

FOR CONSULTATION ONLY
PREMCHUND ROYCHUND
HIS EARLY LIFE AND CAREER

BY
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BOMBAY :
PRINTED AT THE TIMES PRESS.

1913

22876



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DEDICATED
IN GRATEFUL REMEMBRANCE
BY
THE SONS AND GRANDSON
OF
PREMCHUND ROYCHUND
TO
SIR GEORGE BIRDWOOD, Kt., C.S.I.,
WHOSE LIFELONG AND DEVOTED FRIENDSHIP
ALIKE IN PROSPERITY AND ADVERSITY
WAS HIGHLY ESTEEMED AND AFFECTIONATELY
CHERISHED.



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PREFATORY NOTE.

THIS biography of the late Mr. Premchund Roychund has its origin in the very natural desire of his family to collect and preserve for a permanent reference some of the most stirring reminiscences of his chequered life, specially its earliest phase, which is so indissolubly bound up with the economic and financial history of Bombay between 1863 and 1865. It was the time of immense activity in the cotton trade, consequent on the extreme scarcity of the raw staple in Lancashire during the trying period of the American Civil War. The profits actually realised were phenomenally large and might have been remuneratively employed in the extension and development of many an old industry and fostering new ones. But a mania had seized the wealthy citizens of those days to vie with

each other in starting a variety of banking, financial, trading and other nondescript institutions ; also some companies for colossal reclamation works the construction of which might astonish even the most venturesome and audacious engineering genius of the day. The aggregate capital, chiefly the enormous profits realised on the cotton shipments to Liverpool, which was thoughtlessly sunk in those mushroom concerns, is approximately computed at fully 50 crore rupees. It was during this stirring period that Mr. Premchand came to be greatly regarded and widely known, principally by reason of his great influence with the old but ill-fated Bank of Bombay and the Asiatic Banking Corporation, and, later on, by his skilful floating of the Bombay Reclamation Company, commonly known as the Backbay Company, a share of which could be easily sold during the very meridian of the speculation for Rs. 50,000 or ten times its paid up

value ! Not only was he the prince of stockbrokers. He was also the Napoleon of the Bombay financial speculation which but for him would never have assumed those giddy proportions that it did. Many indeed were his dazzling achievements in this direction, revealing no ordinary financial daring, in the handling of hundreds of the gilt-edged scrips and securities of the times which were being continuously inflated till they reached a point bordering on the fabulous. Premchand, indeed, was the cynosure of all eyes, surrounded during the livelong day and a greater part of the evening by a variety of fortune-seekers, to all whom he was kind and generous. Thus it was that meteor-like did he shine awhile on the financial horizon of Bombay astonishing all. There was a strange personal magnetism about him which attracted thousands of people, rich and poor alike, of every colour and creed. Thousands from various parts of the

Presidency flocked to Bombay within the twinkling of an eye to enrich themselves beyond the dreams of avarice. To those curious to be pretty fairly acquainted with the narrative of that stirring period I would refer to the book I published in 1909 called "A Financial Chapter in the History of Bombay City" (Combridge & Co.). In the chapter specially devoted to Mr. Premchand they will have some clear conception of his remarkable financial activities. The speculation so rife between 1863 and 1865 will, in a great measure, recall the historical one of the eighteenth century in England known as the South Sea Bubble.

Of course, with the fall of Richmond, in March 1865, cotton prices declined enormously, say, from Rs. 700 to Rs. 250 per candy, and lower still later on, after a brief rally. That circumstance led to the complete collapse of speculation and speculators in Bombay. The aftermath

was indescribable. There was a tremendous crash of credit and commercial reputation. While the ephemeral institutions, each and all, came to grief, thousands of holders of the worthless securities were engulfed in monetary ruin from which the majority never recovered. Thus it will be seen how the career of Mr. Premchund Roychund is indissolubly bound up with the economic history of Bombay between 1863 and 1865. It will be readily admitted that the biography of the most prominent and dominant person of those phenomenal times is deserving of a permanent record.

Unfortunately, however, the present and coming generations are deprived of the benefit of a full and faithful biography of Mr. Premchund. A biography which would reflect, as in a mirror, the kaleidoscopic events of those halcyon days cannot be written because the needed

materials are almost wholly wanting. Mr. Premchund, consciously or unconsciously, has left no such materials. For the want of these it has been a most difficult task to prepare one which lovers of history might desire. Even outside sources from which a good deal of the raw material might be collected seem to be lamentably desiderating. Many a distinguished contemporary of Mr. Premchund who came into intimate business contact with him has long since been gathered to the majority. An effort was made from the few survivors left to glean some materials, but it did not turn out successful. Those few again are unfortunately borne down by the infirmities of age or the vicissitudes of fortune. Among Europeans, happily, one survives who was a lifelong and devoted friend of Mr. Premchund. Sir George Birdwood still lives, full of the intellectual freshness and vigour of youth though somewhat weak physically. But this distinguished former citizen of

Bombay, this erudite scholar and student of the earliest history and literature of India, and an ardent lover of the old arts and crafts of this great country, possesses no letters or other papers which might be turned to use for the purpose of the biography. It is, however, gratifying to be able to state that the endeavour of Mr. Premchund's family to have his biography written has his fullest and most cordial sympathy.

Among Mr. Premchund's Indian contemporaries the person most admirably situated to give his biography by reason of his long personal contact in the daily professional business is our well-known citizen and the Chairman of the Bombay Stock Exchange, Sir Shapurji L. Bharucha. It is much to be wished that the task which the present writer has been requested to undertake was confided to him.

There can be no two opinions that had the essential materials been forthcoming

many an important incident of Mr Premchund's career might have been better illustrated and many a dominant factor which was vastly contributory to raising him awhile to fortune's highest pinnacle better understood. But that was not to be. We have to be content with such meagre materials as already exist.

If I have undertaken to write this biography, it should be understood that I have undertaken the work as an outsider, rather than one who was on the closest intimacy with its subject or one who had even a single business transaction with him. I first knew Mr. Premchund whilst I was being trained for accountantship in the old Bank of Bombay in 1864, when speculation was reaching almost its zenith, as the bank's principal broker in company with his father, Mr. Roychund Deepchund. But it happened that I knew him much better when serving as the assistant to

Mr. G. Ramsay Wilson, the pioneer of public accountants in Bombay and a person of the highest ability and integrity in his profession. He was the managing Trustee of the bankrupt estate of Mr. Premchand, and I was the person to conduct in company with his book-keeper an elaborate and prolonged examination of his voluminous accounts which were kept in Gujarati. His simplicity of manners, his gentleness as a mild Hindu and a Jain who had in the meridian of his prosperity given away lakhs in Jain charity greatly impressed my youth. The years which have since gone by have only confirmed the impression I had then formed of him.

It now remains for the public to judge of the merits of this work—how far I have been able with the scanty materials at my command to present a faithful portraiture of Mr. Premchand as a man of business, endowed with no mean talents for finance, and as a gentleman and a

Hindu of exemplary piety and private virtue. None is more keenly alive than myself to its many imperfections and deficiencies and none more regrets the absence of those materials which would have permitted a fuller biography to be written which might have served as a rich storehouse of information for the future historian to record a thrilling narrative of one of the most eventful epochs in the annals of this great city—an epoch in the making of which Mr. Premchund Roychund, as the most towering personality, had the largest share.

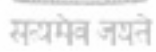
Lastly, on behalf of the members of Mr. Premchund's family, I beg to offer their hearty thanks to the Universities of Calcutta and Bombay, to the Bombay Branch of the Royal Asiatic Society, to the Director of Public Instruction and to the conductors of many academic and philanthropic institutions for having kindly made available copies of corres-

pondence on the subject of the benefactions and donations respectively made to them by Mr. Premchund; and also to Mr. Keshowlal Roognathdas Bhutta for having collected with great industry the necessary materials for the biography from various sources in Bombay and elsewhere.

D. E. WACHA.



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PREMCHUND ROYCHUND.

CHAPTER I.—INTRODUCTION.

How a Biography may be Written.

MANY indeed are the conceptions of what a biography should be as laid down by eminent historians and scholars. One class is of opinion that what is truly needed for a genuine biography is not so much exceptional power and exceptional beauty as exceptional illumination. Another class conceive that a biography to be of any permanent value should contain materials for a moral judgment, and if it is not a transcript from fact, the materials may be pronounced as worthless. There is yet another class of erudite persons who are of opinion that in order to make a biography successful the biographer should possess the essential qualification of intimate acquaintance with the person

whose life he undertakes to write. But there are others who question this essential conception, urging that such intimacy may or may not be a guarantee of an accurate knowledge of the person, because the biographer may lack that faculty of observation which is necessary to acquire knowledge or the power of expression to interpret.

Boswell, that prince of biographers, has made us familiar with the opinion which his distinguished hero, Dr. Johnson, entertained on the subject of a faithful biography. The great lexicographer thought that a biography was "rarely well executed. They only who live with a man can write his life with any genuine exactness and discrimination; and few people who have lived with a man know how to remark about him." So here Johnson, while laying down the essential qualification of a biographer, expresses his own scepticism of persons fulfilling

that qualification. The biographer, in spite of intimately knowing his subject, may fail telling us something worth knowing about him. And if he so fails his biography cannot be said to possess any special value. Of course, Boswell succeeded beyond all expectations, as he had been gifted with the real faculty of illumination and interpretation while intimately known to Johnson. As Peter Pindar has humorously versified, Boswell was "a mighty shark of anecdote and fame" and was admirably suited to act as "pilot to the literary whale." Thus it is that he has come to be recognised as a prince of biographers in modern times, eclipsing all and surpassed by none.

Instances, of course, can be multiplied of biographers who have left an imperishable name behind them from days the most ancient to our own. To take only one instance of old classic days, there was

Plutarch. Speaking of his memorable life of Alexander, Mr. Frederick Harrison, one of our distinguished living scholars and historians, observes that it is "the most masterly portrait ever painted with the pen of an historian, the supreme type of biography proper as applied to the most superbly endowed human being in the history of mankind." And speaking of modern biographies Mr. Harrison gives the palm to two. He calls Condorcet's life of Turgot "a noble biography in all modern literature" and ranks George Lewes's life of Goethe as "one of the very best biographies of our age."

But it will be readily admitted, that with so many conceptions of what a "genuine" or "proper" biography should be, the task of one, however humble, who undertakes to write the life of some worthy person or another, is difficult and embarrassing. There is the

ideal laid down of the essential requisite for a biographer to know closely the subject of his biography. The question is whether the person who undertakes to write the life of one whom he never knew is competent? The answer may be both affirmative and negative. One class of idealists would say he is not and another would aver that it matters little. Only the biographer should possess the special faculty to portray the subject with the aid of the materials which may be at his disposal. In short, when we come calmly to put into practice every conception of biography, we shall meet with tough questions of the character just referred to by way of illustration.

But there is something more to be considered. Even with ample materials there may be pitfalls. Mr. Edmund Gosse, a finished literary artist, in an interesting lecture on the subject, observes that there are materials and materials and that these

have to be utilised with considerable discrimination. One may with abundance produce an exceedingly heavy and dull biography, while another with the most meagre materials may give us one very lively and entertaining. But in every utilisation of materials there is or should be a limit. The materials are diaries, correspondence, public letters and papers, speeches, books, and anecdotes and reminiscences. Each and all have their own specific uses but each and all require in their use discretion and judgment so as to present a faithful portraiture, illuminating, and above all offering the bases for what are called "moral judgments." Unless such discrimination is exercised the biographer is liable to fall into the ditch which, as Mr. Gosse recommends, should be carefully avoided.

Lastly, it has to be observed that the conception of what a genuine biography should be changes from time to time.

Each age or generation has its own ideal. If we can speak of the ideal which at present is considered the essence of biography it is possible that a large majority would accept the one presented by Mr. Frederick Harrison. Writing on the subject in the *English Review*, that distinguished scholar lays it down that the essence of the biographer's art lies in giving "a living portrait of the man as he was, not a mere record of what he did." In the following pages the writer has endeavoured to bear in mind this conception which is admirable every way and sufficiently elastic. He has tried to give such a portraiture of Mr. Premchund Roychund as would enable the reader to obtain a correct understanding of his personality and his public action during one of the most stirring times of the city of Bombay, times which, as I have already observed in my prefatory note, have marked an epoch in her annals. It will be left to each individual reader to draw his own

“moral judgment” from the facts and incidents related. The biography will describe those tendencies and influences which were in full force during one important stage of Mr. Premchund’s life, and point out how far they were controllable and how far Mr. Premchund could be justly held responsible for the final consequences that ensued.



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CHAPTER II.—REASON FOR THE BIOGRAPHY.

BEFORE an account of the early or earliest career of Mr. Premchund is given, it may be best to answer a question which, perhaps, some readers may raise. It may be inquired whether Mr. Premchund was a person whose life needs to be at all written? The query is natural and perfectly reasonable. It may be answered at once. Undoubtedly Mr. Premchund cannot be said to be in any sense a personage of greatness—greatness in its best sense. He was neither a great personage nor did anybody confer greatness on him. He never, even in his palmiest days, claimed any sort of greatness for himself. He cannot be considered to have had any public life beyond the one in which he was professionally engaged, which even locally may be said to be sufficiently worthy of a record.

Never did he in his life pay or attempt to pay any serious attention to any kind of politics. Neither was he known to have been an ardent advocate of any kind of reform, be it social or any other. Even as a devout Jain, he never posed as a religious reformer in his peculiar sect. It seems Nature had so constituted Mr. Premchand as to disqualify him from playing any considerable part in public life in one direction or another. At the best he had confined himself from first to last to the profession of a broker. Is then, it will be reasonably inquired, the life career of a broker, however well-known or eminent, worthy of being embalmed in our local annals? Was there anything in it which was of value for a permanent recollection? There are hundreds of men pursuing that profession, most of them all good men and true. But who concerns himself with preserving some of the prominent incidents of his career for posterity? To these queries also the answer must be

candidly given in the negative. As a broker, pure and simple, his career can have no claim to any biography. Why, then, is this biography at all essayed? The following pages, it is to be hoped, will answer the question. But it may be here observed, without using the language of exaggeration, that Mr. Premchund's career between 1863 and 1865 as the Cæsar of Bombay finance was wholly unprecedented and unparalleled. It would be deemed unparalleled even to-day in any financial circle in the whole civilised world. Hence it may be allowable to assert that the history of Bombay would be deemed incomplete which omits to refer to the part, aye, the most prominent part, which Mr. Premchund played therein. He had come to be unquestionably regarded by the highest as well as the humblest in and out of Bombay as the most dominant as well as the most magnetic personality. Under the circumstances may it not be permissible to aver that the

life of such a phenomenal personage deserves a permanent record? May we not hold, before the present generation and the generations to come after it, an account of those factors, tendencies and influences which in a remarkable degree contributed to making Premchund the personage he actually was in that stirring period? If contemporary annals are to be read by the light of true perspective, is it not necessary that the instrument by the aid of which that perspective could be correctly viewed should be presented to the gaze? In reality this biography purports to do no more than fulfil that purpose. It is offered in all modesty to those imbued with the historic spirit in order to enable them with its assistance to learn, understand and interpret the annals of a singularly unparalleled period of Bombay in their proper perspective, and found thereon a verdict which may stand the test of history.

CHAPTER III.—MR. PREMCHUND'S SMALL
BEGINNINGS.

MR. Premchund was the son of parents in a very humble walk of life. His father, Mr. Roychund Deepchund, was a dealer in timber in a small way at Surat where the son was born in 1831 A.D. They were Shravaks and belonged to the Bania Caste, known as Dosa Oswal, a caste which has been well represented for years together in Bombay and well known for its shrewd business instincts, its keen capacity to undergo any hard work which may be needed in the pursuit of wealth, and its exemplary patience and perseverance. All these characteristics were clearly noticed in the boyish career of Mr. Premchund. The lineaments of the coming man were discerned in the rising youth. The timber trading of the father was far from profitable. So it was resolved that he should try his fortunes in

the City of Bombay. Thither the family transferred themselves and young Premchund was sent to an eleemosynary school to have the rudiments of knowledge and acquire some elementary acquaintance with the English language. Roychund found service in 1852 at a well-to-do and successful broker, named Ratanchand Lala. Finding that his business was not only growing but demanding the help of some one possessing passable knowledge of English, that personage pressed Roychund to make his son available for the purpose. He had shrewdly gauged how far valuable the young fellow would prove as an assistant, specially when going the round of his growing business as a broker among Europeans, both merchants and bank managers. That was indeed the first turn of the wheel of fortune in favour of father and son. Both deserved it and both began exercising their native sagacity to improve their material position.

