises . . . out of the fact that they have made very poor progress with their war borrowing programme’. His calculations showed that ‘on balance, more loan money has been lost to the public than has been gained from it’. This was quite the reverse of the British situation: the immediate impact of war was a widespread move among the people of India to distance themselves from the financial apparatus of the state.

Taxes and loans failed to raise enough money to meet war expenditure in India. That left one solution: the money-printing press. Industrial production could not be expanded in India for lack of machines, but there was still this one marvellous machine to which the colonial state could turn for salvation. If war finance in Britain can be called a taxing or borrowing business, in India it can be called a printing business. There was an outpouring of paper currency. The amount of currency in circulation in India multiplied about six and a half times during the war years. This provides a clue as to the nature of the colonial state: it could not successfully manage taxation, enforce rationing, or control prices, so it resorted to printing paper currency. The printing press became perhaps the most productive machine in India. Inflation was the inevitable result. In May 1943 Keynes wrote about the dangerous extent to which the large British military expenditures in India were uncompensated for by either taxation or loans. ‘We have carried to breaking point’, he said, ‘the policy

48 Lokanathan wrote that to fill the deficit in total outlay and keep the monetary circuit uninterrupted, it required an inflationary note issue of approximately 900 crores; Lokanathan, Transition to Peace Economy, 12.
49 Shanmukham Chetty, the Minister of Finance, introducing the Budget for the year 1947/8, said on 26 November 1947 that ‘the inflation in war time was due to the large increases in currency circulation (from Rs. 172 crores in 1939 to over Rs. 1,200 crores at the end of 1945) without any tangible increase in the supply of goods’: GOI, Ministry of Finance, Speeches of Union Finance Ministers, 1947–48 to 1984–85 (Delhi, 1984), 3. The exact figures are in GOI, Statistics Relating to India’s War Effort, 45.
50 The economist K. N. Raj calculated that of the total deficit of Rs 3,300 crores incurred in India between September 1939 and March 1946 not more than Rs 800 crores was met by borrowing from the public; K. N. Raj, The Monetary Policy of the Reserve Bank of India (Bombay, 1948), 160. According to a slightly later study, [w]e can conclude that 36.6 per cent of total war expenditure was met by revenue, 26.9 per cent by borrowing and 36.5 per cent by inflation. Our wartime finance was therefore largely inflationary, more than a third of the total finance required being met by inflation’: R. N. Poduval, Finance of the Government of India since 1935 (Delhi, 1951), 114.
of financing the war in India and the Middle East by printing paper money, whilst . . . actually diminishing, the goods to be purchased’.\textsuperscript{51} In his presidential address to an association of economists, V. K. R. V. Rao later mentioned the ‘unhappy heritage of a war-economy financed by inflation and unaccompanied by any significant increase in production’.\textsuperscript{52} The price index in 1945 was about two and a half times its value at the beginning of the war.\textsuperscript{53} Food prices in wartime Britain, kept in check by a system of subsidies, rose only about 18 per cent. In India the price rise was, on one estimate, about 300 per cent for \textit{rationed} foods.\textsuperscript{54}

II

SOCIAL RESULTS

What was the social impact of these activities of the colonial state? The picture that emerges varies with both region and social class. In India, as elsewhere in the world, the upper classes are more difficult to investigate than the lower. It is easier to question an agricultural labourer or industrial worker than to interrogate a landlord or an industrialist. Of the many things which increase with wealth, the ability to evade scrutiny is one. This means that, while statistical data may be used for the lower classes, for the Indian upper classes anecdotal data are more reliable.

The war gave a boost to the Indian business class. Before the war began there had been a slump, and stocks, for example of textiles, had accumulated with manufacturers; after it began there were substantial orders from the government and the stocks were quickly sold. To a British businessman it seemed that Indian

\textsuperscript{51} Note by Keynes, dated 11 May 1943, in \textit{Collected Writings of John Maynard Keynes}, xxiii, ed. Moggridge, 270. See also 265.

\textsuperscript{52} \textit{Indian Jl Econ.}, xxx, pt 3 (1950), 225, 233.

\textsuperscript{53} If August 1939 is taken as the base, in July 1943 the general index of prices was 239, and the index for food and tobacco was 294, but these indices ignored the ‘black markets which were flourishing all over the country’: Raj, \textit{Monetary Policy}, 153–4. C. D. Deshmukh also noted that published index figures were unrealistic because they were based on controlled prices, whereas the prices at which many people had to buy foodgrains were those of the black market, and would yield an index number that would be, in the words of one of his predecessors as finance minister, ‘absolutely alarming’: C. D. Deshmukh, \textit{Economic Developments in India, 1946–1956} (Bombay, 1957), 52.

\textsuperscript{54} Chatterji, ‘Food Rationing’. The contrast holds for the 1940s as a whole. ‘The food cost index was 311 in April, 1949 (1937 = 100), while it was 193 in the U.S.A. and 108 in the U.K.’: B. N. Ganguli, \textit{Devaluation of the Rupee — What It Means to India} (Delhi, 1949), 44.
counterparts were ‘waking up good and strong’ during the war. The Income Tax Investigation Commission set up after the war noted that

the conditions created by the war brought about a serious breakdown in the working of the [Income Tax] Department. Businessmen and speculators were able to make large profits by legal as well as illegal means; the control regulations led dealers to conceal their most profitable transactions from the knowledge of the authorities.

A committee on the prevention of corruption in India, which published its report in 1964, almost two decades after the war, recalled how the ranks of the industrial and commercial classes ‘have been swelled by the speculators and adventurers of the war period’, who ‘evaded taxes and accumulated large amounts of unaccounted money’. The war was no time to believe a balance sheet.