They became small brokers on their own account. Soon Ratanchand Lala died and it came to pass that they succeeded to his prosperous business. The tide in their affairs had taken the first favourable turn. It had yet to reach its highest level, but there were abundant signs all round, judging from the way they did their growing business, that it would soon be an accomplished fact. Venture-some spirits as they were, and withal indefatigable, they earnestly began developing and enlarging their business. Apart from the business proper of brokers, they commenced trading on their own account. They bought and sold hoondees and also shares of some of the banks of the day. Practically by 1858, they were reputed to have amassed the modest fortune of a lakh of rupees or thereabouts which, it need not be said, then carried a considerably larger purchasing power than the same sum carries to-day. Thus they realised the dawn of their prosperity. It was

cheering and encouraging. Their influence and business with the banks increased. So, too, among the merchants, European and Indian. Bombay was fast expanding her trade and displaying all those germs of greatness which have made her to-day the second, if not the first, city in the British empire.



CHAPTER IV.—A GLIMPSE OF THE TRADE OF BOMBAY IN THE FIFTIES.

IN 1854, when Mr. Premchund and his father were in the service of their generous patron, the trade of Bombay was beginning to show most satisfactory signs of development. It is recorded that in that year the tonnage of vessels which arrived in the port was 404,000 tons. But, perhaps, a clearer apprehension of the trade of Bombay may be obtained from the following comparative table :—

IMPORTS.

		In Crore Rupees.		
		Merchandise.	Treasure.	Total.
1834-35	...	1'76	1'09	2'85
Decennial average--				
1835-36 to 1844-45	...	2'65	1'46	3'61
1845-46 to 1854-55	...	3'84	1'97	5'81

NET EXPORTS.

		In Crore Rupees.		
		Merchandise.	Treasure.	Total.
1834-35	...	3'01	0'02	3'03
Decennial average--				
1835-36 to 1844-45	...	4'51	0'20	4'71
1845-46 to 1854-55	...	6'21	0'51	6'72

Thus during the decade which ended with 1854-55, the combined value of merchandise and treasure imported and exported was 12·53 crore rupees against 8·42 crore rupees in the decade immediately preceding. The increase amounted to 4·11 crore rupees which was equivalent to 50 per cent. That was a most gratifying progress. But we may view this progress in another way, that is, by excluding from our survey the imports and exports of treasure. What do we find :

		In Crore Rupees.	
		Imports.	Exports.
1835-36 to 1844-45	...	2·65	4·50
1845-46 to 1854-55	...	3·83	6·21

Imports of merchandise increased 1·18 crore rupees in 10 years, equivalent to 45 per cent., while exports increased by 1·71 crore rupees, equivalent to 38 per cent. It will be seen that exports were slower than imports ; but later on this economic phenomenon had changed. The next decennium showed larger exports, chiefly

on account of cotton which was so enormously shipped during the period of the American Civil War (1861-65) when Lancashire was starved for the raw staple.

Thus Mr. Premchund and his father had come down to Bombay at a period when her commercial activity had been a record one. The times were indeed most propitious. The railways and telegraphs were in their infancy. Practically, for purposes of inland trade, they were absolutely negligible. At the same time those were days when the merchants and traders carried on their avocations without a thought of competition or apprehension of their neighbour cutting down prices. The trade with China was most profitable, the exports of opium being the principal. The Parsi, as has been well recognised, was the pioneer of the trade with China, the Jew following him at a long distance. Among the principal imports were, of course, silk

and silk manufactures, tea and sugarcandy. It has been said that he who ventured to trade personally with China could on his return bring a valuable argosy on which he may live prosperously for the remaining term of his life. And none among the Parsi pioneers in the Chinese trade were more venturesome and enterprising than the Camas, though the Dadys, the Readymoneys and the Banajis preceded them. The European trade was profitable but no Indian, not even the Parsi, was courageous enough to go to London and establish a firm there till 1855. There, too, the Camas were the pioneers. It was in that year that the great firm of Cama and Company established themselves. But what is more gratifying to record in this place is that that firm invited Mr. Dadabhai Nowroji, then a professor of Mathematics, in Elphinstone College, to be a partner. The Camas were greatly impressed by the high intellectual gifts of Mr. Dada-

bhoy and his great personality even in those early days when he was so keen in the social regeneration of his community. The Camas, with their wealth, greatly sympathised and supported him in his campaign of social reform and strenuous efforts at promoting female education. That a young man of thirty, of such excellent parts, of exemplary public and private virtues, should impress the Camas was not to be wondered at. They fully appreciated his rising worth and were keen on advancing him in life. Here it may be seen how wealth combined with liberality of thought contributed to support education and communal reform. These considerate Camas all through their era of commercial prosperity, were not only great traders but great patrons of education in its broadest sense.

But this is a digression for which I may be excused, albeit I am convinced that

in a way it is not irrelevant to the present subject as will be perceived later on. In 1854, Lord Elphinstone succeeded Lord Falkland as Governor of Bombay. His satrapy was indeed a most trying one, seeing that during part of it, he was confronted with the dark events of 1857 which cast such a shadow over the empire and which for a time threatened its very existence. It was fortunate that a calm and sagacious Governor was at the helm of affairs. That sagacious statesmanship was vastly, instrumental in nipping in the bud a conspiracy of the Sepoys in the city in 1858 who had laid extensive plans to sack the city during the Divali holidays of that year. The conspiracy was discovered by the ever watchful and ever resourceful Mr. Forgett, who was the Chief Commissioner of Police at the time. Apart from this episode, Lord Elphinstone's career in Bombay was a most gratifying one, specially in supporting the mercantile community in extending and

developing the trade of Bombay which, as just pointed out, was then taking large strides. Under the circumstances it was most natural and pleasing that on the eve of his Lordship's retirement in May 1860, the Bombay Chamber of Commerce should have presented him with a valedictory address, specially according him a hearty vote of thanks for his assistance and co-operation in the commercial expansion of the then nascent city. The Chamber's address, part of which is reproduced here, and his Lordship's reply thereto, will inform the reader of the growth of the commerce of Bombay during the six years of his Governorship. The address, which was presented to Lord Elphinstone on 9th May 1860, stated: "It is not the object of the present address to refer to the successful manner in which your Lordship dealt with the emergencies of the eventful year 1857, nor to advert to the ability with which you have administered the Government

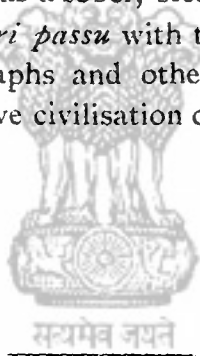
of this Presidency ; but to place on record the lively appreciation by the Chamber of the liberal and enlightened policy displayed by your Lordship in questions relating to mercantile interests."

Lord Elphinstone's reply is equally pertinent and valuable. It informs us what was the actual commercial progress Bombay had made during the six years of his administration : "It has been my good fortune to witness the extraordinary increase in the trade of this port which has taken place within the last six years. I find that the tonnage of vessels, arriving at this port, has increased since 1854 from 404,000 tons to 705,000 in the last year. The Customs which five years ago produced only 30 lakhs per annum, last year amounted to 61 lakhs, of which only a very inconsiderable portion was due to the enhanced duties on imports."

That is indeed an excellent measure of the expansion of the city's import trade.

The Customs duties were more than double within 6 years! without any increase in their incidence, an economic phenomenon which would bring water to the mouth of the Finance Minister of the day, this kind of duplication of the amount netted by the Customs. But what further fell from Lord Elphinstone is of the highest import in view of the facts which shall have to be narrated in the following pages while recording the phenomenal prosperity which befriended Mr. Premchund awhile. "This rapid expansion of commercial enterprise is, I am happy to think, *not owing to wild speculation* or to any other temporary and fortuitous causes. It is chiefly owing, I believe, to the steadily increasing demand for European manufactures in this country and to the growth of a corresponding demand for our exports in Europe. The extension of railways and the gradual improvement of our internal communications, must have an important

influence on the development of our trade." It will be fully understood from the statement of so great a statesman as Lord Elphinstone and the head of the Government that at any rate till 1860 the larger progress which was everywhere discernable in the trade of Bombay had been natural and in no way owing to "wild speculation" which was to be seen later on. There was a sober, steady, evolution going on, *pari passu* with the era of railways, telegraphs and other adjuncts of the progressive civilisation of the West.



CHAPTER V.—MR. PREMCHUND'S RIVULET
OF PROSPERITY IN ITS ONWARD COURSE.

FROM the brief survey given in the preceding chapter of Bombay's growing trade, it will be evident that Mr. Premchund's own advancing prosperity was bound up with it. The larger the inland and the foreign trade in volume, the greater are the earnings of a leading broker, who prefers to adhere to his business and works at it with integrity. The stars in their course seemed in 1859-60, when trade had already grown up 50 per cent. more than what it was six years before, to have been propitious to both father and son. The hoondie business was most prosperous and so was that of brokerage. They say, how insignificant is the rivulet at its source. But mark it as it rolls onwards in its course and swells in volume till it reaches the ocean. Well may the business progress which Prem-

chund began to make from 1859-60 be compared to the sources of his native Tapti and Nerbudda. But the overflow into the great ocean was still distant. In that year the imports of merchandise were still taking larger strides. The average from 1859 to 1862 was 9'97 crore rupees. But in exports cotton was fast gaining ground. In 1860 the exports equalled 566,000 bales. But there were the premonitory indications on the horizon of the United States of the coming struggle in the near future. The speck in the azure blue was no larger than the human palm but it portended soon to extend over the whole horizon darkening that great country, like a veritable funereal pall for five years. The shrewd merchants of Bombay were able to correctly gauge the significance of the speck on the American horizon, and therefore bestirred themselves betimes. They well prognosticated that the war cloud may soon burst which will have the effect of Lancashire

making a large and unlimited demand on India for the supply of its cotton. India really meant the Bombay Presidency, including Kattyawar, whence alone the largest supply could be drawn. But what was the condition of Indian cotton cultivation? Foreseeing coming events, which had already cast their shadow, the Chamber was busy how the supply of long stapled cotton might be increased. Even before taking action in that direction, it had been brought to the notice of the Government how urgent was the reform on the whole system of cotton shipping. "The state of the bunders," wrote Mr. W. C. Sillar on 4th June 1861, "the Cotton Green, the style of contracts, the want of accommodation" required to be remedied. Cotton may arrive from the interior by water or by road, but how can it be warehoused before shipment. How can it be taken from the warehouse to the bunder and from the bunder to the wooden shipping in the harbour. It

would require a long and compendious chapter by itself to describe the many serious defects that were to be noticed at the commencement of 1860 in reference to the haulage, distribution and transportation of cotton. If larger supplies were eventually to go abroad, time must be taken by the forelock to meet the contingency. But it would be going too much out of the way to narrate those defects. It is sufficient to record the fact that all the appliances for transportation were of a most primitive character. A large quantity of cotton used to come unpressed, as cotton presses were almost unknown in the cotton-growing districts. A few presses there were, but those were not able to cope with any considerable portion arriving by the mainland or sea. It is only the older generation now living who have an accurate idea of the state of the piling of the cotton on the Green or on the Apollo Bunder which was approached by a road not half the width

of the present, and also the condition of the prows or boats which conveyed the docras from the shore to the ship. A photograph of the Apollo Bunder and its approaches can alone give a fair idea of the state of things. Bombay has been so vastly transformed during the last half a century that even the older generation are apt to miss the old sites and identify them.

So no more attempt will be made to describe the non-existence of adequate facilities for the shipping of one of the most valuable products of the Presidency six thousand miles away. But here is an informing extract on the subject from the report of the Chamber for 1860-61. "Recent events in America have invested the Indian Cotton question with unusual interest in Lancashire, and it is now found that Dharwar saw ginned American can be profitably employed in the English Mills." They had

about 350 miles of railway opened with another 300 under construction. And in its report for 1861-62, the Chamber again observes: "The extraordinary changes in the circumstances of the American cotton producing States invests the subject with unusual interest; and all eyes are directed towards India, in the expectation that it will be enabled to take advantage of the opportunity offered to her to break the monopoly hitherto secured by America. Your Committee regret extremely that there appears little immediate prospects of any great effort being made by India to justify the expectations lavished upon her. That India has not responded to the world's invitation to rush into the production of cotton, to the displacement of other articles of primary necessity, is to be found partly in the circumstance that Indian cotton has hitherto been regarded in Manchester as a mere stop-gap to be availed of in times of

scarcity, and to be thrown aside in times of a plentiful supply of the superior article. When Manchester can get cheap American cotton, Surats are not wanted ; thus the production of an enormous supply of native cotton is, as a rule, dangerous in the extreme to those interested ; and, generally speaking, no class of persons can be found sufficiently reckless to advance the capital necessary to its development." It will be seen from the above long extract that the same phenomenon which struck the Chamber of Commerce in 1861-62 is still existent, and though increasing efforts have been made to grow the long stapled varieties which Lancashire wants, India is not able to grow them. सत्यमेव जयते

All the same the Chamber's tone was extremely pessimistic and was hardly justified by the facts of the situation which the three following years revealed--years during which the Civil War in the United

States was waged to the bitter end. Dharwar cotton cultivation was infinitely better attended to for purposes of supply to Lancashire as may be seen from the following figures :—

1851	...	...	31,000 Bales.
1858	...	...	101,000 ,,
1860	...	...	156,000 ,,
1862	...	...	201,000 ,,

On the other hand it is curious how the indigenous variety in Dharwar gave a diminished supply. In 1851, it came to 223,000 bales, whereas in 1862, it declined to 177,000 bales.

Apart, however, from Dharwar cotton, it is instructive to take a glimpse of the actual shipments of cotton to England and the Continent during those eventful years. Just when Mr. Premchund's star was rising, in 1859, the exports of Indian cotton to Europe was 490,000 bales and elsewhere, 152,000 bales. Now mark the progress during the following years

which accurately give us an idea of the immense stimulus the cultivation of cotton had received, despite the Chamber's pessimism and inaccurate estimate of capital needed. The fact is that the larger profits of consignments of each year helped to produce that very capital about which the European merchants had shown such dismal scepticism.

COTTON EXPORTS.

IN THOUSANDS OF BALES.

			To Europe.	Elsewhere.
1859	...	...	490	152
1860	...	...	566	202
1861	...	...	835	61
1862	...	...	911	8
1863	...	...	867	8
1864	...	...	1065	1
1865	...	...	1187	14

In five years the exports fully doubled themselves ; and what is more remarkable is that the exports to other countries practically became *nil*. Such was the demand during the period of the famine of the raw material in Lancashire.

Now in 1861-62 there were in Bombay about 33 English and other firms of which at present six still carry on their vast trade, the rest having either come to grief or wound up their business. The six survivals are :—

Messrs. Graham & Co.,
,, Wallace & Co.,
,, Volkart Brothers,
,, Ewart Latham & Co.,
,, Lyon Brothers,
,, Killick Nixon & Co.

But these were certainly not the firms which largely shipped cotton. First and foremost was the old and esteemed firm of Messrs. Ritchie Steuart & Co.,—the same with whom Mr. Premchand had the most colossal transactions both in cotton and shares during the height of his prosperity. Next was the great firm of Messrs. Nicol & Co., with the enterprising Flemings at their head who met with reverses of fortune on the collapse of the

Glasgow Bank in 1878. There were Messrs. Grey & Co., Messrs. Peel Cassels & Co.,—both firms whose members were well known to Mr. Premchund Roychund for purposes of trade and share business. There was again the eminent firm of Messrs. Finlay Scott & Co.; also those well known, of Messrs. Campbell Mitchell & Co., whose senior partner was the eloquent Andrew Grant. Then there was the old and reputed house of Messrs. Leckie & Co. With each and every one of them Mr. Premchund had business transactions. So, too, with reference to the Commercial Bank, the Chartered Mercantile Bank, the Chartered Bank, the Agra Bank, the Oriental Bank and last, though not the least, the old Bank of Bombay.

It will be thus perceived that in 1861 Bombay was taking vast strides in her foreign trade while the monetary institutions were fairly adequate, though it may

be admitted that there was room for three or four more in view of the progressive trade, specially in cotton which, it was inevitable, would demand larger financial accommodation.