One highly successful business at this time was the Delhi Cloth and General Mills Co. Ltd (DCM), run by the redoubtable Lala Shri Ram. The authorized biography of Lala Shri Ram uses phrases like ‘an unprecedented boom’ and ‘bumper profits’ in recording the prosperity of the war years. The DCM made substantial profits by selling tents and ready-made garments to the armed forces; its sugar division also did very well, especially after sugar-producing areas in the Far East fell to the Japanese forces. Lala Shri Ram’s biography proclaims the unique integrity of the DCM group, but describes others in harsh tones. When discussing the industry as a whole, it refers frequently to widespread hoarding and black marketing: it seems that when the Textile Control

55 Bell to Lee, 8 Feb. 1943. Several other letters show this. NAI, Home political file 20/24/43, ‘Important Intercepts Supplied by the Chief Censor in India’.
56 Report of the Income-Tax Investigation Commission, 1948 (Delhi, 1949), 4. One problem was that the big black marketeers donated large sums of money to the Viceroy’s War Fund and were therefore left untouched by the authorities: T. N. Kaul, Reminiscences Discreet and Indiscreet (Delhi, 1982), 92.
58 Some businessmen produced sound reasons for their behaviour. K. T. Merchant, professor of economics at Sydenham College in Bombay, was particularly enraged because ‘[e]vading the excess profits tax during the war and even income-tax by deliberate underestimation or suppression of incomes was defended by some as “patriotic” as it was tantamount to non-cooperating with the “Satanic” foreign government’: K. T. Merchant, ‘Sociology of Blackmarketing’, Sociol. Bull., ii, no. 1 (1953), 11.
Order was promulgated in June 1943 — requiring mills, wholesalers and retailers to declare the extent of their stock — no less than 2,700 million yards of cloth (equal to seven months’ national supply) were discovered. In 1943, in conditions amounting to a cloth famine, the textile industry in India as a whole declared the largest gross profits of its career. The general impression, however, was that the undisclosed net profits were three or four times the figures disclosed.\textsuperscript{59}

There was a wave of enthusiasm and enterprise among industrialists. Industry did well because imports were curtailed by lack of shipping, and because Japan became an enemy; large purchases were made on government account; and there was an expansion in the purchasing power of sections of the public. Firms were inundated with contracts for military construction.\textsuperscript{60} Big new companies were floated in areas like chemicals, machinery and automobiles. Tata Chemicals, and the Tata Engineering and Locomotive Company (TELCO) were established during the war years; so was Hindusthan Motors, set up in 1942 by G. D. Birla. Since there was a shortage of every kind of commodity it was obvious to businessmen, no matter what their line, that there was an opportunity to make large profits. In Bombay, a businessman invited to address a symposium of the Indian Sociological Society in the early 1950s declared frankly: ‘I am a businessman of the forties and I have seen nothing but prosperity in business’.\textsuperscript{61}

This prosperity is also explained by terms and conditions on which Indian industry sold its products. The prices of cloth reached levels more than five times the pre-war level before the government intervened to control them. When the intervention came, it was on terms by which the co-operation of industrialists could be obtained. The price rise was checked somewhat, but the price of cloth still remained high enough to ensure considerable profits. As we have seen, cloth was one of India’s main contributions to the Allied war effort: Indian industrialists were paid well for this contribution. The Government of India claimed that controls operated in the interests of the common man; three

\textsuperscript{59} Arun Joshi, \textit{Lala Shri Ram} (Delhi, 1975), 318–22, 327–8, 352. The later achievements of this industrial house included opening, in Delhi in August 1956, the Lady Shri Ram College for Women. Lala Shri Ram’s wife was named Phoolan Devi: this prestigious institution therefore ought really to have been named the Phoolan Devi College.

\textsuperscript{60} Patwant Singh, \textit{Of Dreams and Demons: An Indian Memoir} (Delhi, 1994), 23.

academics of the School of Economics and Sociology at Bombay University retorted that if public benefit was indeed intended, then

the controlling authority should have consisted of people who could take a dispassionate and impartial view of the situation and act in the best interests of the community as a whole. [But] this important fact was entirely ignored in constituting the controlling authority — the Control Board — which was packed with the representatives of vested interests.\(^\text{62}\)

It was too much to expect industrialists to act against their own interests. The composition of the control authority makes it easy to understand the price fixation policy it followed, which provided a large profit margin. The Textile Commissioner of the Government of India later admitted as much, recalling that in 1943:

A Textile Control Board was created . . . The industry was given a predominant voice on the Board . . . it was decided to form a number of committees . . . The most important of these committees was the Industries Committee, consisting wholly of representatives of the industry, whose main function was to advise the Government on prices, on standardization and rationalization of production.\(^\text{63}\)

One of the Indian Civil Service officers who took a keen interest in these matters recorded that in cloth control the ordinary government officer

was not particularly successful. That he should seek non-official co-operation was undoubtedly desirable but that he should seek it, and seek it almost exclusively, from the parties most intimately concerned and should establish them in the position of arbiters in their own cases was an error of the first magnitude. The initial mistake vitiated the whole control.\(^\text{64}\)

Coal prices were determined similarly. By ratifying high prices, controls operated on the terms and conditions of the industrialists. The industrialists were thereby propitiated with profits.

The situation in Britain was very different. Profits could not be of the same order, for the British businessman, operating in a more formally organized economy, could not evade taxes so easily. As noted earlier, the excess profits tax was increased to a confiscatory 100 per cent. A black market existed, of course, but in the view of one authority: ‘The black market was never very


\(^{63}\) Vellodi, ‘Cotton Textile Control in India’, 12.

large, and people did not treat the war as an opportunity for a
great display of dishonesty’. In India, production increased
slightly while profits increased a great deal: in Britain, production
increased a great deal but profits did not increase much.

For much of India’s peasantry, the Second World War meant
the tremendous relief of awakening from the nightmare of the
1930s, which had been dominated by the Great Depression.
During the Depression, prices of agricultural products had fallen
catastrophically, and peasant earnings with them. In the 1930s,
peasants’ assets had often been sold in distress sales. But in the
1940s agricultural prices rose, and with them rose the spirit of
much of the countryside.

Inflation lightened the burden of debts, money rents and land
revenue. The same amount of produce in the early 1940s fetched
two or three times what it would have earned five years earlier.
Old demands, which remained fixed in money terms, could there-
fore be met by selling a half or a third of the produce previously
required to meet them. The problem of rural indebtedness, hith-
erto a focus of government attention and legislation, was by
August 1943 (according to the Reserve Bank of India) ‘relegated
to the background almost to the point of being forgotten’. In a
pamphlet entitled War-Time Prices, the economist P. J. Thomas
wrote: ‘In India, owing to the wide prevalence of small-scale
production, the number of producers is large, and the advantage
of high prices is reaped by a very great number of persons’.
According to him it was ‘certain that the cultivating classes have
obtained larger net incomes than before’. Such opportunities
came to them only once in a blue moon. Suddenly, a large section

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(Oxford, 1986), 265. This is borne out in Hancock and Gowing, British War Economy,
511, and in Peter Howlett, ‘The Wartime Economy’, in Roderick Floud and Donald
McCluskey (eds.), The Economic History of Britain since 1700, iii, 1939–1992, 2nd edn
(Cambridge, 1994), 16, 18.
66 ‘It must be remembered that before the war, our rural population had ten years
of very trying times’, recalled C. D. Deshmukh, Governor of the Reserve Bank and
later Finance Minister of India: Deshmukh, Economic Developments in India, 103.
67 GOI, Ministry of Finance, Taxation Enquiry Commission: Summary of Report
(Delhi, 1955), 100.
68 Reserve Bank of India, All-India Rural Credit Survey, Report of the Committee of
memories of the Finance Secretary of Bihar alluded to ‘the highly increased earnings
of villagers arising out of war conditions’: V. K. R. Menon, The Raj and After:
Memoirs of a Bihar Civilian (Delhi, 2000), 73.
69 P. J. Thomas, War-Time Prices (London, 1943), 11.
of the peasantry received more prosperity than its political leaders might have dared to promise.\(^70\)

We can see some of these processes unfolding at the level of one village, through the observant eyes of M. N. Srinivas, who became the most distinguished Indian sociologist of his generation. In his celebrated book *The Remembered Village*, Srinivas described the Mysore village in which he lived during his fieldwork in 1948. Chatting with M. N. Srinivas, ‘several villagers contrasted their present prosperity with the poverty of the inter-war years, 1918–1939’. Rice was very profitable, and so was sugar cane. Villagers made profits mainly from sales of their produce on the black market, where prices were very high. Controls existed, not to be obeyed, but to be evaded. Every villager with a surplus had sold as much as he could on the black market. Srinivas concluded that ‘[t]he increased prices for agricultural products since World War II was a crucial factor in the economic betterment of the village’.

In various ways, the black market made rural life in some parts of India more colourful, as there was now extra money to spend. Villagers travelled to town more often, so bus travel became more popular. Sons were packed off, more frequently than earlier, for an education in urban areas. These urban contacts changed rural values. Earlier, surplus cash among the rural rich would have been invested in jewellery and land; after the war, some of the cash accumulated in wartime provided the capital for new enterprises like shops and rice mills. In Srinivas’s judgement, men who would otherwise have remained landlords became ‘incipient capitalists’. The war increased the rich villager’s income and altered his outlook.\(^71\)

The best view of such changes is from the citadel of colonial state power, the province of Punjab. Despite its distance from

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\(^70\) Land revenue was collected more easily than before, and recoveries of arrears outstanding for many years were made. There was a sharp decline in the number of suits for arrears of rent, as tenants found it easy to pay their landlords. Government reports frequently referred to the ‘excellent condition of the agriculturist’. A common official view (involving some over-simplification, as we shall see) was that an all-round improvement occurred in the rural economy. *Reports on Revenue Administration* of various provinces for the period 1939–1945. See, for example, the reports for the United Provinces: IOL, V/24/2445; V/24/2446.


In an earlier article, Srinivas wrote: ‘Rampura, the village in Mysore District which I studied in 1948 and again in the summer of 1952, is a roadside village and the second world war brought prosperity to it’: M. N. Srinivas, ‘The Industrialization and Urbanization of Rural Areas’, *Soc. Bull.*, v, no. 2 (1956), 86–7.
the front, Punjab was closely linked to war activities. As the army’s traditional recruiting ground, it employed many soldiers, who sent home a flow of remittances; as a producer of surplus foodgrains, it sold much wheat. Malcolm Darling, an Indian Civil Service officer of the Punjab cadre, who authored classic works on the Punjab peasantry, scrutinized their lives with a keen, trained eye. One sign of the new prosperity, noted and commented upon, was the much larger number of silver ornaments — bracelets, anklets and rings — worn by peasant women. Less ostentatiously, prosperity was enjoyed by sipping tea: evening tea began to be taken by a majority of villagers at this time. This habit ‘stole into the village’ after the First World War and spread throughout the recruiting areas of the north because of the Second World War. Darling concluded that:

On the purely material side there were many changes for the better. The three hundred per cent rise in prices, which set in sharply in 1942, had put more cash into the peasant’s pocket than had ever been there before, and he had wisely used it to pay his debts and redeem his land, and in the canal colonies of the Punjab, where almost every drop of water produced a rupee, to buy land in Bahawalpur, Bikaner or Sind. For the first time for at least two generations debt was no longer a millstone round the peasant’s neck. With the demands of the money-lender greatly reduced and those of the Government satisfied by the sale of far less produce, the peasant had much more left for himself and his family.73

Debts to co-operative banks and moneylenders were liquidated. ‘Better a borrower than a lender be’, a Punjabi Polonius may have advised his son. It was a good time to be badly in debt.