It may be, therefore, presumed that Mr. Premchund Roychund was making greater progress in his profession as a broker, besides embarking on a few mercantile ventures, on his own account, specially in view of the potentiality of the cotton trade in the near future by reason of the American Civil War. Practically, with the commencement of 1861, both father and son had thoroughly well established themselves and acquired sufficient credit and influence with the regular merchants and bankers. The bright and cheerful morn of their prosperity was to be distinctly viewed on the Bombay horizon.

CHAPTER VI.—A GLIMPSE OF BOMBAY
TRADE AND THE PROGRESS OF
PREMCHUND AS A FIRST-CLASS
BROKER AND COTTON TRADER.

BY 1862 Mr. Premchund had so far become conscious of his strength in point of money as to have taken a bold step forward in bulling and bearing the shares of two of the local banks, namely, the Commercial and the Mercantile, on an extended scale which, however, was as yet deemed to be modest. But he was a great deal keener in ventures in cotton on the trade of which the attention of many a European and Indian firm was fully fixed owing to the war in America. The innate spirit of bold enterprise began to find full play in him. He was vastly imbued with the old maxim which says "nothing venture nothing have." To this venturesome spirit was added the capacity of obtaining the most accurate

and quickest intelligence. Here some of his European clientèle stood him in good stead. He greatly relied on their forecasts as to the future of cotton prices in Liverpool. With the help of those forecasts he began, slowly at first, establishing agencies in the various cotton-growing districts, specially in Gujerat and Kattyawar for the purchase of the raw staple. Sales were effected in advance and the margin of certain profits was invariably secured. These cotton transactions made him well known not only among the export houses in the city but among the traders inland. As he felt his pulse his ventures grew larger and larger and took bolder leaps hither and thither. Times were propitious. The realisations in cotton, be they on the spot or on consignments to Liverpool, were sure and certain, and as the war progressed with but few chances of peace, prices advanced which were, of course, a greater incentive to amass a large fortune. It was at this

lucky 'juncture in the trade that Mr. Premchund came to be associated with the firm of Messrs. Ritchie Stuart and Co. That house appointed him their broker. That is to say, according to the mercantile usage of those days, Mr. Premchund became a broker to guarantee the firm against any losses which it may incur in its advances on cotton and other shipments to a variety of dealers. By his experience Mr. Premchund had at his fingers' ends, the financial position of almost all the large wealthy traders in cotton and opium. He was therefore in a position to advise Messrs. Ritchie Stuart and Co. as to the parties to whom advances were to be made and the limit of those advances. Thus Mr. Premchund was being slowly borne on the crest of the wave of fortune which the more he ventured the more it befriended him. So much so that by 1863 he had become quite an indispensable personage in the commerce and finances of the city.

Surpluses of realisations on cotton, of a substantial character, in the shape of silver and gold, were pouring into Bombay from Liverpool. By 1863 even the man in the street knew that there was ample money to be made in cotton. If large firms freely stimulated exports of the raw material by means of liberal advances through their respective guaranteed brokers, firms of the second, and even third, class followed suit. So that persons with exceedingly microscopic fortunes were not backward in venturing their all by way of margin to take advances and ship cotton. The wind blew merrily in all directions, till at last Gujerat and Kathiawar too were easily borne on its wings. As Lancashire famished more and more for cotton, with the progress of hostilities in the Far West, the cotton trade here began to expand in a phenomenal way. Any kind of cotton, be it superior or inferior, high grade or low grade, could be shipped in order to make

a fortune. All classes of persons, even those with hardly a hundred rupees in their pocket, went in hot pursuit of obtaining cotton, rubbish or any other, and it was said, perhaps, with a tinge of exaggeration, that even beddings were ransacked and eagerly cut open to collect the cotton in order that a few thousand seers of such stuff may find a profitable mark to rejoice the heart of these humble "dealers." The incident shows the enormous extent to which the trade had been expanded owing to the exigencies of Lancashire.

At the same time mention ought not to be omitted of another ingenious device to which the other class, the wealthiest merchants, resorted. There being no telegraphic service between England and India, it became a vital matter to be able to obtain the earliest news possible, human nature is such that the inventive mind is racked and tortured to find some

way of meeting what may be considered a pressing necessity. So the ingenious method was adopted by one of the most venturesome persons in the trade. The English mail service was a bi-monthly one. And the most widely subscribed paper was the *Home News* or the *Overland Mail*. It gave the latest news of the condition of the Liverpool cotton market. It is even said that there were agents in London who used to entrust in a friendly way to the commander of the mail boat the very latest in the line, that is to say, information to the very hour and minute of the sailing of the vessel. The captain would, of course, hand the letter to the addressee or his confidential agent. Fast sailing country boats, manned by the most experienced lascars and steered by the best of navigating tindals, were kept in readiness at a cost, which was of no consideration, to board the steamer at what was known as the "Outer lighthouse." Sometimes these vied with

the pilot boat to outbid their speed, and it has been said that not infrequently pilots themselves were able to give the "tip" to the eager searchers after the earliest information. This information was, of course, most useful. To get it three or four hours (for the postal sorting was hardly expeditious), before the regular mail letters and newspapers could be delivered really signified loss or gain not of thousands but of lakhs. Pursuit of this information was made under the most difficult circumstances during the monsoon, when it was not possible for the boats to board the steamer with a strong adverse wind. Sometimes these fast boats anchored outside the harbour hours before the mail boat came into sight. Such indeed was the keenness of the pursuit which in a way offers us an indication of the side methods of those engaged in the then cotton trade to obtain the earliest news and profit thereby. Evidently it was a stirring period in Bombay. Those who were witness to it,

either in actual business or as mere onlookers of the great commercial upheaval, could alone describe the various episodes connected with it.

Practically, then, with the opening of the year 1863 there was to be noticed in Bombay quite a saturnalia in the trade. Of course, Premchund boldly went forward. His cotton transactions were literally a hundredfold. He was not content with trading on his own account. He traded in partnership with others whose number was legion. I know this to a certainty myself because when, after the crash of July 1865, estate after estate and company after company came to be liquidated, it curiously happened that Mr. Premchund's books came to be examined by me as the assistant of his managing trustee, Mr. George Ramsay Wilson, the pioneer of public accountants and a person of exceptional ability and integrity in his profession. The account

books revealed the manifold character of Mr. Premchund's partnership transactions, both in cotton and shares. They were indeed an arithmetical maze—a tangled knot of permutations and combinations which required any amount of patience and perseverance to disentangle for the purpose of final adjustment of the accounts of each partnership transaction.

So in 1863 Mr. Premchund had established his reputation as the leading share-broker as well as one of the most venturesome of cotton merchants and speculators. The most wealthy and enterprising Indian cotton merchants were no doubt Mr. Rustomji Jamsetji, a son of the first Parsi baronet, Sir Jamsetji Jeejeebhoy, Mr. Cursetji Furdunji, Mr. Byramji Hormusji Cama, Mr. Jewraj Baloo, Mr. Khatau Makanji, Mr. Goculdas Tejpal, Mr. Goculdas Liladhar Pasta, Mr. Candas Narondas, Mr. Karsondas Madhavadas, Mr. Bhimji Girdhur, Mr. Harbham

Narsey, Mr. Nusservanji R. Tata, Mr. Merwanji Nusservanji Bhownuggree and many others too numerous to mention.

But the limit of Mr. Premchund's activity was not confined to cotton. Even more than a cotton merchant he came soon to be regarded as the premier sharebroker also. The limit of his real transactions knew no bounds and endless indeed were his speculations in a variety of shares of different financial and banking companies which began to rise mushroom like from that eventful period forward. The plethora of capital, by way of the surplus realisations of cotton in Liverpool, was so great that they knew not how to invest such surplus in really sound concerns which might yield a reasonable profit. The numerous dealers in cotton were avaricious enough to embark on their enterprise in this staple even more largely than they had done. These were eager to have larger advances

which the old and cautious banks, well established for some years before in the city, were not prepared to give. It was felt that more monetary institutions to meet the demands of the merchants and traders was necessary. So it came to pass that the earlier surplus of cotton realisations came to be invested in shares of new banks. The very first of its kind that was established in 1863 was the Asiatic Banking Corporation. Originally it was named the Bombay Joint Stock Bank, but owing to its having received a charter, the name came to be changed. ~~It was projected originally in~~ England by some Anglo-Indian merchants of Calcutta and Bombay, but a most influential local board of directors was formed consisting of Mr. Gavin Steel, a member of the esteemed house of Messrs. Grey & Co., Mr. Cawasji Jehanghir Readymoney, who was afterwards knighted, one of the strongest "pillars" of local finance and a Director

of the Bank of Bombay besides, and the Hon'ble Mr. Michael Scott, of the eminent firm of Messrs. Ritchie Stewart & Co. Premchund was, of course, appointed broker to the bank, and Mr. Anthony Morrison, a sound and sagacious banker, its manager. Its share capital of 50 lakh rupees was divided into 25,000 shares of Rs. 200 each. But such was its popularity and brilliant initial success that within a year the capital had to be doubled, and it had obtained a charter for its greater security and permanence. Mr. Premchund was its high priest and burned unlimited incense at ~~its~~ shrine. inviting one and all of his colleagues in the profession and the multitude of eager investors to do similar *puja* so that *Laxmi* or Dame Fortune may reward them for their ardent devotion. Mr. Premchund had now soared high enough though he had to still reach the empyrean altitude. It was not far off. But even at the date of the institution of the Asiatic

Banking Corporation he himself could have hardly dreamed that the people would soon be whirled into the vortex of a gigantic speculation, unparalleled and unprecedented, of which he was to be the undoubted king. In 1863, when the Asiatic Banking Corporation came into existence Minervalike, with some of the best men of Bombay as its substantial sponsors, Mr. Premchand had fully reached the second great stage of his unexampled prosperity.

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CHAPTER VII.—MR. PREMCHUND'S
ASCENDANCY IN THE SHARE MARKET
AND THE COURSE OF SPECULATION.

IT should be remembered that the largest share of the fat profits realised on cotton consignments to Liverpool fell to the lot of Bombay merchants dealing in that valuable commodity. Heavy remittances by way of silver and gold necessarily found their way in Bombay city, though a part went into the districts where the farmers or producers were able to live in a kind of comparative rustic splendour of their own. It has been said that some of the more ostentatious ones showed off their newly-acquired wealth by having silver utensils in their households and even covering the ploughs and the cart wheels with silver which was being poured in lumps unheard of before. This wealth of silver and gold was a drug in the city. Argosies after argosies, as it were,

came to be emptied with each bi-monthly mail. The gold and silver imported was really an addition to the wealth of the city. It served as fresh capital. Unfortunately, however, the capital was almost wholly used for other than productive purposes. In reality the largest part of it found outlet in the numerous financial, banking and trading institutions, besides a dozen colossal reclamation companies that were started between 1863 and 1865. A clear idea of that wealth might be gained from a study of the statistics of treasure recorded during the period. First, the imports of gold and silver as recorded for all India may be exhibited—

In crore rupees.			
	Gold.	Silver.	Total.
1861-62	5'18	12'55	17'73
1862-63	6'84	12'79	19'63
1863-64	8'90	10'07	18'97
1864-65	9'83	18'66	28'49
Total	...	...	...
	30'75	54'07	84'82

Now, let us consider the share of Bombay during the same period of 4 years—

Gold and Silver in crores of rupees.

1861-62	9.48
1862-63	13.98
1863-64	16.13
1864-65	12.19
	<hr/>
	51.78
	<hr/>

Practically Bombay Presidency absorbed fully 61 per cent. of the total imports of treasure during those four years, say, on an average 13 crore rupees per annum.

When we bear in mind that it was not again till 1900-1, that is to say, 36 years after 1864-65, that the imports of gold and silver reached the figure of 16.45 crore rupees, a correct conception might be formed of the enormous figure of the period now being related. What to do with such a quantity of precious metals was the problem, which, unfortunately, was most improvidently solved by founding scores of ephemeral speculative financial institu-

tions instead of laying it out in sound industries of a permanent and beneficial character. No doubt some part of the large wealth went to the producers who, it has been just said, indulged for a time in silver ornaments even to covering wheel tyres with silver.

As stated in the last chapter, the establishment of the Asiatic Banking Corporation under the most influential auspices, coupled with the fact of its shares having been skilfully rigged up to a premium of 65 per cent. in a few short months, was the forerunner of the 94 other monetary institutions which came into brief existence at its heels. The first vital spark of the speculation which eventually burst out into a huge conflagration, was kindled by the Asiatic Banking Corporation, and that Corporation alone while *the* person of all persons to apply the match and fan it into a fierce flame, unconscious of the ultimate catastrophe to which it might

lead, was, of course, our financial hero, Mr. Premchund Roychund. He was worshipped as such not only by his own fraternity but by the vulgar mass who flocked like geese in the Share Market and willingly chose to be entirely guided by him, but equally unconscious at the time of the dire fate which awaited them.

The other important element which had also its share in fanning the first flames of the speculation may be traced to the large augmentation of the capital of the old Bank of Bombay which, owing to its original stringent charter and the exceedingly cautious management of its Secretary and Treasurer, Mr. John Stuart, had a career of uninterrupted prosperity. A little before the tide of speculation began to rise that experienced Manager had retired. He was succeeded by Mr. Blair who, whatever his qualifications may be to steer the Bank's bark in smooth waters, eventually proved to be quite

incapable of keeping her helm firm and steady during the surging tide. It was in 1863 that the Directors, feeling the pulse of the monetary market and noticing the larger legitimate trade which had steadily sprang up, resolved to double the capital, say, from 52 lakh rupees to 104 lakh rupees. The Bank Charter was amended. But there was inserted therein a clause which proved fatal to its stability and ultimate solvency. Advances on personal security were prohibited under the original charter of 1840. That prohibition was removed in the amended charter. Not only that but the Bank was empowered to advance on other than Government Securities. The words introduced were "other public companies in India." There is a long and painful history by it to which it is needless to refer in these pages, but those curious to be acquainted with it might peruse it in the admirable and exhaustive report of the Bank of Bombay Commission. In my own brochure on

the history of Bombay speculation (published in 1910*) I have given a brief resume of the same. But it will be sufficient here to quote the words of that official Commission which was so ably presided by the late Sir Charles Jackson, a former Chief Justice of the Supreme Court of Bombay, with the late Sir Maxwell Melville, a Judge of the High Court, and Major Innes, Chief Military Accountant, as members. That fatal clause according to the Commission "was the direct cause of the ruin which finally overtook the institution." Further the Commission remarked that "it may be that the old Act was unnecessarily restrictive, but that did not justify the removal of all restrictions. They opened the door to great laxity of practice and a ruinous system of banking, and were in fact the chief cause of the bank's failure."

The removal of the restrictions and the reckless way in which, after the capital

* Messrs. A. J. Combridge & Co., Publishers.

was increased, advances were made on a variety of supposed substantial securities, with a highly fictitious value, were in a considerable degree responsible for the wild speculation which set in and of which, as already observed, the Asiatic Banking Corporation was the original forerunner.

But the story of the aftermath will be narrated in a subsequent chapter. Here it is essential to acquaint the reader with the opinion of the Bombay Chamber of Commerce, some of the leading Members of which body were no doubt promoters and directors themselves and therefore no mere onlookers of the drama which was unfolding before their very eyes. In its report for 1863-64, the Chamber observed: "One of the principal features of the year in Bombay has been the great increase in banking and financial companies which we have lately witnessed. Another feature has been the

excessive speculation in all sorts of joint stock shares which has been pushed to an extent which the Committee cannot but regard as full of danger to the well-being of the community." This was the warning sounded by the Chamber, but it is much to be wished that that warning had been given in sterner and more strident tones so as to make the vulgar fully beware of the risk which would await them if they chose to be heedlessly whirled into its vortex. But, perhaps, the Chamber was itself unconscious when it rung its first tocsin of alarm that the tide would run so fast and furious, as it did soon after, and that it would in its surging career sweep away all that was both substantial and unsubstantial, leaving a terrible wreck behind to point for ever afterwards the moral of the event. We are sometimes wise after the event, and are apt to blame those who had not the slightest idea at the time of what might take place. Moreover, we have also to

weigh well the time and circumstances, the tone and temper prevalent. We have to place ourselves in the position of those persons to realise for ourselves how far we, the critics, might have behaved and what sterner warning we might have given. It is even a question whether with all the loudest of loud warning, had it been given, the madding crowd of investors, each and all keen to amass the largest fortunes possible in the shortest time imaginable, could have at all given heed to it. Writing here as only a curious onlooker of those times which are as fresh in my memory to-day as if they had been enacted yesterday, I am of opinion that not all the loudest trumpet blasts from the Chamber and the Press would have had the slightest effect on the course of that feverish speculation.