An investigator into the economy of villages in the Ludhiana district, Ram Swarup Nakra, chose different words to the same effect, calling the war a ‘boon’ for people in general and a ‘windfall’ for cultivators in particular. He, too, stated categorically that: ‘On the whole, the cultivator in this tract was much better off financially than he ever was before’. This was reflected in two current Punjabi sayings that Nakra collected, which we may call the proverbs of prosperity:

All are enabled to get their bread. (*Sare roti khan lag ghe nein.*)

The fat who does not see money nowadays is a disgrace to his community. (*Jis jat ne aj patsa nain veikhia jat kanun akgwanda eh.*)74

74 Ram Swarup Nakra, *Punjab Villages during the War: An Enquiry into Twenty Villages in the Ludhiana District*, Publication no. 91 of the Board of Economic Enquiry, Punjab (Lahore, 1946), 16.
Contemporary assessments of Punjab portray the war almost as a fairy-tale time, when more gold and silver were worn and dollops of ghee were gulped down with tea: prosperity in Punjab took the completely convincing form of eating more. Even if we take some of the ghee and tea with a pinch of salt, as it were, the evidence does indicate that the war brought to the fields of Punjab a time of unprecedented prosperity.\(^{75}\)

Indian middle-class experience of wartime was mixed. For the young, life became easier. Middle-class jobs had always been scarce, and in the 1930s they had become scarcer still — as the various provincial reports on the problem of educated unemployment testified. For a college or high school student, getting a job, preferably by clambering aboard the ship of state, was the biggest test of life. A government job provided, in addition to income, the triple gift of protection against dismissal, a reasonable pension, and usually an entitlement to idleness. With the onset of war, the unthinkable happened. Middle-class jobs suddenly became available in plenty. At first the unemployed looked for jobs, and then the employers looked for them. 'There was a time when it was difficult to get qualified persons to man our offices. Recruitment rules had to be relaxed', lamented a government report. College hostels, where many young men had been condemned to education for want of employment, began to empty.\(^{76}\)

In north Indian parlance, there was a pomegranate for each patient: every individual was taken care of. Middle-class youths were now recruited by the military, or in the mushrooming government departments handling civilian and military supplies. The problem of educated

\(^{75}\) Being crucial to colonial power, Punjab was closely monitored. The publications of Punjab’s Board of Economic Enquiry provide data of exceptional richness. R. S. Nakra’s pamphlet, published in Lahore in 1946 and cited above, breathes life into its subject. Nakra and Darling supply data which deserve recognition from social historians.

\(^{76}\) Despite Congress propaganda against recruitment, joining the army could (like evading taxes!) be defended as patriotic. There was considerable pro-Axis feeling among the students of Hindu College in Delhi, but even here, according to one of them, '[t]wo of our fellow hostellers who were very vocal in their denunciation of the British informed us calmly, one day, that they had received “offers” of commissions in the army and were leaving within a week. Without waiting for questions, they said that an independent India would need experienced army officers, and that was why they had volunteered'. P. N. Dhar, *Indira Gandhi, the 'Emergency' and Indian Democracy* (Delhi, 2000), 36–7. Half a century later, nationalism would prove equally ineffectual in dissuading college students from emigration to America.
employment was solved for well over a decade, till it reappeared in about 1953.\textsuperscript{77}

But for those already employed, the war meant a falling standard of living: inflation wounds the recipients of a fixed income. Two surveys in Calcutta, carried out by the Indian Statistical Institute in 1939 and 1945, revealed the wounds of the Bengali middle-class. The consumption of meat and fish had been halved, that of milk more than halved, and the consumption of eggs had fallen to a quarter of the pre-war figure. More of the middle-class salary was now spent on food; but the food served seemed less palatable. Moreover, a higher expenditure on food meant that there was less left over for everything else.\textsuperscript{78} The number of servants, a badge of membership of this class, was halved. Less than half the previous proportion of the family income was spent on clothes. No wonder the great historian Jadunath Sarkar, for most of his life a teacher in government employ, wrote bitterly to a friend in 1949, when he was seventy-eight years of age:

The Government of India (the present and its predecessor during 1939–47) having robbed me of four-fifths of my wealth by issuing bogus notes and base-metal rupees, I have been compelled in my old age to earn fresh money if I am not to exhaust all my savings by spending them on my current monthly expenditure.\textsuperscript{79}

There grew, especially at the lower levels of government service, ‘a bitterness which belated and grudging measures of relief have not by any means helped to assuage’.\textsuperscript{80} The young were happy

\textsuperscript{77} Planning Commission, \textit{Outline Report of the Study Group on Educated Unemployed, 1955} (Delhi, 1956) (V. K. Menon, chairman). A visitor to Hoshiarpur, the district of Punjab where village education had gone furthest, was told: ‘Look at Mahilpur [a place with 4,000 inhabitants]. Before the war there were twenty-two young men with a B.A. degree, and all unemployed. The war came, and all got employment. Now five are Majors, eight are Captains and one is a Lieutenant’: Darling, \textit{Freedom’s Door}, 98–9.

\textsuperscript{78} S. Bhattacharyya, ‘World War II and the Consumption Pattern of the Calcutta Middleclass’, \textit{Sankhya}, viii, no. 2 (Mar. 1947). A study conducted under the auspices of Bombay University’s School of Economics and Sociology, concluded after a survey of 450 families: ‘It seems to be beyond dispute . . . that the middle class has suffered during the war a reduction not only in the articles of so-called comforts and luxuries but in essential productive foods and this in spite of running into a deficit’: J. J. Anjaria, D. T. Lakdawala and S. A. Pandit, \textit{War and the Middle Class Families in Bombay City} (Bombay, 1946), 32.


\textsuperscript{80} GOI, \textit{Report of the Central Pay Commission, 1947} (Delhi, 1947), 27. Here it is revealed that the ‘Dearness Allowance’ received by government employees for decades afterwards began as a ‘grain compensation allowance’ early in the war, to help them cope with rising foodgrain prices (9–10).
to have jobs; but people like clerks and teachers, who had already been employed for some time, became increasingly impoverished and enraged.