However, be it said to the credit of the Chamber, that in its report of the following year it spoke out as emphatically against

the speculation as it could possibly speak. It is essential to reproduce here the paragraph : "The year just closed will be notable in the history of Bombay, as a year hitherto unparalleled in the commercial annals for the reckless spirit of gambling speculation which possessed a great portion of the community—speculation which resulted to large numbers, as might be expected from its character, in utter ruin and disgrace. The unexpected wealth poured into the lap of Western India by the terrible incident of the American Civil War was not used wisely. Two years ago a mania for share speculation broke out which continued to grow in intensity till it seemed to absorb the time and attention of the community. The legitimate trade of Bombay was comparatively neglected, and the energies of the people devoted to the promulgation of schemes, the utility of which to the public was probably the last thing thought worthy of consideration by the

promoters. The poverty of invention displayed in the forms which the various speculations assumed was as remarkable as the folly which frequently characterised them. Bombay was flooded with 'Financial Associations' and doubtful schemes of reclamation. Valuable works of reclamation of the greatest public utility in the course of construction and sound banking institutions were for a time practically discredited by the gambling that prevailed in their shares."

Four years after the event, when the aftermath was realised in all its distressing details, and Bombay had lost all her mercantile reputation and credit, the Bank of Bombay Commission, tersely observed in a tone of the greatest judicial serenity, unmoved by passion or prejudice, as follows, corroborating the Chamber's opinion :—"The great and sudden wealth produced by the price of cotton shortly after the commencement

of the American War, coupled with the want of legitimate means of investment, was at this time producing its natural result in the development of excessive speculation . . . From this period every one in Bombay appears to have become wild with the spirit of speculation. Companies were started for every imaginable purpose—banks and financial associations, land reclamation, trading, cotton cleaning, pressing and spinning, hotel companies, shipping and steamer companies and companies for making bricks and tiles.”

The several authoritative extracts quoted above suffice to give to the reader a fully fair picture of the kind and volume of speculation which was rampant in Bombay in 1863-64-65. But it may be just as well for purposes of this biography that a short summary of the divers' institutions and the capital sunk in them may be exhibited.

There were :—

	Crore Rs.
25 Banks with a paid up capital of	13'64
39 Financial Associations with a paid up capital of	6'22
7 Land Reclamation Companies with a paid up capital of ...	8'34
30 or thereabout Miscellaneous Com- panies with a paid up capital of	1'56
Total ...	<u>29'76</u>

But to this paid up capital of 29'76 crore rupees must be added the total amount of premia which the different concerns fetched at their maximum. Here are the figures :—

	Crore Rs.
Premia on Bank shares	10'74
„ Financial Associations ...	4'42
„ Reclamation Companies ...	17'56
„ Miscellaneous Companies ...	5'00
Total ...	<u>37'72</u>

Thus on a paid up capital of 29'76 crores, there were premia paid to the colossal amount of 37'72 crores. In other

words, these ephemeral concerns, mostly, during their brief heyday of prosperity, could fetch on an average 127 per cent. more by way of premia than their paid up capital ! What was the gigantic total ? Fully 67·48 crore rupees. Practically the whole of the surplus account of the 4 years of the profits of the cotton trade, amounting to 51·78 crores, as stated at the commencement of this chapter, had been absorbed, and over and above that a capital wealth of 15·70 crores ! That last amount may be said to be the private wealth previously in circulation or in fixed property which was utilised for purposes of speculation. So that the ultimate result was a loss of 15·70 crores to the community at large to which extent it was poorer than what it was in 1860-61.

This, in brief, was the wild fire of speculation of which the master pyrotechnist was Mr. Premchund Roychund.

There was hardly a company in which his assistance to bull its securities in the market was not invoked by promoters. But for his active or passive support not even one-fourth of the bubble companies that floated awhile on the surface could have found their shares quoted at some premium, more or less. Without any exception every concern, whether started 12 months before or only a week, was quoted above par. The true history of each and every one of them, from first to last, has yet to be written if the intensity of the speculation, both in volume and capital, is to be accurately gauged. It would indeed be a marvellous history, more fascinating in its incidents than many a tale of Arabian nights. But the unconscious maker of that history was primarily Mr. Premchand himself. His genius alone led the speculation to the giddy height it reached. But for his skill in manipulating the shares, be they of the wealthiest reclamation companies or of the poorest

brick and tile concern, no such pyrotechnics could have ever become possible on the financial horizon of Bombay. Whatever you may say of the wisdom of the speculative transactions or their ethics, there is not the slightest doubt that his was the master mind in finance which wrought those marvellous miracles on the Stock Exchange while the high fever raged rampant. The contemporaries of those days, European and Indian, have been of one opinion that but for Mr. Premchand a Back Bay Company's share, with 5,000 rupees paid up, could never have risen to realise for a time 50,000 rupees. So, too, with all the best gilt edged securities of those days, not forgetting those of the Asiatic Banking Corporation which first brought him into such prominence and gave him splendid opportunity for the display of that brilliant financial strategy which crowned him as the Napoleon of finance and acclaimed as such by myriads of his countrymen !

CHAPTER VIII--THE BUSIEST AND MOST
INDEFATIGABLE PERSONAGE--A
CHARACTER SKETCH.

FROM what has been narrated in the foregoing chapter it will have been perceived that in 1863 Mr. Premchund's activities had vastly multiplied themselves in different directions. As yet his principal business was the cotton trade, but it was soon destined to be subordinated to the wild Frankenstein which he himself had brought into prominence, thanks to the Asiatic Bank. The brokership of Messrs. Ritchie Steuart and Co., with their numerous constituents, that is, those who shipped cotton to Liverpool and obtained advances from that firm, was in itself sufficient to tax the energy of a single person. But Mr. Premchund, so far as business was concerned, was a veritable harpy. The more he obtained business and the more he plunged into it

with ardour, the greater was his appetite. In his case at least it might be correctly said that the classic line was amply illustrated. His appetite grew on what he fed. Such was his indefatigable energy that he would whirl himself into the vortex of a variety of business, involving perhaps not one but many lakhs, and run from one office to another with the celerity of the deer. The key to that astonishing physical energy was his temperate habit of living—a habit indeed to rejoice the heart of the ideal physician in Hygeia and of the most ardent social reformer. A Hindu, but a Jain of Jains, the way in which he lived was exemplary. The single word “moderation” would comprise all. It would be no exaggeration to typify him as the very personification of Moderation. He was an early riser. At the very dawn of day he would have performed his daily ablutions and prayers and would be seen ready for the work of the day after a very modest repast of pure

milk, so refreshing, health-giving and nourishing. He lived in a handsome villa called "Premodya" at Love Lane, Byculla, which in those days was sylvan all around in its suburban dignity, a delightful alley for solitary walks and rambles and even for solitary meditation where the man of imagination can roam "fancy free." It is not improbable that the lane was christened so by some love-lorn swain who had often waited long and frequent there in his lady's bower. The bungalow still stands where it was, but, alas, shorn of its many beauteous surroundings. Industrialism has absolutely destroyed the loveliness and solitude of the sylvan place. A Ruskin might wring his heart at the havoc which Philistinism has played in this locality. It was here that Premchund lived from his early days of prosperity to the time of his death. The place is historical, as will be learnt from what follows. Nine-tenths of those who used to give a call there on busi-

ness or friendly visit have been gathered to their majority. The place knows them no more. Neither have we among us any, inspired by the historic spirit, which is to be seen in active evidence in the West, to cherish the memory of it, the place where men in divers walks of life used to resort, where rich and poor thronged in the anteroom cheek by jowl, or standing shoulder to shoulder, all intent on reaping some kind of benefit from the genial and generous-hearted personage seated a few yards away within his modest sanctum unadorned in its simplicity. The cupidity of the modern ground landlord or the owner of the chawl has practically concealed that bungalow in Love Lane from the public gaze. A hideous looking, squalid "chawl," the curse of insanitary Bombay, has been erected in front for some years past effectively screening it. It is much to be wished that chawl could be removed so as to bring back the bungalow into that prominence which it commanded

sixty years ago, and that a modest piece of marble fixed in one of the portico walls to acquaint the curious of the fact of the historical ground he was treading.

The anteroom, as just stated, used to be thronged with all classes of people with hardly any standing room. The sanctum itself was of the simplest character. No "art" furniture was to be seen artistically arranged within its four walls. The occupant had no education in æsthetics. But, of course, there was the reception hall where the old much-prized massive blackwood carved furniture, then greatly in fashion, was to be seen as in every wealthy Hindu house. There were varieties of globe lamps, wallshades and chandeliers and other ornaments. It was in this hall that on 27th October 1864, a magnificent entertainment was given by Mr. Premchand to his great patron and friend, Mr. Michael Scott on the eve of his retirement to Eng-

land. The entertainment was indeed a fairylike one. There was indeed a sound of revelry on that memorable night, and all the fashion and beauty of European Bombay was there along with nearly 2,000 Indian citizens, men of wealth and rank as well of every other walk of life, including the legion of his brethern in the profession. An account of that fascinating entertainment which a Disraeli might have compared to the feast of Belshazzar, can be read by the curious in the *Bombay Gazette* of 28th October 1864.

But to return to the business sanctum of Mr. Premchund. There might be seen for a couple of hours in the morning holding audience, a short and slim, dapper looking personage, of olive complexion, bright eyes which would take a bird's-eye view of the individual before him in a second, clad in snow white *angarkha*, with the Banian turban, placid and cheerful. Once seen he could not be

forgotten. That was Mr. Premchund Roychund of real life. Seated or standing round him would be a few of his *confidantes* ready to go or run, at a moment's notice, anywhere at his beck and call. A stranger, introduced into his presence for the first time, would say : " What a mild Hindu ! " He would be most favourably impressed by the manner of his reception and much more by his sweet words. Mr. Premchund was, indeed, a kindly and courteous personage by nature. In him was to be uniformly discerned the milk of human kindness, the milk which he generously gave without stint to all and sundry who appealed to him. There was no affectation in his manners. His native simplicity would peer all through, a simplicity which never underwent a change, either during the days of his greatest prosperity or adversity. Unobtrusive modesty was stamped on his face. Even a child could read it. He never allowed the sun to go

down under his wrath. There was about him the policy of live and let live. A Christian would not hesitate to call him a good Samaritan. Though lifted awhile to the highest pinnacle of fortune, none ever discerned in him the faintest shadow of haughtiness or ostentation. Pride was sternly absent. Its absence vastly enhanced his reputation and endeared him to all, friends and strangers alike. These virtues, accompanied by gentle modesty, undoubtedly attracted towards him the greatest sympathy when the vicissitude of Fortune laid him low awhile, though there were not wanting a host of unthinking persons, smarting under the losses they suffered after the crash, to denounce and abuse him in the choicest Billingsgate at their command but most unjustly.

Thus it was that Mr. Premchund, during his palmiest days and in the full plenitude of his enormous riches, endeared

himself by his simplicity, amiability, and many private virtues, to all classes of the people, irrespective of colour, caste and creed. He was their idol all the time that the dazzling sun of prosperity shone on him so refulgently. A hard worker, there was in him a capital qualification to despatch business in the shortest possible time. He never doubted or delayed. Dilatoriness was repugnant to his nature as a man of swift action and swift resolution. In conversation as well as in writing he was invariably laconic and to the point. Not one word beyond necessary was spoken or written. Having despatched all and sundry at Love Lane by 8 o'clock, he would repair to his town house at Vithul Wadi where, too, another and larger crowd would await him. He knew how to despatch them also. Having done so, he would be in his office in the Fort by 10 or even before it. Of course, the first and earliest visit would be paid to the members of the firm of

which he was the accredited broker, of whom Mr. Michael Scott was the chief and most masterful. So much so that Scott and Premchund came to be regarded as the twain inseparable in commercial and monetary affairs. They were the mercantile Castor and Pollux of the day. No important business could be undertaken without the Dioskouri having first consulted each other. After visiting Messrs. Ritchie Steuart and Co., Mr. Premchund would call on business at the other big offices with which he was closely connected. It was a sight for the vulgar to see him driving in his plain office shigram or trudging on his legs in the street accompanied and surrounded by a posse of brokers, one of whom would reverentially hold an umbrella over his head as if he were a maharaja. But the sun hurt him not. Mr. Premchund was not born in the purple and he was therefore innured from his early life to all kinds of weather. If

he stood in the street for a minute or two soon there would gather round or near him a small crowd to gaze at the man whose name was then literally "a household word." Reverently they would gaze at him as if he were a mortal god on earth. Next, Premchand would stroll to the place where his own fraternity of all sorts and degrees congregated and transacted business. It was called the "Share Market," but at the time it had no local habitation. The trysting place was under two or three shady fig trees the exact site of which it is difficult at this distance of time to fix. But the spot on which the premises of Messrs. Treacher and Co. presently stand and a part of the road as far as the tram lines covered the whole ground where sharebrokers carried on their daily avocation. There was an alternative place for this itinerant fraternity. That was the verandah of the Mercantile Bank which then carried on its business in the buildings now

occupied by Dunnett and Co., next to Badham Pile and Co. The two places, the trysting place so to say, presented a lively appearance during the day and when the fever of speculation was at its boiling point they transacted business even long after sunset, say, till the hour of dinner. Investors and ephemeral speculators by hundreds were also to be seen there haggling with the brokers. The scorching meridian sun blazed away over their heads but it had no discomforts for them. Paper umbrellas of the old Chinese type were much in vogue. These were their only "sunshade." Thus the tribe of brokers carried on their business. Anybody and everybody, who had an attraction for the share market and was besides ambitious to be affluent, became for the nonce a broker. These advised or recommended the vulgar thronging the share bazaar from day to day to buy such shares as were likely to bring ample gold or silver to their pockets in the

twinkling of an eye. Buy this and sell that, sell this and buy that, was the order of the day with the motley crew of brokers and customers. The more well-to-do of the former would go from place to place either in their own office shigram or in the hack "buggy" of those times—a curious specimen of an oriental vehicle which, if still available in some old stable, needs to be accommodated in our new local museum. The evolution from that quaint and ramshackled structure to your victoria and the taxicab of to-day is great, and it is to be hoped one day, the elegant pen of a scholar, like Mr. Edwardes, the present Police Commissioner, would describe that evolution of vehicle for public hire in Bombay, not forgetting the rummy "bullock hackeries" a few of which might yet be discovered now and again in the remote lanes and bye-lanes of the native town.

The entertaining author of the Arabian Nights has typified for all times to come

that Prince of Wealth—Dreamer, no other than Alanascher. That entity was after all the product of his own rich tropical imagination. But in those halcyon days it was the case in reality that almost the entire population was one vast tribe of Alanaschers in flesh and blood. Without taking any flight to the region of hyperboles, it might be stated that man and woman, master and servant, employer and employee, banker and merchant, trader and artisan, rich and poor, of all races and creeds, officials in high position included, were deeply busy from day to day in the art of commuting bits of paper, variously called “allotments,” “scrips,” and “shares,” into silver and gold. The madness which had seized the population at large was indescribable. Zanoni himself might have been astonished, if not flabbergasted, at the veritable art of alchemy daily practised. *Eureka* was actually patented and sold for all its weight in silver or gold, and he

would have gladly played second fiddle to the Master Alchemist who taught his magic art to so many thousands, his ardent pujaris. No laboratory, no mysterious chemicals, no quaint retorts, no boiling cauldrons, and no crucibles were there. All was simplicity itself. In exchange for a pice worth of paper you could have a handful of tingling rupees or a bundle of currency notes, all soiled and cramped as your day's gain.