These years proved unpleasant for the industrial working class as well. We have already noted that the war was a time of unprecedented industrial profits; contrary to what one might expect in these circumstances, the urban industrial labour force did not, as a whole, benefit from the war. Employment did increase, and longer hours were worked, but real wages fell nevertheless. The assessment of S. A. Palekar, the expert on working-class standards of living in the period 1939–50, was that the real wage of factory workers declined by as much as 30 per cent in the period 1939–43.81 The highest industrial profits coincided with the lowest real wages: 1943 was the year of both. This was contrary to the trend in Britain where Ernest Bevin, the leading trade unionist, became Minister of Labour with a seat in the Cabinet. During the Second World War, the wages of labour in Britain rose by 80 per cent while the cost of living increased by 31 per cent.82 While the condition of the British working class improved, the condition of the Indian working class deteriorated, as it struggled unsuccessfully to retain its pre-war standards of living, which, incidentally it regained only in 1949.83

One reason why Punjab could be described in glowing terms was that agricultural labourers were relatively few. The Agricultural Labour Enquiry of 1950–1, covering all the states of the Indian Union (which was the first detailed survey of this social class) revealed that on average 85 per cent of the wages were spent on food, and yet in 96 per cent of the cases this provided less than the minimum number of calories considered nutritionally adequate. The economist V. M. Dandekar, reflecting

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82 Arthur Marwick, War and Social Change in the Twentieth Century: A Comparative Study of Britain, France, Germany, Russia and the United States (London, 1974), 162.
83 In 1949, a study by Gopalan observed that children born in the paying special wards of a large hospital in Madras were nearly a pound heavier than those born in the general wards. Gopalan’s research is cited in K. Someswara Rao, ‘Anthropometric Measurements and Indices in Nutritional Surveys’, Indian Council of Medical Research, Review of Nutrition Surveys Carried Out in India, 35. Class, in Indian society, begins in the womb.
on this data, commented: ‘What is poverty if not this’? During the war, over most of India, grain prices rose faster than incomes, further distressing this already impoverished class. If 1939 is taken as the base year, the index of wages in the province of Madras at the end of the 1940s was 287, while the index of the food prices, at 413, was more than a hundred and thirty points ahead. Hungry agricultural labourers became hungrier still.

This process of impoverishment reached its height in Bengal, which displayed, during what came to be known as the Great Bengal Famine of 1943, the country’s most painful misery. Food in Bengal primarily meant rice, and rice was, even for most people living in rural Bengal, an item that had to be purchased.

The price of rice rose phenomenally, becoming too high for the

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84 Less than one in ten Punjabi villagers at this time were agricultural labourers; this gave them the bargaining power to maintain or improve their standards of living. But overall, agricultural labourers constituted about a third of the total rural population in India in 1950, ranging from a proportion of about a quarter in Bengal, to more than half in certain parts of Madras. They were most numerous in a belt beginning in eastern India and running through central India down to the south. Their work was seasonal, and they were most commonly paid in cash. The average annual income of a family was estimated at twenty-one rupees less than the average annual expenditure. This means that debt and hunger were a customary condition. V. M. Dandekar, ‘Agricultural Labour Enquiry, 1950–51’, in his The Indian Economy, 1947–92, 2 vols. (Delhi, 1994–6), ii, esp. 134–8, 145.

85 B. Ramamurti, Agricultural Labour: How They Work and Live (GOI, Ministry of Labour, Delhi, 1954), 24. The conclusion that ‘agricultural farm labour did not suffer a very severe fall in real income’ (Prest, War Economics of Primary Producing Countries, 53) requires revision. In Britain, farm labourers’ wages rose substantially: Hill, British Economic and Social History, 270.

86 It is true that many from this class found work due to the war effort, for example as soldiers, or as labour in the construction of airfields and barracks, or in mines and factories, and this gave them resources they would otherwise not have had. To estimate the overall consequences of this employment, compare the figures in B. N. Datar and I. G. Patel, ‘Employment during the Second World War’, Indian Econ. Rev., ii, no. 1 (Feb. 1956), with the number of agricultural labourers in India, calculated in S. J. Patel, Agricultural Labourers in Modern India and Pakistan (Bombay, 1952), 30, 148. It would seem that contact with the government and military contractors sustained many labourers, but the impact of inflation damaged many more of them. On the whole, for agricultural labour as a class, the war was catastrophic.

87 ‘Paddy is the main crop of the province, being sown on about 88% of the total cultivated area of Bengal’: Ramkrishna Mukherjee, ‘Economic Structure of Rural Bengal: A Survey of Six Villages’, Amer. Sociol. Rev., xiii (1948), 666.

88 According to Bengal’s most famous statistician, in rural Bengal about 36.2 per cent, or more than one-third of all rural families, did not own any rice land, while about 40.5 per cent, or two-fifths, had less than two acres. In the opinion of many economists and agricultural experts, the subsistence level was taken to be two acres of rice land per family on average. About 76.7 per cent, or three-quarters of all rural families, thus owned rice land less than the subsistence level. P. C. Mahalanobis, ‘The Bengal Famine: The Background and Basic Facts’, Asiatic Rev., xlii (1946), 312.
poor to afford. Then stocks vanished from the markets. While agricultural labourers were by far the worst sufferers in the whole of Bengal, fishermen, transport workers and rural artisans were also badly affected. In the countryside, buyers of food suffered terribly, while peasants who had foodgrains to sell, tended to escape the calamity.\(^89\) The famine began in the rural areas early in 1943. By July 1943 starvation in the districts was on the increase, driving those who had become destitute to board trains for places where food might be available. Many of them came to Calcutta. The governor of Bengal sent alarming reports, which the viceroy initially read with scepticism.\(^90\) In due course everyone had to face the fact that a gruesome tragedy was occurring: military personnel had to take over the daily removal of corpses from streets and houses. After starvation came the epidemics; malaria killed the most, followed by cholera, dysentery, diarrhoea, various enteric fevers, and smallpox. More people were killed by disease than outright starvation.\(^91\) In sheer scale, the tragedy of the Bengal Famine bears comparison with any other of the Second World War, and dwarfs other incidents in India. The dead outnumbered the entire Indian industrial working class. While about thirty thousand Indian soldiers died during the war, the number of casualties in the Bengal Famine was between fifty and a hundred times this number.