That was an exceedingly lively and entertaining place, that open space where thousands met and transacted business ranging over lakhs and lakhs. And it was here that the king of speculation would be noticed in the crowd, himself buying or selling and exhorting others to go and do likewise. But it was not all the day that Mr. Premchund was to be seen there. If any one in those days could be deemed a veritable peripetatic it was he. He used to whirl himself from office to

office and place to place. Swift of speed and lithe of limbs he was indeed a marvel of physical energy while on his legs. At one minute he might be seen driving in his shigram either near the Asiatic Bank or the Mercantile or the Commercial or the Bank of Bombay itself; while at another he might be seen on foot on the road conversing with a broker in cotton or opium or shares. In short Mr. Premchand was in those days absolutely ubiquitous. He was ready with a word of advice, equivalent to what may be called a "tip" to anyone who chose to consult him. He would not deem it wrong, or "bad form," as your purist in manners would exclaim, to talk to the veriest child or the beggar in the street. Such was his accessibility and amiability. All these seekers of fortune prospered for a time. Is it a wonder he was held in the highest admiration? Some would call him a magician, aye, a mandarin of magicians. More than a dozen Arbaces

rolled together, Bulwer Lytton would have been delighted to portray him as a subject most congenial and dearest to his literary fancy. The Premchand of 1863-64 was a Napoleon of Finance and Speculation. So long as those golden days lasted he shone on the financial firmament of Bombay like one of the brightest stars in the celestial constellation. Undazzled himself he dazzled all by his brilliancy which in no way was meritricious. Never again would it be possible to meet with another Premchand Roychand. He was the first and last of his kind. Generation after generation will follow, but none will ever realise those maddening and fantastic scenes which the writer himself had witnessed daily from more than one vantage ground. Often I was in the thickest of the thick crowds, gathered at its customary trysting place, viewing men and things with youthful bewilderment. Many, indeed, were the kaleidoscopic scenes which flitted round me

while standing for a few minutes in the midst of the motley throng—a disinterested spectator but greatly amused while indulging in my own fancies. In the old Bank of Bombay, where under the kindly guidance and training of a long-headed and most able accountant, I used to go through my apprenticeship, Mr. Premchund was to be seen, perhaps, a dozen times during the seven hours of the banking day very near my own working desk. Sometimes he was to be seen in the company of his old father, and sometimes with a friend whom he would bring to be “introduced” for purposes of obtaining a loan or a cash credit. To me it was a sight to behold Premchund climbing down those broad stately stairs of the old Bank, the same where the Government Currency office is presently accommodated, with all the agility of the foot-runner! Even then my youthful imagination was fired by his pleasing and marvellous personality. There was a

magnetic charm about him which once experienced it was impossible ever afterwards to forget. This was the *true* Premchund Roychund of 1863-64-65, of business and finance whom I have here endeavoured to delineate faithfully according to the first impressions I had originally formed of him in the Bank of Bombay. To me, as to hundreds of others who then came into closer contact with him than myself, he always appeared the same. He never changed after his fall. The charm, the attraction, was there, though he was not the Colossus of Riches, and the Golden Calf who was valued at 3 crore rupees! Though he lived well nigh forty years after his fall from that lofty pinnacle of fortune to which he had raised himself alone and unassisted, he was the same personage. Many, indeed, were the vicissitudes through which he passed during that long period, but the man Premchund in prosperity or adversity was the same.

That impression has been corroborated by many, and by none more than his youthful contemporary, now the veteran and well-known Sir Shapurji B. Bharucha, the leader of the Stock Exchange and the *confidante* of more than one Indian Finance Minister. Simplicity, modesty, total absence of all pride, the sweetest of temper, combined with affability and amiability, gave Premchund his own hall mark, his own guinea's stamp. Next, his unaffected piety, his silent but undying attachment and devotion to his faith, and his still more unostentatious charity were indeed worthy of the follower of the Mahavira. His philanthropy, while Fortune showered her smiles on him, was catholic. The left hand never knew what the right did. The Christian may as well claim him as his own as much as the Jain and the Buddhist. Well has Sir George Birdwood, who was Premchund's life-long and most sincere friend and admirer, observed in the appreciation

that Mr. Premchund was essent
spiritual being; and so simple and
elemental in his nature that he might
have passed for a spirit but for his dutiful
and devout responsibility towards the
Unknown Power that works through-
out the world for Righteousness. . .
Through prosperity he lived the same
simple life." He was "the greatest
benefactor Bombay ever knew, the bravest
and the best of men and the most fascinat-
ing character of Western India" in the
palmy days of 1864-5.



सत्यमेव जयते

CHAPTER IX. THE ZENITH OF HIS
PERSONAL ASCENDANCY.

IT will have been obvious from what has been already stated that the stars in their course were exceedingly favourable to Mr. Premchand. Cobden has observed that "luck is for ever something to turn up. Labour, with keen eyes and strong will, will turn up something." Mr. Premchand's assiduity was indeed phenomenal. It is literally true to say that in his case keenness to succeed in spite of all obstacles, fortified by a will which was indomitable, gave him a zest and enthusiasm to amass riches while the sun of prosperity lasted. These made him a joint labourer with the day. Exceedingly early to rise and be at work and late to go to bed, Mr. Premchand was an example of what a young person in earnest pursuit of wealth, could achieve under certain favourable conditions. In 1863

there was to be discerned at the fullest all those favourable conditions which bring fortune to a man of ambition. There was a tide in Premchund's affairs which he knew how to utilise to its fullest and amass one of the largest fortunes then conceivable. As a shrewd Bania he took a full measure of it with a remarkable courage and élan which would seldom be discerned even in men of his age on the London Stock Exchange. He had gauged the times and resolutely determined to take the amplest advantage offered. It was a trite saying of his contemporaries that whatever he touched was soon converted into solid gold. The Asiatic Bank was *his* as the Bank of Bombay was a little later on. The twain were of course the strongest pillars of banking institutions in Bombay. Their coffers were at his disposal. He had only to send his word of command to be obligingly obeyed. Lakhs came to his pockets and to the pockets of those whom he befriended or patronised at his bidding.

Conscious of the financial strength he was able to wield with the assistance of those two banks, money-making pure and simple was with him only a secondary object. The pleasure of devising a hundred means whereby to acquire it was his first object. It soon became his master passion. His financial talent was always on the rack to invent new ways of acquiring large fortune. It was not the possession of wealth but the pleasure of pursuing it which was his chief aim. Gifted with a fertile financial imagination he was able to conjure up methods of his own for floating the big schemes with which his name has come to be associated. It was this faculty which men of business discerned in him and gladly put into requisition. And always willing as he was to give a helping hand to those who invoked his assistance, it was soon recognised that he was a potential factor to conjure with, aye, even an indispensable one. Such recognition is to be seldom

found. It was therefore more valuable ; and as the value rose Mr. Premchund also rose more and more in the estimation of the enterprising spirits of those days. Thus it was that people spontaneously paid homage to his financial talent. Of course he became fully conscious of the fact that he was the power to whom all looked forward for practical advice, guidance and lead. In him the people found the Napoleon of the day. To the world of speculation he was their greatest general—a general of far reaching strategy. He knew how to gather and array his forces and how to distribute them in different directions to achieve the main object. Mr. Premchund in 1863 and 1864 and for the earlier part of 1865 found himself master of the finances of the city which he could dispose of as suited him best. There was none to dispute his title to such command. Each day he wanted to conquer fresh financial worlds and each day's speculative spirit, so boiling and bubbling,

gave him the needed opportunity to display his strategy. Without the one and without the other speculation would have hardly taken those leaps and bounds which are now a matter of history. Without Premchund, the master spirit, speculative pyrotechnics might have soon come down after flying upwards awhile like the rocket. It would be absurd to deny that at the time there were not other men in Bombay who possessed equal, if not greater, financial talents. With Premchund it was in no way a cultivated qualification. It came to him as an instinct. But the instinct grew irrepressible and uncontrollable. It was carried onward as much by its own internal force as by the surging force exerted externally. Among European and Indian gentlemen of great enterprise, wealth, influence and resources some could be easily named. Their names were at the time on everybody's lips. For instance, there was Mr. Michael Scott of the great firm of Messrs.

Ritchie Steuart and Co. He was known to be a hard-headed practical Scotchman of no ordinary financial talent. His ability was universally recognised. Seated at his desk he could evolve daring schemes to take away one's breath, and yet he desiderated the *elan* which was the main-spring of Premchand's success. Mr. Scott could not have fired the vulgar imagination. The idols of the markets were not for him, albeit in the Government and in the Legislative Council that sturdy and unassuming Scotchman was greatly respected for his knowledge, experience, and sound advice. Then, again, there was Mr. Walter Cassels, a merchant of merchants, of the highest financial sagacity tempered by prudence, sage of counsel, another respected *confidante* of Sir Bartle Frere, the Governor, and above all a man of massive intellect, the display of which was shown in the autumn of his life in his native home and was the theme of men of thought and light in

the realms of metaphysics. But even Mr. Cassels could never have buoyed up or enthused the vulgar and carried them to those giddy speculative heights which was the speciality of the subject of this biography. Next, there was Mr. Andrew Grant, a name always to be conjured with. He, too, was a bold financier besides a born orator. But he also shrunk from the position which Premchund carved out for himself. These Englishmen and Scotchmen were sedate men, unsuited to the rough and tumble sort of work in which Premchund revelled and took infinite delight. Moreover, they were men of culture, whereas Premchund was innocent of any culture in the sense we understand it.

Among Indians the most towering financial personality of the times was, of course, the "lion-faced" Sir Cowasji Jehanghir. He was certainly a shrewd merchant, well known to the eminent

European firms of the day. The scion of a great Parsi family of wealth and most influential connexions, he stood far ahead of Premchund. Indeed the latter, compared to him, was but a "man of yesterday." Had Sir Cowasji aimed at playing the role of Premchund there can be no doubt that he might have left him far behind in the race. But Sir Cowasji was indeed most long-headed. For prudential guidance and counsel none could approach him. Though there was in him not an inconsiderable degree the spirit of speculation he fully knew how perilous was the mad frenzy of the times and how certain the aftermath would follow. To his best friends he gave the counsel of perfection, advising them that the sooner they pocketed their premiums and beat a retreat from the speculative market, the happier and the wiser they would be in the end. Sir Cowasji was the very personification of caution and prudence, while full of courage and financial ability

which were more than a match for that of Premchund. So long as he was a director of the old Bank of Bombay he was able in no small a degree to curb and control the management which, after his retirement, let loose the reins and gave Premchund an ascendancy which, unfortunately, foundered that old and venerable institution. In a way Sir Cowasji was the guardian angel of the bank in that stirring and eventful period so long as he retained his seat at the Board. He was, above all others, its real guide, philosopher and friend. That much was acknowledged by Sir Charles Jackson himself, the personage who was appointed by the Government to preside on the Commission to investigate in 1869 the affairs of the Bank. It is on record in the report of that Commission, which will repay perusal even at this very hour, that Mr. Blair, the Manager, had averred that so long as Sir Cowasji was at the Board, not a rupee was lost though bills and

hundees discounted and advances made for lakh on lakh. Sir Charles himself found out that such was the case from other evidence, both oral and documentary. As an instance of Sir Cowasji's prescience it may not be unuseful to quote here a remarkable minute, the substance of which, it is to be hoped, some of the mushroom banks recently started in our midst, might well take to heart if they are not sooner or later to come to grief. Reckless advances with insufficient margin, and without thought of the actual financial stability of the concerns on whose shares loans were made, were in the eyes of Sir Cowasji a high road to rack and ruin. So, too, advances on personal security which may be of no stability at all. But it was the case that about September 1863, the Directors, taking free advantage of a new provision in the amended charter of the Bank, a provision which by lawyers' mistake had come to be smuggled there,

a provision on which the Commission severely commented as being the fundamental cause of the Bank's ruin,—the Directors taking advantage of that provision, resolved to make advances right and left. Sir Cowasji was alarmed and indited a minute which, it may be repeated, claims the study and careful attention of all banking concerns. Sir Cowasji, who was educated at a private English School, wrote quaint English but which was perfectly intelligible. He was very terse and incisive. This is the minute :—

“I decidedly protest against advancing on any other Bank shares on the following ground. No security of registry of shares to our Bank because the opposite bank has lien on its own shares. Respectability is of no use if pledged as a poor man ; all the Bank's shares are now got up by one artifice or another

in value, fluctuate by 20 or 25 per cent. in every few weeks. How the margin is to be settled on these shares? It is utterly impossible to do so under present circumstances, and our Bank lead in a bad example, first of this kind, and introduce in Bombay. As yet practice considered so dangerous that none of our joint stock banks advance on other bank shares. Lastly, such practice will induce greatly more gambling in shares. I ask my colleagues for instance, how they keep faith on other bank shares value when each one increased by 100 and 200 per cent. advanced abruptly. I would wait and never to have this sort of dangerous business for the present. If I am not in order my colleagues must forgive me when I say that if this dangerous practice introduced now, I, as proprietor, would lay bare facts before my co-proprietors

in a general meeting to be called for the purpose."

This minute which, of course, is given here in the quaint English which Sir Cowasji used to write, unmindful of Lindley Murray, clearly shows how in the midst of the feverish speculation (Sept. 1863) he looked not only askance at the dangerous innovation introduced by his colleagues on the direction of the Bank of Bombay, but warned them of the ruin to which they were exposing it. He felt so keenly the mischievous practice which was sought to be introduced that he was not slow even to hold out a threat to his colleagues that he would expose the facts to the proprietors in a special meeting to be called for the purpose if they persisted in their resolution. But as if to make his colleagues quite alive to the real danger, Sir Cowasji added a significant postscript to the minute which shows even more clearly his prescience.

“P. S.—We are only following the example set by the Bank of Bengal, but we must not follow them. Their gross mismanagement of this kind brought Union Bank of Calcutta to total ruin, whose Board was composed of highly, more than highly, respectable gentlemen; two baronets, one gone to jail, another run away to England, and other three ruined for life. Bombay supplied now dozen banks to them, but they dare not get up one of their own.”

Thus, the difference was this. Not that there were wanting both in the European and Indian mercantile community men of great banking experience and original talent for finance. There were two dozen and more who might be named. But none had the fearlessness and the daring, we may call it undaunted audacity, to plunge in the burning ocean of speculation and swim awhile as did Mr. Premchund. However, that circum-

stance apart, Mr. Premchund boldly went forward. Already at the heel of the Asiatic Bank were started some banks which were the forerunners of the legion which mushroomlike sprung into existence in 1864 and in the first three months of 1865.

It is not the object of this biography to enter into any details of the financial operations of the many banks, associations, and reclamation companies started in 1863 and 1864. Their narrative has been related by me with sufficiency in my book to which I have already referred. But it is needful for purposes of illustrating only the financial boldness showed by Mr. Premchund to refer to the formation and history of the Bombay Reclamation Company, commonly called the Back Bay Company, with which the name of Mr. Premchund is indissolubly associated. It had been necessary to make Colaba the terminus of the B. B. &

C. I. Railway for purposes of traffic, specially for all cotton tapped on the line from Ahmedabad to Bombay. The Lancashire cotton famine hastened the construction. Land was necessary for the purpose. But land in the city had so greatly endeared that it was not possible for the Government of India to acquire it, its finances being hardly sufficient to carry on the bare charges of administration. It was observed by one of the promoters, Mr. Walter Cassels, that "it had become necessary either to take the line round by Girgaum at a cost of some 50 lakhs or to undertake an equally great expenditure and very heavy work for carrying it across Back Bay. The Government of Bombay, presided over by the distinguished Sir Bartle Frere, were greatly in favour of the line parallel to the sea as every way better for the permanent good of the city in future. The resolve was prudent and the scheme itself had been well thought and threshed out by a

variety of capable and enterprising men, both of scientific knowledge and business experience. Accordingly the Government determined to reclaim Back Bay under certain conditions. The concession of the reclamation was given to a specially wealthy and influential syndicate. Unfortunately, the most powerful Press in the City, the *Bombay Gazette*, under the vigorous editorship of Mr. James Maclean, himself exceedingly speculative, denounced not wisely but rather most malignantly the concession as a job and hounded the Bombay Government. As a result the scheme could not be floated at once. But after much spirited correspondence with the Government of India, the Bombay Reclamation Company was registered by its promoters in September 1863. Those were Cowasji Jehanghir, Walter Cassels, Gavin Steel and Premchund Roychund. The concessions were moderate and it was known that the denunciation of the *Bom-*

bay Gazette was factious and personal. Anyhow it has long since been recognised that no Company was started with purer intentions, solely with an eye to the greater interests of the future prosperity of Bombay, and no scheme was pronounced, after the most searching investigation, as perfectly sound than the Back Bay project. The opposition was personal and captious. Perhaps it may not be unuseful to state categorically what the concessions were. These were printed on the original allotment paper of the Company.

	Acres.
1. Land to be given free of all costs to the Government for the B. B. & C. I. Railway	120
2. Land for Officers' Quarters ...	10
3. Land for widening the Esplanade.	60
4. Land for Roads	60
5. Land for other Miscellaneous pur- poses	50
	<hr/>
	300
	<hr/>

The total land to be reclaimed was 1,500 acres, of which one-fifth as above was to be given to the Government free. What could be more equitable? Here there were enterprising men of great commercial acumen, with a beneficent desire for the improvement and better prosperity of the city, prepared to undertake a colossal and unprecedented public work costing a million sterling, and that at a time when machinery and stores had to be imported in wooden vessels with a voyage of at least four months and when mechanical appliances, which are so common to-day, were unknown or scarce and not a little prohibitive for purchase, besides total absence of any skilled labour.