British social history followed an opposite trajectory. The British government initially expected that food rationing, long hours of work, and the general worries of war would damage public health. Exactly the opposite happened; this was one of the surprises of the war. Aware that a healthy workforce was important to the war effort, the state watched over its health anxiously. Food supplies were controlled as never before. Prices remained relatively stable: the rise in the cost of living was low (one estimate was 31 per cent). Food was adequately available to farm labourers and industrial workers, who were increasing their earnings, with

\(^89\) 'The poorer sections of the community, especially landless labour, fishermen and village craftsmen, were most severely affected, and many were rendered destitute. Families in the middle income groups who had some land of their own or other assets were naturally less vulnerable. Families in the upper groups were more or less immune and had sometimes even prospered': ibid., 315. Also see Amartya Sen, Poverty and Famines: An Essay on Entitlement and Deprivation (Delhi, 1981), 209–10.

\(^90\) J. A. Herbert to the marquess of Linlithgow, 2 July 1943: Mansergh (ed.), Constitutional Relations between Britain and India, iv, document 27.

\(^91\) 'Very substantially more than half the deaths attributable to the famine of 1943 took place after 1943': Sen, Poverty and Famines, 215. See also 203.
unequivocally positive results. The year 1942 saw a decrease in major infections, and of ‘record-breaking in vital statistics’: the maternal and infant mortality rates, the proportion of stillbirths and the standardized death-rate among civilians were the lowest ever recorded in England. The British National Food Survey Committee could remark in a report published in the mid-1950s that ‘from a nutritional point of view the working class diet was probably more satisfactory in 1944 than at any time before the war’. While starvation deaths occurred in India, the less privileged classes in Britain improved their quality of life.

The richer classes in Britain were, at the same time, more heavily taxed. Rationing, which covered the whole country and used the slogan of equal shares for all, became a symbol of the state’s fair play. According to Norman Wright, the chairman of the British National Food Survey Committee, the controlled economy, with full employment, and a strict rationing of basic foods, led to ‘a great reduction in group differences of all kinds’. Remarking that most people were better off, A. J. P. Taylor reasoned: ‘Broadly speaking, the entire population settled at the standard of the skilled artisan. This was a come-down for the wealthier classes . . . It was security for the masses such as they had not known before’. In Paul Addison’s view: ‘The belief that some kind of “social revolution” was taking place in wartime was commonplace and much exaggerated. But it was certainly true that under the impact of war Britain was becoming a more collectivist and egalitarian society than it had been in the 1930s’. Historians of Britain debated the issue of a ‘levelling of class’.

94 ‘From 1942 onwards, in spite of the war, the general health of British society began to improve strikingly’: Alan Milward, The Economic Effects of the Two World Wars on Britain (London, 1970), 22.
95 Whereas in Bengal, for example, the government made hardly any attempt to restrict the granting of licences only to reputable dealers, so that ‘people, often of ill-repute, rushed in to obtain permits to purchase commodities in which they had never dealt before and in which they had no intention of trading, except in the blackmarket’: Bengal Government, Report of the Bengal Administration Enquiry Committee, 1944–45 (Calcutta, 1945), 62–3.
96 Ministry of Agriculture, Studies in Urban Household Diets, 4.
They could debate whether it had occurred, to what extent, and for how long. If the distribution of property was seen as a marker of class, then change was slight; if income was considered, then the change was greater; and if everyday consumption was taken as an index, then levelling was much more in evidence. Such a debate is unthinkable in Indian history, because Indian society moved in a different direction.\textsuperscript{99} The scales of starvation and prosperity were both obvious, and both scales were new: between classes, chasms had opened in the levels of food consumption.

\section*{III
CONCLUSION}

In 1943, R. H. Tawney published a classic article on the aftermath of the First World War, in which he remarked that it was ‘of the nature of modern war to cause a sensational increase, both of range and of intensity, in the authority exercised by the state over economic life’.\textsuperscript{100} The transformations in state power brought about by war have been widely recognized. Independent India’s economic policies bore the imprint of the war. ‘Practically every control which has been practised in India since Independence, every control which continues even today, was started during the War’, wrote a member of the Indian Civil Service decades later.\textsuperscript{101} Michael Howard commented that a lasting result of the Second World War for Britain was ‘a great and accepted increase in both governmental power over the community and sense of responsibility for the community’.\textsuperscript{102} Gallagher, in his Ford Lectures, attributed a ‘revival’ of the British empire to the Second World War. A later survey endorsed his view, adding that ‘[o]nly in war, most clearly in the Second World

\textsuperscript{99} For Punjab, however, the war had one effect similar to that in Britain: perhaps a ‘levelling of class’ occurred to some degree. The Punjabi lower classes did benefit from the war. One local saying, or rather sneer, went: ‘[E]ven Servants have put on clean clothes’ (\textit{Naukran de chitte kapre}). Another saying was: ‘The war and the high prices brought about equality’ (\textit{Jang te mehngai wich sare iko jaache ho ghe nein}). Nakra, \textit{Punjab Villages during the War}, 7, 16.


\textsuperscript{101} S. Bhoothalingam, \textit{Reflections on an Era: Memoirs of a Civil Servant} (Delhi, 1993), 26.

War, did the Empire approach the otherwise mythical status of a formidable, efficient and effective power system'.

This is clearly going too far. By underlining the limitations of the colonial state in India, this essay rejects a tone of celebration. Nevertheless, it remains true that military recruitment, the provisioning of the Allied armies, requisitioning and rationing, caused the state to penetrate more deeply than ever before into Indian society. My earlier work on the 1940s in India described how, during the Second World War, the colonial state expanded its size and extended its functions. It demonstrated how the war-time interventions of the colonial state led to new popular perceptions of it, new vulnerabilities within the state apparatus, and new levels of social unrest due to demobilization. Moving away from the high politics of independence and partition, my previous analysis reinterpreted the 1940s in terms of a crisis of state power in India, and considered the ramifications of that crisis; but it did not systematically investigate, as this essay does, the terms of India’s war participation and the differential impact of the war.

The terms of India’s participation show a pronounced lack of self-confidence on the part of the colonial state. The official history of British war finance, by R. S. Sayers, stressed the constraints on the government of India, noting that

Official advice from India threw cold water on any suggestion of a general re-opening of the [financial] settlement . . . any open discussion in Indian Governmental circles would lead to a hardening of opinion against the British, and the co-operation of Indian industrialists and business men, on which war production depended, would be forfeited.