As formed the Company had 2,000 shares of Rs. 10,000 each, of which 400 shares were reserved for allotment to the Government. The last eventually remained on the Company's hand as the

Government of India, with Sir John (afterwards Lord) Lawrence as Viceroy, disallowed the retention of the shares by the Bombay Government on grounds of public policy. The first call was Rs. 5,000. Between September 1863 and June 1864 when the Company was actually floated there was considerable furore in the share market. In anticipation there was going on a good deal of speculation. People were on the tiptoe, so to say, in order to realise a fat premium which was certain. The new banks and other concerns uprising in the midst not only gave zest to the speculation but offered the needed fuel to keep it burning. The allotment of Backbay shares, when made, immediately led to an active scrambling in the market to obtain the golden security. A Backbay share was deemed a "golden mine." The lucky recipient of it was happy in the thought of being on the high road to gaining a fortune. There was no end to the appeals

made to each Director by the general public. The allotments, it was well known, were kept only for strong parties, capable of holding them long. The Directors had not the remotest idea of feeding speculation therein. All that they were eager for was to seeing them well placed. It was impossible to respond to thousands of applications by all classes of persons—by European and Indian, by the rich and the poor. Infinite were the stratagems employed not only first and second hand but third and fourth hand to get even half a share. And it is a well known fact that sometimes a share was allotted between two or three and even four persons. The scramble was great and indescribable. Only the Directors themselves could have recounted its history from their personal experience of those appeals and their many episodes. But one of these may be related here seeing that it formed the subject of the inquisition by the Commission of the Bank of Bombay.

There was Mr. Sylvester Birch, Accountant General of the day, a Government Director of the Bank of Bombay and its Chairman to boot. In common with many of his high position, that official had applied for shares to Mr. Premchund, begging as a personal favour to allot him not less than five shares. And it came out in the searching cross-examination that the present which Mr. Premchund made to that Bank Chairman in a variety of shares, including Backbay, was £37,500 ! But it would be long and tedious to recapitulate even a hundredth part of the eagerness with which people in Bombay were in pursuit of possessing an allotment. Were the original list of allottees to be published it would create a sensation even to-day, having regard to the number of high officials, including some of "cabinet rank" whose names might be read therein. And of all the Directors none was more generous and extensive in his dis-

tribution than Mr. Premchund. The number he must have obliged could only be known to him. There is to be found no trace of them anywhere. But this much may be safely affirmed that Mr. Premchund at the time would have fully deserved being called the "Lord High Almoner" of Bombay.

But to proceed with the narrative of the speculation. The 400 shares which were ordered by Sir John Lawrence to be refused were sold by public auction. Imagine the joy of the speculative ring and the throng which hung at its skirt. Imagine also their fervour at bidding at the auction which took place on the steps then occupied in Meadow Street by the Mercantile Bank, while Mr. Sylvester Birch as the representative of the Government stood there, hat in hand, to watch the progress of the auction. Whatever may have hitherto been the bulling and the bearing of bank and other shares, not

forgetting those of Elphinstone Land and Reclamation Company, the elder reclamation company which was started in 1858, it may be said with truth that with the auction sale of the 400 shares of the Backbay Company the fat was in the fire. That event alone was the root cause of the conflagration which immediately set in and which was allowed to burn with unlimited heat under the inspiration and active incitement of Mr. Premchund till the day of its ultimate catastrophe came ten months or so later. The monetary firmament was aglow with the tongues of flame which the conflagration sent upward and upward as each new reclamation company followed in the train of the Backbay Company, accompanied by their numerous feeders in the 40 financial associations of the hour. The entire horizon was ablaze. There was no abatement in the fury and frenzy of the maddest of mad speculation, which had seized the men and

women of Bombay and of the Presidency also. All along the livelong day for a twelve month at least before the day of aftermath, wherever you went the name "Premchund" greeted your ears. No King in Aryaland, be he Hindu or Mahomedan or any other, was so lustily, so cheerily, so fervently invoked as Premchund, this young personage of 34 summers, who only yesterday was unknown to the city! No Pope or Pontiff could have been worshipped with such warm devotion as he. No deity could have been so spontaneously raised on high by popular acclamation as Mr. Premchund. Perhaps, no Golden Calf in times ancient could have been more ardently adored and uplifted on high than the one in our own modern Indian Babylon in the halcyon days of 1863-64-65.

CHAPTER X.—THE KEY TO PREMCHUND'S UNPARALLELED SUCCESS.

IT will be naturally enquired what was the secret of this unparalleled popularity of Premchund and what was the key which unlocked the gate to his unparalleled success? The answer is not difficult to give. First and foremost, this ascendancy must be ascribed to the times. Fortuitous circumstances led him from stage to stage till the highest pinnacle was reached—a pinnacle which he himself in his wildest imagination could not have dreamt of. Secondly, the brokership to the eminent firm of Messrs. Ritchie, Stuart & Co. was another reason. It opened for him a wide circle of cotton merchants, affording him the amplest scope to indulge in his innate spirit of bold speculation. “Nothing venture, nothing have” evidently was his unchanging motto. Thirdly, his native

shrewdness, energy and unlimited capacity to grapple all kinds of transactions, the least risky as well as the most responsible. Fourthly, the inpour of gold and silver from Liverpool which came to be unprecedentedly and extravagantly utilised for the establishment of so many superfluous banking and financial institutions, the treasury of each of which was for him an "Open Sesame." Fifthly, his power over the Asiatic Bank and the Bank of Bombay later on. Sixthly, and lastly, the Backbay Company in the speculation of whose shares he was both the cause and the effect. All the above circumstances, separately or conjointly, conspired to place Premchund awhile in a position from which he never shrank, daring as he was and fearless of all consequences. Without that fearlessness and that daring he never could have grappled those financial projects, large and small, in which he became interested. No other person could have ventured to

play the rôle he did. It was as daring a feat as the climbing of the Alps by a successful general and marching triumphantly to the Capitol in Rome.

In a word, then, it was opportunity which made Premchand what he was in those stirring times. He had in him certain latent qualities. But for the opportunity afforded for their full and active display those might have remained dormant. He might have remained a mute, inglorious, mediocrity of brokers. He might have plied his vocation as so many of his class did. Far from the madding crowd, he might have lived the even tenor of his life in his own confined microcosm. In short, merit might have wept unknown. In his case it was not one opportunity but many opportunities which hoisted him to the highest rung of fortune's ladder. Undoubtedly, in his case, he reached the zenith of his prosperous career in the shortest possible time

imaginable. Both his rise and fall were unto like the rocket in a pyrotechnic display.

The uprising of scores of monetary institutions was the cause of causes of the success he was able to achieve in all his multifarious transactions, which were brilliant examples in permutation and combination on an extensive scale. Small as his beginning was he felt, as he plunged himself in *media res*, the strength of his own growing power and influence, and as the consciousness of that fact vividly dawned on him and grew more and more, he plied his vocation with greater and greater vigour and undiminished courage. In his case it was the fact that the appetite grew on what it fed. Success led to greater success till it seemed there were no more financial worlds to win. The brokership of Messrs. Ritchie, Stuart & Co., under the able management of Mr. Michael Scott,

kindled the venturesome spirit of trading and speculating in cotton. That enabled him to lay the solid foundation of a moderate fortune. On that foundation he rapidly built the edifice, the magnitude of which struck all his compeers as something wonderful. Next came to his support the Asiatic Bank, a veritable *deus ex machina* for his operations till such time that he was enabled to be stronger still by his uncontrolled ascendancy with the Bank of Bombay. The former Bank undoubtedly fanned the flame of Mr. Premchund's speculation in shares. And with the establishment of the mushroom banking and financial institutions, that flame steadily burst out into a huge conflagration which for some time seemed to be absolutely unextinguishable. Each of these was only too proud to find in him a generous patron. Each vied with the other to place at his disposal such capital as he asked for; for they all wanted to see

their respective scrips quoted at a high premium. And who was the juggler to perform that exhilarating operation but Mr. Premchund. Every concern, be it good, bad, or indifferent, opened its treasure vaults unstintedly for him. He stretched his arms as long as he could possibly do in order to take advantage of the proffered funds. Practically Mr. Premchund was a financial Briarius as far as these were concerned. He dipped his hands in the coffers of those banks and associations and assisted himself and his friends to indulge in the same game so long as it lasted. Purchases had to be made in order to be sold. These concerns were ready at hand to find all the monies ; and if the buyers to whom he sold his shares wanted accommodation, they were referred to the same agencies. He was the general referree. Promoters and Directors alike took their cue from him and speculated in their turn. Thus the basal method

was the simplest. His elementary mechanism needed no elaborate endeavour. "Ask and it shall be given unto you." That was the motto of the mushroom tribe of Promoters, Directors and Syndicates. Who, under such a condition, would refrain from availing himself of the offer. Like the shrewd man of business that he was, Premchand took the fullest advantage of the monetary companies and fed the speculation of the day. Lakhs per day counted with Premchand as so many minute counters. He spoke and wrote in figures of five and six from day to day. And yet such was his marvellous memory that he seldom jotted down his daily transactions. Only at evening time he would dictate them to his confidential clerk to be recorded in the books !

The whole of 1864 and the first four months of 1865 were undoubtedly the period of the highest speculative pro-

sperity, both in cotton and shares. The shares of the two most formidable banks—pillars of gold as they were deemed to be—were bulled to any extent. At the commencement of 1864 the capital of the Asiatic Bank was 75 lakhs of rupees, each share at par value being worth Rs. 200. But they were rigged up to a premium of well-nigh 100 per cent. In August 1864 a share of this bank was sold at Rs. 460. As to the Bank of Bombay Mr. Premchund was in favour of doubling the capital for a second time after its original capital had been doubled the year before from 52 to 104 lakhs. Sir Cowasji Jehanghir was vigorously opposed to the proposal. He had already retired from the Directorship of the Bank. Mr. Premchund was supreme, and carried the day. The history of this second doubling of capital was searchingly gone into by the Bank of Bombay Commission, the report of which should be profitably read by those who would care to

thoroughly understand the mechanism of those days. Practically, soon after the doubling of the capital, the shares reached a maximum price of Rs. 2,850. That is to say, a share with Rs. 500 paid-up was realizable in the market at that price, though when the Bank came to be liquidated the return to the shareholders was only rupees one hundred or thereabout !

In the latter part of 1864, the ascendancy of Mr. Premchund at the Bank of Bombay was such that the Bank of Bombay Commissioners have put it on record that practically the *Bank of Bombay was his*. How this ascendancy was acquired may be briefly narrated. The retirement of Sir Cowasji was the signal for Premchund to do as he liked. The vigorous and unceasing vigilance of Sir Cowasji, while on the Board, was so great, and his moral influence so over-powering, that the management dare do no wrong or advance so incautiously

as to incur a loss. Indeed, Mr. Blair, the Secretary and Treasurer at the time, stood in awe of this strongest Director of the Bank. So that with the retirement of that gentleman there was no check or control of the kind he had exercised. All restraint and restriction were cast to the wind. No doubt there were European Directors, but they were so immersed in the affairs of their own respective firms, and partly so entangled in the speculation themselves either on their own account or with Mr. Premchand, that they paid the most perfunctory attention to the direction of the Bank's affairs. That fact has been amply recorded by the Commission. Again, the European Directors were no fixtures. They were constantly changing. Those who would replace the old had hardly the time or the inclination to make themselves even superficially acquainted with the financial position of persons to whom advances were made, either on personal guarantee

or other securities. Neither they knew anything of fresh applicants for loans. And as the majority of borrowers were Indians, it was left to the Indian Director, that is Mr. Premchund himself, to advise the Secretary and Treasurer. The following extract from the report of the Bank of Bombay Commission is, indeed, most pregnant and throws a lurid light on the reckless way in which the affairs of the Bank were managed. “ Mr. Blair found scope enough in the other wide provisions of the Act for much unsafe banking, and he appears to have effected immediately a radical change in the practice of the bank as to cash credits * * Mr. Blair began to discount promissory notes signed by a single borrower, without taking additional security * * The most reckless system of advances commenced. The discount list was discontinued, no loans were brought before the Board or the Weekly Committee for their sanction, lakhs of rupees were advanced

by Mr. Blair without consulting the Directors, to single individuals, to the ephemeral companies of the day on no other security than the promissory notes of the parties borrowing."

It was under the conditions briefly related above that, of course, Mr. Premchund became omnipotent. Mr. Blair implicitly relied on him and Mr. Premchund knew full well that no loans or advances he recommended could be refused by Mr. Blair. The following striking testimony to the subtlety of Mr. Premchund and the corresponding imbecility of Mr. Blair, recorded by the Commission, will further inform the reader how the domination of Premchund came to be so unbounded. "Intelligent and subtle, Premchund was not slow to fathom the imbecility and weak moral character of Mr. Blair and soon acquired great influence over him and his subordinates, with complete command of the funds

of the bank. He procured allotments for Mr. Blair and lent him money. Premchund also bought and sold shares for Mr. Blair and entered into joint speculations with him and never charged him a rupee for brokerage. *The result was that the Bank became Premchund's.*" Of course, so much so that Mr. Blair had obligingly supplied him with a book of forms of promissory notes to be filled up by him with the names of such parties as he should recommend for loans! It was tantamount to giving him a blank cheque book to enable him to exhaust the bank's capital at his own will unchecked by any! This then was the paramountcy of Mr. Premchund's influence with the Bank of Bombay. Similarly with the Asiatic Bank but only in a less degree, owing to the fact that its Manager was a shrewd personage and well trained in banking. Mr. Anthony Morrison was a name among the then bankers to be conjured with. He is an

instance of the cautious man who, in spite of his caution, was carried away by the surging waves of the high tide of speculation which was witnessed in the eventful year of 1864. When two such powerful banks, with a combined capital of well nigh three crores of rupees, could safely entrust Premchund, it is easy to imagine the trust implicitly placed in him by the scores of the ephemeral institutions which had had their day and ceased to be after a brief sun of prosperity. Similarly, the half a dozen gigantic reclamation companies, whose combined paid-up capital may well-nigh be computed at eight or nine crores, allowed Mr. Premchund to have a dip in their respective treasuries, for such a dip enabled him to rig their shares and mount them to as high a premium as was possible. The Bombay Reclamation Company, whose bankers were the Asiatic Banking Corporation, could never have come to grief but for the way in which Premchund was

allowed to advance its monies to himself and his friends. Each reclamation company would bank its own paid-up capital with its respective bankers. Premchund, of course, was perfectly cognizant of the balance each had had to a rupee. He would boom the shares of each and recommend each of these individual bankers to lend as much as they can to him and his friends to freely speculate in the shares. The shares would be hypothecated as securities. That was the mechanism whereby Premchund was enabled to stimulate speculation to an unparalleled extent. That was the way in which he managed to have the 400 shares of the Backbay Company, sold at public auction, to be financed by their large purchasers. The Company realized a premium of somewhere about 90 lakhs, which were all deposited with the Asiatic Bank. That bank, flush with such a plethora of money, advanced to all whom Premchund recommended right

and left on the security of those inflated shares. As a final result, when the aftermath came, the Backbay Company lost all the monies it had in the bank, save that part of it which had been legitimately expended on the reclamation works. It recovered a fraction only of the amount of the 90 lakhs from the bank when finally liquidated. The shareholders received only Rs. 1,700 per share.