The price levels told the real story. With his customary quiet insight, the fine economist and economic historian D. R. Gadgil observed that there was no attempt to fix prices in terms of objective considerations like costs or profits; the prices of commodities were those which producers or manufacturers were ‘not

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103 Gallagher, Decline, Revival and Fall of the British Empire; Jeffrey, ‘Second World War’, 306.
105 Thus the large-scale communal killings in Punjab in 1947, which had been seen as primitive and religiously inspired peasant fury, were connected to the modern military skills recently acquired by Punjabis in the Indian Army: Indivar Kamtekar, ‘The Military Ingredient of Communal Violence in Punjab, 1947’, Proc. Indian Hist. Congress, 56th session, 1995 (Calcutta, 1996).
106 Sayers, Financial Policy, 261.
He commented on ‘the inability of the Government to take a firm stand against important interests [which] . . . affected vitally the levels of prices of both agricultural and industrial products’. Punjab could not be made to provide foodgrains cheaply, and ‘[i]n industrial prices, the Indian Government was equally unable to resist pressure from capitalist interests’. This meant that

[the fixation of industrial or agricultural prices in India during wartime was thus in sharp contrast to the work of the Canadian Wartime Prices Board or the Ministry of Supply and other control agencies in the United Kingdom or the O.P.A. [Office of Price Administration] in the United States of America . . . We have the same formal structure as in other important countries but it has developed and operated very differently and has yielded results not experienced elsewhere.]

For our purposes here, the pricing policy discloses the power (or lack of power) of various social classes in India. War discloses those who call the shots. Some people starved; other people ate more than they had ever done. Among regions, as among social classes, the war produced both victims and beneficiaries. It is fairly accurate to claim that ‘Punjab prospered; Bengal suffered’. The wartime economic boom, especially the agrarian boom in Punjab, which is neglected in the historiography, has been emphasized in this article. The economic boom was politically relevant, providing in the short run some bags of cement to fortify the citadel of state power. There is ample evidence for the wartime prosperity of Punjab (as the rapturous descriptions quoted indicate), but little reflection on it. Why has it been neglected? Perhaps because there was awareness of the Bengal famine, and behaviour was modulated accordingly — the prosperity in Punjab being quietly enjoyed.

108 In a powerful work, States and Social Revolutions: A Comparative Analysis of France, Russia, and China (Cambridge, 1979), Theda Skocpol identified the state’s attempt to enhance resource extraction from the upper classes, and their resultant hostility to the state, as a key which unlocked one of the gates leading towards revolution. In India, where the war effort led to the uplift of the upper classes, they remained in good humour, and this gate remained locked.
110 The economic changes described in this article had several political corollaries, which have not been dealt with in any detail here. For the political implications of wartime prosperity, in particular how it opened up divisions within Indian society which impeded mass nationalism, see Kantekar, ‘End of the Colonial State’, ch. 2. These years of national consolidation in Britain were years of fragmentation in India.
rather than brazenly announced. Also, soon enough, in 1947, Punjab was divided between India and Pakistan, and in riots and migrations its thirty-four million inhabitants faced a tragedy of another sort, which spawned copious literature and reflection. The prosperity of Punjab highlighted in this article was therefore engulfed, in history writing, by misery elsewhere in India at the same time, and by Punjab’s own misery a few years later. It was twice overshadowed and thus forgotten.

By contrast, the tragedy of the Bengal Famine was publicized. Here was conclusive proof of the evils of imperialism. While the starvation of Bengal validated the messages of Indian nationalism, the prosperity of Punjab was, in a nationalist context, an inconvenience to be overlooked. Arguments over causes and numbers have persisted over the years. The official Famine Enquiry Commission estimated the number of deaths at 1.5 million; later, the economist A. K. Sen calculated that three million was likely to be nearer the mark; and a subsequent study concluded that 2.1 million would be more accurate.\footnote{Sen, Poverty and Famines, 196–202; Arup Maharatna, The Demography of Famines: An Indian Historical Perspective (Delhi, 1996), 175.}

A common view of the cause of the famine was that cessation of rice imports from Burma, and the need to feed an expanding army, precipitated a shortage of rice. Sen refuted this, arguing, ‘[t] seems safe to conclude that the disastrous Bengal famine was not the reflection of a remarkable over-all shortage of foodgrains in Bengal’. In his formulation, ‘[a] moderate short-fall in production had . . . been translated into an exceptional short-fall in market release’.\footnote{Sen, Poverty and Famines, 63, 76 (original emphasis). See also 57–62.}

Whereas earlier famines might be attributed to drought, the Great Bengal Famine was attributable to wartime inflation. In that sense, it was man-made. The discussion has gone back and forth. It has been convincingly shown that Indian food production lagged behind population growth in the twentieth century. It has been shown equally convincingly that even when production was less, famine did not occur. And despite all the statistical fanfare, the number of dead could still easily be wrong by well over a million.

This may be the aspect worth pondering over. So little was known about the victims. They lay beyond the colonial state’s
myopic gaze. Where numbers are hardly known, voices are unlikely to be heard. If we judge the significance of an event by the mortality involved, then the Bengal Famine must unquestionably rank as the most important event of the 1940s in India. If we judge by its impact on state power, however, the famine plummets to a lower place. Those who died were mainly agricultural labourers. The real victims of the Bengal Famine were the rural poor. In a situation where franchise was based on property and education, they were not on the provincial voters lists. Although many people died in the streets in Calcutta, none actually belonged to the city. City dwellers were safe, covered by various food schemes: it was the rural poor who came to the city to die. For all their misery, they remained marginal. The dead were not articulate actors in the theatres of modern politics. The Great Calcutta Killing of 1946, when about five thousand people were slaughtered, threatened the Bengali *bhadralok*, and a furore followed. But the children of the Bengal Renaissance were unharmed by the Bengal Famine. If a beggar died on a doorstep, it was no doubt a terrible thing; but it is an essential part of the upbringing of the Indian middle and upper classes to learn to ignore, at close quarters, the clamour of the destitute. The Great Bengal Famine was a colossal human tragedy but, cynically, no cause for political panic. Those who died in the Bengal Famine could not even be counted properly, because they counted for so little.