It remains to be added how the 400 Backbay shares came to be auctioned. One of the terms on which the Government of Sir Bartle Frere had granted the concession to the Company was that it should reserve 400 shares for the State. The Government acted on the analogy of the proprietorship it had in the shares of the Bank of Bombay. The concessions, which have already been referred to in Chapter X, were fair and reasonable and in other circumstances, perhaps, the proprietary

interest of the State would not have been open to objection. But at the central seat of Government at Calcutta there was Sir John Lawrence as Governor-General. He was a veritable watch-dog of finance. And as in those days the revenue was poor and almost inelastic, while the calls for expenditure by various Provincial Governments were unlimited, Sir John was too vigilant as to the outgoings from the central treasury. Decentralisation of the finances was in the air and the Government of India rigorously controlled all sanctioned expenditure of the provincial administrations. Sir John had been closely watching the course of speculation in Bombay and most especially the operations of the Backbay Company which had been granted concessions as above described. Sir John, a financial Puritan as he was, laid an embargo on the Government of Bombay becoming part proprietor. He directed that that authority should have

nothing to do with the shares. Sir Bartle Frere had no option but to submit to the orders of the Imperial Government. Thus it was that the shares were placed back at the disposal of the directors of the Backbay Company. So many had been disappointed to obtain even a fraction of a share that it was deemed best by the directors to forego the disagreeable duty of a fresh allotment and resolved to put them to public auction, so that those who chose to buy them may do so unhindered. Perhaps, the well-intentioned directors had never dreamt that that method of disposing of the shares would lead to the wild speculation which immediately followed and which continued with unabated fever till the day of the inevitable crisis came. That the shares would be bought at a high premium was well understood; but that they would, under the heat of speculation, take that tremendously upward leap was certainly not anticipated. Thus the sale by public

· auction of these Backbay shares was the last spark which was needed to give to the prevailing speculation that wide scope of conflagration which was witnessed. Other reclamation companies which were projected and launched followed suit. One of these, the Mazagon Land and Reclamation Company, has a striking history of its own.

The Bombay Government possessed land at Mazagon where gunpowder was stored along with other artillery ammunition. It was generally known as Gunpowder Works. For military reasons the factory had to be transferred elsewhere. And the Government, taking advantage of the rising price of land, resolved to dispose of the gunpowder property. There was a trio of company promoters who were more or less fired by the speculative spirit of Mr. Premchand. They essayed to emulate his financial strategy. These were Dr. Diver, a medical practitioner,

but a pure adventurer, Mr. George Taylor, a barrister of some repute and modest fortune, and one Mr. Atmaram Madhavji, a broker in a small way to a firm named Messrs. A. C. Brice & Co. They were known by the name of "The Gunpowder Trio." They bought the property from Government for 8 lakhs and sold it to Mr. Premchund for 40 lakhs. Mr. Premchund underwrote it for a crore and floated the Company of which the trio, along with other speculative persons, became directors. The scrip was, of course, in the market, and sold like wild fire, the highest premium of Rs. 12,000 having been attained for each paid-up share of Rs. 4,000.

Meanwhile another reclamation, of a really productive character, the pioneer of wet docks in Bombay, was also floated called the United Colaba Land and Reclamation Company which, after undergoing certain vicissitudes, still con-

tinues under the name of Colaba Land and Spinning and Weaving Company. Its original directors were all rich and influential persons, veritable "pillars of gold," the richest of whom was Mr. Rustomji, a son of the first Sir Jamsetji Jeejeebhoy, Bart. This Company's shares reached at their highest a premium of Rs. 10,000 on a paid-up capital of Rs. 10,000. The paid-up capital itself was 2 crore rupees. It underwent many changes until merged in the Colaba Land Company as just stated.

The fourth important reclamation company was known as the "Frere Land and Reclamation Company." It was floated to acquire and develop all the land at Chinchpogly now known as "Gorupdevi," and reclaim the bunder called "Tank Bunder," the same which after a lapse of half a century is being improved and utilised at present by the Port Trust. Only 4,000 rupees were paid on each share, but the highest premium was

Rs. 8,000. The Chairman of the Company was Mr. Lyttleton Holyvake Bayley, a barrister, but who rose in 1869 to be one of the Judges of the Bombay High Court and was knighted on his retirement.

There were minor reclamation companies too. But these need not be referred to, though one of them was formed late in the day to reclaim the Flats and known as "The Breach Candy Vellard and Reclamation Company," while another was for the purpose of utilising Trombay for suburban villas and residences and called the "Bombay and Trombay Land and Reclamation Company." Lastly, there was the "Port Canning Land and Reclamation Company," with a paid-up capital of 66 lakhs to reclaim the Soonderbuns of Calcutta. Like the Colaba Company, it, too, has undergone many transformations and still exists as a flourishing Zemindari—the only reminder of an

agreeable character among the many wrecks of the past. It owes its present prosperity, to one person above all others, viz., Mr. Cowasji Edulji Khambata, who was its able manager for thirty years, while Messrs. David Sassoon and Co. were the Secretaries and Treasurers. There was not a land estate manager to rival him who might even to-day put to shame raw boys whom the Improvement Trust imports here as managers to learn to manage landed estates at extravagant cost at the public expense.

Of course, each and everyone of the Companies were floated with the active assistance of Mr. Premchand. He was *the one indispensable* personage of the day to be conjured with, the Supreme Pontiff of Share Speculation whose blessings had to be invoked by all promoters to carry their undertakings and enterprises to a successful issue.

One of the most ingenious devices introduced to fan the flame of specula-

tion in these huge reclamation companies may also be described in this place. "Time-bargains," as they were called, were entered into. These were transactions in the nature of deferred purchase and sale of all kinds of shares. Say A would buy a Backbay share from B, but deliverable either after 2, 3, 4 or 6 months from date of purchase at a higher price. The major number of such purchases, and they were computed by hundreds, were for 1st June or 1st July 1865. Backbays were bought on such deferred terms for Rs. 50,000 and even Rs. 55,000 ! These "time-bargains" were all made out in due legal form and construed by the High Court in the nature of specific contracts. The records of the Court have some very interesting cases of transactions of this kind which the lawyers of the day may profitably peruse in the annual reports of the Court.

Thus success led to success in an ever-widening circle, say from 1864 to April

1865. During that eventful period the stars in their course were most propitious to Premchund. Those also were the palmiest days for all Bombay and its wife. For during the sixteen months of that golden speculation everybody who cared to "dabble" in any kind of share, gilt-edged or any other, was bound to reap a profit. The word "discount" was never uttered. "What is the premium?" That was the question uppermost on the lip of every investor. Mr. Premchund Roychund was the "Uncrowned King" of those days in matters of finance. I have endeavoured in this chapter to give a brief but faithful account of his rise and progress and how he had reached the very zenith of success and amassed a fortune which was estimated at between 2 and 3 crore of rupees, the greater part of which was, of course, on paper. Never was success so short-lived and never was the after-math so disastrous.

CHAPTER XI.—THE AFTER-MATH
AND MR. PREMCHUND'S FALL.

THE fall of Richmond and the surrender of Lee's army were the signal of the beginning of the end which eventually wrought so much ruin and distress not only to eminent firms, European and Indian, but to thousands of families, specially old and wealthy families, with a mercantile reputation for honour and integrity second to none. The news of the final victory of the Federals in March 1865 came to Bombay like a bolt from the blue. That the Civil War would come to a close at some day was anticipated. But that it was so near was hardly dreamt of even by the most sanguine. Anyhow speculation was at its boiling point when the terrible news arrived. The shock was sudden and its stroke intensely cruel. The very first among cotton merchants to place

his affairs in the hands of his creditors was Mr. Byramji Hormusji Cama, a most venturesome and enterprising personage whom even Mr. Premchand or Mr. Rustomji Jamsetji Jeejeebhoy could not equal as far as mercantile sagacity and level headedness were concerned. He, too, was whirled into the vortex of speculation but not to such a wide extent as Mr. Premchand. His more important speculations were confined to shares of the Elphinstone Land and Press Company which, it may be observed, was no child of the madding times of 1864. That Company was the first in point of public works of the highest emprise and utility by private individuals. The great and wealthy firm of Messrs. William Nicol and Co. were its chief sponsors. It was established in 1858 and endeavoured to acquire some of the bunders which were then owned by private individuals under certain conditions from the East India Company. Originally, the capital of

the Company was a crore divided into shares of Rs. 6,000 each. Eventually the capital was increased by half a crore and the shares were sub-divided, each 6,000 rupee share being converted into 6 of Rs. 1,000 each. When the shares had only Rs. 5,000 paid up the speculators mounted it up to 30,000, and later on, when speculation was at its zenith, to one lakh which was indeed fabulous! It was, however, a substantial Company and its Directors were too wide awake to jeopardise its permanence and stability in any way. They steered the Company safe from the storm which overtook Bombay in 1865. It eventually passed into the hands of the Government and was in reality the great pioneer of the existing Port Trust. But the chequered history of this great Company, the very first of its kind in all India promoted by private enterprise, may be well read in the earliest reports of the Port Trust or in that admirably handy volume which

was issued by that authority on the auspicious occasion of laying the foundation stone of the Alexandra Docks by King George V in his capacity as Prince of Wales in 1905.

This Mr. Byramji H. Cama, a merchant of the highest integrity, was the very first to fail by reason of the heavy redrafts on his colossal cotton consignments to Liverpool. His liabilities, secured and unsecured, were at the time computed at three crores of rupees. And such indeed was his honesty that he gave up all he had. This enabled the Trustees, in spite of the heavy depression which followed during the winding up of his estate, to give a dividend of about 10 annas in the rupee. *No subsequent bankrupt merchant paid anything approaching that rate.* Indeed as time wore on the hundred and more large bankruptcies which came to be liquidated are not known to have paid as much as

even two annas. The majority gave from one to four or five per cent. in the rupee !

Of course, after the fall of Mr. Cama, insolvencies followed in quick succession, so that the truly "Black Day" in Bombay was reached on 1st July 1865, the fatal day when hundreds of "time bargains" had matured, but which buyers and purchasers alike failed to respect. The lawyers of the day were busy on that eventful date tendering the shares here, there and everywhere. It was an ominous day altogether ; and as if to add to the dismal gloom wrought by the financial crisis Nature herself had assumed a most mournful garb. The sky remained overcast and murky, it being the monsoon. Wherever one turned there were to be noticed anxious eyes, almost wet with the tears of distress and woe which threatened all Bombay. It was a day when there hung a kind of funeral pall over the fair city, the beautiful

Bombay of gold and silver erewhile, the city *par excellence* where fortunes were made in the twinkling of an eye !

In short what was known as the "Black Day" in London, on the failure of Messrs. Overend Gurney & Co. in 1866, was a "Black Day" in Bombay on 1st July 1865. With it commenced the era of liquidation. Meanwhile all credit had come to an end. There was such a disruption of it that it was found impossible to get even the few banks, which survived the shock, to advance any monies at all. The city had so suddenly reached its nadir that it was difficult to realize that only a few short months ago money to any amount could be had for the asking by the man in the street. What was a drug in the market had become a rare commodity not to be parted on any account. At first, after men had a breathing time to count their losses, there was still an optimism prevailing that the

crisis had abated and a reaction favourable to investors would soon supervene the depression. That optimism was, no doubt, stimulated by the rally for a time in the cotton market of Liverpool. Prices had somewhat risen. Those who had held the Bombay consignments were now eager to realize what could be fetched. But it was known that the American farmers, soon after the close of the war, had been busy cultivating their grain and cotton fields, and that the prospects of a good crop in the season of 1866 would see cotton reaching its normal. That prospect, so far as Bombay traders were concerned, was in no way cheerful. And the more it came to be realized all hope of a permanent rise in cotton prices was abandoned. Those who for a time had hoped against hope saw nothing but dismal insolvency staring them in the face, while company after company was winding up its affairs, and the few monetary institutions, which had with-

stood the shock, were sitting tight on their safes. Distrust had extended to an unlimited extent. As a result, all credit was lost. Mr. Premchund was no doubt one of the optimists. He had lost his magic power to rally the share market. At the best his attempt to do so was a comparative failure. There was none so poor as to believe in him. Indeed he soon found himself the most abused person in Bombay. The unthinking multitude who, of course, had lost their all and were besides ruined for ever, with no means, or very slight, to retrieve their fortune, was foremost in their denunciations, curses and abuse. The Press, playing to the same gallery, was no less denunciatory and abusive. Those who calmly and seriously pondered over their own follies, which had led to the appalling catastrophe, were few. Those, too, cursed the day when Premchund ruled as king of the share market. At a variety of shareholders' meetings objurgations were

hurled, first, at the Directors, and, secondly, at the prime author, as they believed, of all their woes. In short, even the many sins of omission and commission of Directors *et hoc genus*, some of a deliberately fraudulent character, were absurdly laid at the door of Mr. Premchund as the arch mischiefmaker. He was the Satan of all the financial mischief, he whom erstwhile they had adored as a deity and sung songs of joy in his praise. That was the moral antithesis to be discerned wherever one went. In mercantile offices, in banks, in public places, in clubs and in coffee shops, everywhere, the hated name of Premchund was on the lips. That the king of speculation was undoubtedly a sinner cannot be gainsaid. But to tell the truth those who abused him right and left in no measured terms were no less sinners. There may be a difference of degree in their sins, but none of kind. Each one who lost his money in the speculation, whether the loss was a thousand

rupees or hundred thousand or ten times that amount, had staked his all, while the sky was bright and clear and the river of gold and silver full and overflowing, in the hope of bettering himself. He that invested his modest fortune of a thousand in order to see it doubled or quadrupled as grievously erred as he who invested his lakh to swell to ten or twenty. The human cupidity which prompted all was the same. It was this verity which eventually caught them in the whirlpool of panic and distress. But who will conscientiously aver that Mr. Premchund was the sole and exclusive author of the ruin of each and all? If they all erred, did he err the less? He was in the same boat with them, albeit at the helm. The helmsman himself had, like them, no better idea of the terrific coming storm and of the swiftness with which the boat would be upset. In no way was Mr. Premchund any bit wiser or more prescient than they. The cyclone came with all the tremendous force, and

the swiftness of the avalanche, sweeping all, Premchund included. The fury was great, but neither he nor any one else had anticipated that they would be so quickly overtaken. Not that there were no cautious and circumspect men in the city, cool-headed, with a knowledge of similar phenomena which had overtaken those who were caught in the vortex of the world-famous South Sea Bubble or the Tulipomania of the early eighteenth century. There were such. But they were unto like the prophets crying in the wilderness, while the merry game of the maddest of mad speculation was rife. Their effort to stem that tide was as bootless as that of the proverbial Miss Partington to arrest the surging billows of the Atlantic with her mop. When a whole population is seized with a kind of temporary insanity it is hopeless for the most skilful physician to cure the malady. The malady which overtook small and large investors had also seized Prem-

chund. His only sin lay in his cleverness. He exercised to the fullest that instinctive gift that he had in him, innocent or unconscious of the fate which was tempting him as much as those who followed him like a flock of sheep. In short, it may be wise to moralise after the event. But there can be no doubt that what is known as the "mutton-nature" of our common humanity had gone out of hand and played the havoc. It is not the purpose of this chapter to absolve Mr. Premchund from any deliberate sins of commission of his own. For all his conscious acts during the era of speculation, which may have fairly and legitimately wrought woe and distress upon thousands, by all means indict him. Let the impartial judge, weighing in the scale all facts, but not the thousand and one fictions propagated about him by malice and misfortune, sternly judge him and pronounce his verdict. Let him weigh Premchund in the balance, and by all

means pronounce the sentence which he may deserve, if found wanting. Here I am narrating the facts only and pointing out how far when the crisis overwhelmed Bombay and wrought such unprecedented havoc and ruin on thousands of families, made wreck of all mercantile reputation and destroyed credit for some years—how far Premchund was solely and exclusively responsible for it.