So India did not suffer during the war, although many Indians did. In reaching this conclusion there has been, methodologically, an underlying premise. There is much more to Indian history

113 Its information was inadequate. Sen points out that areas ultimately shown to be among the worst affected, were classified by the government in the least affected category: *ibid.*, 208, 215. The state may not have seen its subjects clearly, but its inflationary activities had fatal consequences.

114 A cultural elite which emerged during British colonial rule.

115 The colonial state perpetrated, and presided over, great cruelty: weakness and cruelty often go well together.

116 Seeing starvation, some of the *bhadralok* felt concern, guilt and horror: on occasion, these propelled them into social work, radical politics and impassioned theatre. Nevertheless, what they felt was sympathy, not vulnerability. The distinction is crucial. In 1946 they felt vulnerable, and the Great Calcutta Killing of 1946 led directly, it has often been argued, to the partition of Bengal.

117 One rationalization of imperialism was that British rule protected the Indian poor from the rapacity of the Indian upper classes. The present essay shows the opposite was the case.
than meets the imperialist or nationalist eye. Nationalist and imperialist history, even when regional in scope, take the region as representative, the part as a microcosm of the whole. India is always, in a sense, the unit of analysis. But, as we have seen, the experiences of different regions, and of different social classes, could diverge dramatically. A national category can easily generate much outrage; regional and class analysis — as well as international comparison — can sometimes generate more insight.

International comparisons are instructive. If not at first glance, they help at the second. Wars evoke, among allies, the rhetoric of a common effort: this article has probed beneath the rhetoric, and the superficially similar enhancements of state power, into the content of words like ‘war effort’ and ‘rationing’. Rationing in India and rationing in Britain were, it turns out, as alike as boiled rice and fried bacon. The rulers of the state in London and Delhi shared the same language; but the two states functioned in utterly different ways. As colonial politics are often alleged to have been moulded by British political culture, the distinctions are important to recognize and emphasize. And in times when other words — like ‘economic planning’, ‘privatization’ or ‘globalization’ — are bandied about, the distinctions are relevant to remember. Similar vocabularies can conceal different realities.

The thread running through this essay has been the stark contrast, during the Second World War, between the war effort of the state in Britain, and of the colonial state in India. Seen separately, each national account can, no doubt, be qualified. But more insight is gained if the two pictures are contrasted. The contrast clarifies two different types of relationship between the state and social classes. The claims that colonial rule was civilizing and good, or the cries that it was exploitative and cruel, leave this unsaid.

119 The twentieth century has been described in terms of the rise of ‘mass society’ and ‘mass politics’. In a context where every family is subjected to conscription and rationing, there may be some merit in this concept. In India, however, whether the war damaged a person depended on the class to which he or she belonged. In such a context, the crucial category remains that of class.
120 The formulations of R. M. Titmuss, in his Problems of Social Policy (London, 1950), were challenged by Angus Calder, The People’s War: Britain, 1939–45 (London, 1969), and others. Wartime cohesion, sentiment and social levelling have been exaggerated as well as questioned in British historiography: they reappear, magnified, in an Indian mirror.
The state in Britain was able to command men from all sections of British society, including its upper echelons, to join the army. The colonial state could not compel men to join the army, but attracted some of them by offering economic benefits. As far as war materials went, Britain expanded her industrial production; in India, where production could be expanded little, the requirements of war were met mainly by constricting civilian consumption. Although production expanded, British consumption was also curbed by an effective system of rationing, which included the upper classes; consumption in India was diminished by a rise in prices, which left the upper classes unscathed. British war expenditure was financed to a great degree by taxation; Indian war expenditure was financed to a great degree by printing paper, which led to inflation. While prices remained relatively stable in Britain, in India they increased about three-fold.

Such different state activities produced startlingly different social results. Some levelling occurred in British society; but the war widened the cleavages within Indian society. In Britain, rationing brought about a greater equality in the consumption of food, and a definite improvement in nutrition. In India, even as the more prosperous sections of the peasantry gained from the rise in agricultural prices, and the profits of industrialists flowed like water through the tax net, up to three million people died in the Bengal Famine.

During the Second World War, the British upper classes were forced to send their children to the battlefront, to curb their own consumption, and to contribute large amounts to the national treasury. At the same time, desperate though it was for resources, and brutal though it was to the Indian lower classes, the behaviour of the colonial state towards the Indian upper classes remained comparatively gentle. The Indian upper classes could not be conscripted, their consumption could not be curtailed easily, and their profits could not be taxed effectively. In India, few sacrifices were required from the powerful social classes. On the contrary, as we have seen, very substantial sections of Indian society benefited very substantially. Both states were working desperately to extract resources, but they could not select identical targets for that task. Faced with the emergency of war, the British state squeezed the British upper classes, whereas the colonial state starved the Indian lower classes. Moreover, in Britain, a successful war effort required the state to satisfy the sectional interest of
the British lower classes; in India it required the state to satisfy the sectional interest of the Indian upper classes. Overall, the war effort in India was run on the terms of, and indeed to the benefit of, the upper classes: this was not the case in Britain.

What does it suggest when a state fighting a prolonged war, and desperate for additional resources, fails to squeeze much out of the wealthy or powerful classes? A relationship of power, between the state and social classes, is revealed with unusual clarity in such a case. In its relation to the upper classes of society, the late colonial state in India was, compared to the state in Britain, a much weaker creature.

This relationship left a legacy. In subsequent decades, in independent India, the state has swollen enormously, employing many times more manpower and spending many times more money; but the time when it can effectively extract resources from the dominant classes has not yet come.

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According to an official report, in an entire decade — the 1950s — not one person was convicted for tax evasion in the whole of India: GOI, Report of the Direct Taxes Enquiry Committee, 1958–59 (Delhi, 1960), 150 (Mahavir Tyagi, chairman).