Meanwhile the narrative of Mr. Premchund's own position may be briefly related. The Bombay Bank and the Asiatic Bank were his largest creditors. Their respective instincts of self-preservation seemed to have prompted them to assist him in what they thought was a passing crisis. Optimistic as they were, even after the crash of 1st July 1865, they firmly believed that come what may all would not be lost. That if only by fresh accommodation they could relieve Mr. Premchund from his tem-

porary embarrassments, their monies will be recovered and they would be able to wipe off the losses sooner or later. Such was the implicit belief of those who were at the helm of the two banks. The most valuable securities they held were the shares of the Backbay Company, their own shares, the shares of Elphinstone Land Company and a few others. In April 1866 the embarrassment of Mr. Premchand was most acute. It was a question of life and death, so to say, not only to himself but to the two banks which were his largest creditors. On 26th April the Managers of the two banks, along with a few others, met in the parlour of the Bank of Bombay to confabulate and determine what monetary assistance should be given in response to the application made by Mr. Premchand on the previous day for a loan of 25 lakhs. He had offered securities by way of shares and jewellery for the amount. But it seemed that the securities were not valued with any

thing like tolerable accuracy. The Bank of Bombay had the jewellery assessed by three independent valuers, one after the other. These, according to the report of the Commission, were valued at three lakhs only when Mr. Premchund informed the meeting that they were worth 15 lakhs. Here is part of the evidence given by a Government official before the Commission. Said Mr. F. S. Chapman, who was on the Board of the Bombay Bank when the application for the loan was made:—

“ His position was far above that of an ordinary speculator, and I should call him the keystone of the commercial prosperity of Bombay. We certainly were considering the question whether we should stave off his insolvency, and on learning the large advance he required our eyes were opened to the nature of his position. * * Premchund was not asked to satisfy us that if 25 lakhs were advanced that sum would effect our object.” One important reason of this

large loan which Mr. Premchund required was his great solicitude to save the Asiatic Bank which was then on the verge of bankruptcy. The manager of that bank was present at the meeting of the Bank Managers referred to. Of course, he supported the making of the advance, for Mr. Premchund was immediately to hand over 15 lakhs of it to him to enable him to tide over the bank's own difficulties. There were at the time wheels within wheels. The Bombay Bank thought that in advancing the loan to Mr. Premchund the other bank would also be protected. And were such the case the crisis might be got over. That, however, never came to pass. It only showed the blind folly of the Directors, themselves almost involved heavily, in sanctioning the loan. They knew little that Mr. Premchund's vessel was sinking and not all the monies they might advance would go to save that perilous situation. In fact, the bank

has been severely condemned by the Commission for its extraordinary want of judgment in the face of an unprecedented crises of the greatest magnitude when exceptional circumspection was absolutely essential to save from the wreck the monies of shareholders and creditors alike. The Asiatic Bank itself obtained another temporary advance. But all was in vain, and eventually in September 1866, Mr. Premchund was compelled to submit his affairs to his creditors. It was anticipated outside that the meeting would be a stormy one; but so far as authentic reports go, it passed off fairly smoothly, thanks to the forbearance of the creditors themselves, assisted by his Solicitors. Where there was grave error on both sides it was of no use indulging in recrimination or hostile criticism. No fraudulent intentions were raised or alleged. The common misfortune which overwhelmed the public generally had befallen Premchund. All were

anxious only to see a speedy winding up of his affairs and some fractional return of the assets. The liquidation was under Act XXVIII of 1865 which was specially enacted in time by the Government of Bombay in order that the anticipated heavy bankruptcies might be speedily and effectually wound up not by the ordinary cumbrous and slow process of the Insolvent Court but by the special machinery of Trustees under the immediate supervision of the Court. The Act was to be in operation only for two years. The Trustees appointed by the creditors, of whom, of course, Messrs. Ritchie Stewart & Co., and the Bank of Bombay were the largest, were Messrs. G. Ramsay Wilson, Thomas Fisher Punnett and Michael Rosario de Quadros. The last was the Manager of the old and well established Commercial Bank which, too, had come to grief. Long indeed was the period of winding the estate and most tedious was the process of examining and

adjusting claims which overlapped each other. The mechanism of what bankers call "cross exchange" was nothing compared to the disentanglement and setting off of the permutations and combinations of the colossal transactions of Mr. Premchund in partnership with scores of individuals and firms, apart from his own transactions in a hundred and other public companies in whose shares he had speculated. Having myself been the person to assist Mr. Ramsay Wilson, the Managing Trustee, I have known what complexities of account and what difficulties of adjustment had to be experienced before finally admitting claims. We had to go through a kind of complicated clearing house process. It took well nigh three years before we paid a first dividend of one per cent., and later on a second half a per cent. Practically it came to $1\frac{1}{2}$ per cent. This was the return of the assets against all *unsecured* liabilities, amounting to nearly two crore of rupees.

There is not the least doubt of the fact that the wreck of the old Bank of Bombay was primarily owing to the abnormal advances which Mr. Premchund was able so easily to obtain for himself and his friends. The report of the Bank of Bombay Commission amply corroborates that fact. That Commission had held a most searching investigation of the bank's accounts and elicited any amount of irrefragable evidence from the cross-examination of a number of witnesses. The Commission have, on the basis of that evidence, left on record the fact that the Bank had in all sustained a loss of Rs. 2,04,68,991. The share of the loss contributed by Mr. Premchund is recorded in the following words : "Premchund Roychund besides obtaining large loans from time to time for himself—the amount culminating in a debt of 42 lakhs and upwards from him to the Bank—obtained loans for other persons who applied the money in the

purchase of shares for himself to the amount of Rs. 66,90,000 of which Rs. 43,45,478 have been irrecoverably lost. He also procured from the Bank for his partners in speculation and for his own purposes Rs. 29,58,938 of which Rs. 13,02,418 have never been repaid." In all Mr. Premchund drew from the Bank on account of himself and his friends 1·38 crore rupees—a colossal and unheard of advance to any single individual, directly and indirectly. The amount, out of this which was written off as irrecoverable, came to 56·47 lakh rupees. Thus, the Bank lost fully 40 per cent. of the total advances. It may be inquired whether in the financial history of the various countries of Europe and America, during the whole of the nineteenth century, it has been recorded that a single individual had had at his nod and beck the coffers of seventy monetary and other institutions from which he was able to draw for himself

and his friends any amount of funds that he wished. That feature of Premchund's financial career is indeed psychological and indicates the unbounded confidence the bankers and moneylenders of the times had reposed in him. It is a feature on which our present day bankers and financiers may well ponder and form their own judgment.

Lastly, it may not be uninstrusive to take a sober survey of the actual destruction of capital which the aftermath wrought in the city, when everything is taken into consideration, including the fractional return of assets made by all kinds of bankrupts and insolvents. Speaking without exaggeration it may be observed that nothing short of 13·70 crore rupees were lost as per figures below :—

	Crore Rs.
Total paid up capital of banks, financials, reclamation companies and other miscellaneous concerns.	29·76
Total average premia estimated at	37·72
	<hr/>
	67·48

	Crore Rs.
Brought forward...	67'48
Deduct the net imports of silver and gold between 1861-62 and 1864-65.	51'78
	<hr/> 15'70
Deduct estimated return of assets from bankrupt and insolvent estates, say,	2'00
	<hr/> 13'70
Net Loss	

Nearly 14 crores of the substantial capital of Bombay which existed *prior* to the date of the Civil War was thus swept away. That amount may be reasonably held as the final loss. The aftermath was indeed appalling in the rack and ruin it made of thousands of well-to-do families and hundreds of the wealthy, including many rich and old firms of first class credit and reputation. These were tempted in the very last period of speculation, when it had reached its meridian point, to stake their all in the belief that the capital investments would return double-fold. Substantial landed and house

property, hard cash and government securities, joy and jewels, furniture, &c., all went eventually into the seething melting pot. The properties came to be knocked down by private offer or public auction at far below their intrinsic value, such was the depression and such the scarcity of cash and loss of credit. The securities once held as gilt-edged sold for a song. Many became worthless and many more carried fresh liabilities for unpaid calls which added not a little to the original distress wrought by the terrible crisis. In December 1867, depression had so completely overwhelmed monetary Bombay that a Bank of Bombay share which stood at Rs. 2,850 as a maximum, could be sold for 87 rupees; a share of the solid Elphinstone Co. at only 450 rising perhaps to 505; a share of the Back Bay Co., which was readily purchased at 50,000 rupees at only 1,750! Colaba Reclamation Co. shares sold at Rs. 975, Mazagon at 515 and Frere Land at 115!

The liquidation went on till 1872. Counting from April 1865, those were seven long years of the bleak winter of depression. The gloom which fell over the city may be compared to that of the Arctic. Slowly Bombay began to recover after 1872 and build again her fortunes on the detritus of the old, every way sadder and wiser. A new departure in commerce and industry was taken. Credit was being slowly restored. Trust in monetary transactions cautiously returned till at last, as we all know, prosperity came back with the firm establishment of our cotton industry, coupled with honest trade, and our new docks and extended railways which have so greatly facilitated transport of goods. Thanks to Bombay's spirit of commercial and industrial enterprise, she now stands on a higher pinnacle than she did in the palmiest days of 1863-64 and enjoys a reputation second to none in all India.

CHAPTER XII.—MR. PREMCHUND'S
PHILANTHROPY.

FROM the gruesome details narrated in the last chapter it is an agreeable relief to turn to the sterling benefactions unostentatiously made by Mr. Premchund in various directions. If he amassed a colossal fortune, worthy the ransom of a prince, he may be truly said to have spent a substantial part of it for the most benevolent and useful objects after the manner of a prince. The great dramatist has said that the good men do is oft interred with their bones. It is not generally known the large amount of wealth about 60 lakhs which Mr. Premchund gave away for the most beneficent objects during the years of his prosperity. Those benefactions were not confined to one community or race. They were truly catholic and as such are to be greatly

appreciated. No doubt, a devout *Shravak* Jain as he was, his religious charities were many and are said, according to the computations of the family, to amount to 40 lakhs. Not only Bombay but Gujerat and Kattyawar have benefited by those religious endowments and benefactions. His religious spirit was such that not only those charities were made during his brief heyday of prosperity. They continued in small but fertilising rills all through the rest of his life. As Sir George Birdwood, than whom there cannot be a more conscientious and fair-minded judge of character, has observed, Mr. Premchund's pure personality was intensely religious. In matters mundane, be it in prosperity or adversity, he was self-effacing. He was a firm believer in the practice of self-negation and of peace and goodwill towards his fellow beings. His conviction was a kind of ethereal beatitude, a happy *nirvana* by means of deeds most virtuous

and unostentatiously accomplished. That spirit of self-negation may be read in the official correspondence he carried on with the Governments of Bombay and Calcutta in reference to the princely donations he made to the Universities of both the great cities. They are exceedingly laconic, with no thought of perpetuating or associating his name with them. The only one which came to be associated with a name was his gift of two lakhs of rupees he made to the Bombay University for a clock tower which was to be an architectural ornament to the city of which the citizens may be proud. But it was the Senate which resolved that the tower be named Rajbai, after his good mother for whom his filial devotion was boundless. Premchund had never suggested it. Bombay was fortunate at the time in possessing two exceedingly able persons, one a statesman and administrator of great distinction and the other a profound English scholar who had

earned a European fame. Sir Bartle Frere was the statesman and the head of the Government. Sir Alexander Grant, whose "Ethics of Aristotle" is the pride of Oxford, was the scholar and the able Principal of Elphinstone College. No two persons were stronger in their keen advocacy of higher learning, the portals of which the farsighted statesmanship of Lord Canning had thrown open during the darkest period of British rule. The Universities of Calcutta, Bombay and Madras received their first charter at the hands of that most eminent of all Governors General in 1857. Thus both sedulously endeavoured to find a local habitation for the University and the College by causing to raise local temples of Learning, beautiful to behold in the midst of the City by coaxing private benevolence of a princely character. The times were propitious and they seized the times by the hand to fulfil the desire nearest their heart. So it came to pass that the temples

came to be endowed and æsthetically accommodated midst pleasing surroundings where the students of Higher Learning may leisurely pursue their studies and delve in the rich mines of knowledge for far richer gems than are to be found in the diadems and tiaras of princes and pontiffs. Sir Bartle himself belonged to a family reputed for its literary culture of which there was that distinguished specimen in the person of Hookham Frere, the well known author of *Aristophanes*. The Convocation Speeches of that Governor are a model of what University addresses should be. They are unsurpassable and remain unsurpassed and may be still read with instruction and profit by the present generation of University Fellows and those to come after them. None took broader views of the University and none strove to acquire for it the greatest freedom, the same which men like Max Muller and Gladstone have more than once vigorously advocated, but unfettered

by any bureaucratic mandates of the deplorable character which unfortunately have been in vogue since 1910. No two persons were more alive to laying the foundations of the Bombay University broad and deep, making it a real seat of Higher Learning than these two. They seized the golden opportunity offered to interest the then benevolent persons of wealth to stimulate that learning. It is gratifying to record here that they succeeded immensely in their noble efforts. In Sir Cowasji Jehanghir and Mr. Premchund Roychund they found two philanthropists after their heart, men of fortune ever ready and willing by their wealth to advance the progress of education. Who is unaware of the many educational institutions, small and great, which bear the honoured name of Cowasji Jehanghir, of which the Elphinstone College building, the one originally erected at Byculla, which has found a home for the Victoria Jubilee Technical Institute these 27 years,

is the most prominent. From the corner stone there, at the opening ceremony of which the writer, as an old Elphinstonian, was present (1866) the visitor may learn for himself how the institution was provided for by the liberality of a worthy citizen under a most distinguished administrator. If Sir Cowasji Jehanghir's many notable benefactions were given for purposes of promoting Education, higher or lower, so, too, were those of his compeer, Mr. Premchund Roychund. Beyond giving two lakhs for the Rajbai University Clock Tower he gave two lakhs for the University Library. But how disagreeable is it to reflect that there is no bust or statue even of Mr. Premchund to commemorate his princely donation. The University seems to have been totally unmindful hitherto of the liberality of that generous founder. Yet on the opposite side, in the beautiful garden, there stands the statue of the other philanthropist who donated two lakhs

also for the University Senate Hall ! It is now over 35 years that the University has a local habitation midst the most pleasing surroundings, ornamented by architecture which Bombay owes to the genius of Sir Gilbert Scott—a thing of beauty and joy for ever. But it seems to have occurred to none yet to put members in remembrance of this founder. May we hope the Senate will slumber no longer, but rise equal to the occasion and render justice to him to whom justice is due.

Beyond giving four lakhs to our University, Mr. Premchund Roychund gave two lakhs to the Calcutta University which has found five scholarships bearing his name, from the annual income of which the scholars are maintained. From the letters on the subject of these University donations, which will be found in the appendices to this book, it will be seen how simple, short and terse is the

language in which those donations were offered *without any conditions whatever* and without even a hint of perpetuating his name. This indeed is true sterling philanthropy and agreeably contrasts with that of our own advertising and title hunting generation so full of the vanity of the Ego.

At the same time the two extracts which form Appendix E of this book from the Convocation speeches of Sir Henry Summer Maine, the great jurist and political philosopher, who was Vice Chancellor of the Calcutta University in 1864-65 and 1865-66, will inform the reader what high opinion Sir Henry entertained of the munificence of Mr. Premchand. His observations also on the great importance of promoting physical science, in which India even to-day is admittedly backward, will be found most instructive and useful. The farsightedness of that scholar in emphasising well nigh 50 years ago the value of

physical science to India extorts our admiration.

Self-advertisement, however, was not the thing which occurred to Mr. Premchund when he donated those princely sums to the two Universities. There is not a word in the official correspondence about even perpetuating his own name or anticipating any kind of honorofic reward or state recognition, though Sir Bartle very rightly made him a Fellow of the University.

Among minor donations, more or less literary and educational, there was one of Rs. 20,000 for the erection of a handsome building for the Gujerat Vernacular College at Ahmedabad, besides Rs. 9000 for the purchase of land. Premchund also gave Rs. 10,000 for the maintenance of a girl school in Surat in the name of his father. He endowed Rs. 60,000 for an excellent local habitation at Mahim for the Scottish Orphanage. The handsome

Frere-Fletcher School building owes to his generosity the substantial sum of Rs. 5,000. The Alexandra Girl School is indebted for a donation of Rs. 5,000. He gave away Rs. 20,000 for Scholarships to the Ahmedabad College. The number of minor donations for a variety of purposes but mostly educational, is considerable. But his philanthropy was not confined to education alone. He gave away large sums for the relief of distressed and suffering humanity the amount of which is unknown. In this respect Mr. Premchand's charities were such that the left hand never knew what the right did. He gave away Rs. 25,000 to the Bengal Cyclone Relief Fund for which a public meeting had been called by Sir G. Birdwood as Sheriff and which was presided by Sir Bartle-Frere, and Rs. 5,000 to the Ahmedabad Relief Fund. Libraries, too, both in Bombay and Gujerat, were the recipients of his discriminate generosity. Chief among them was the Bombay

Geographical Society for Rs. 5,000 which has for some years been merged into the Bombay Branch of the Royal Asiatic Society. The American Mission, the Indo-British Institution, the Hemabhai Institute, the Native General Library, the Asiatic Library and a host of minor charitable and public institutions, had each and all their respective modest share of his large-hearted beneficence.

Apart from these Mr. Premchund's special endowments to Jain temples, dharamshalas, pinjrapoles and other charitable institutions were a legion. In the family papers no trace is to be found of these, such was Mr. Premchund's silent way of giving away not hundreds but thousands on thousands in religious charity. But from indirect sources of information it has been ascertained with pretty fair accuracy that in all Mr. Premchund had given away 40 lakhs for the religious purposes of his Jain Community.

Mr. Premchund also gave a handsome donation to that great architectural expert, Mr. Fergusson, in aid of those magnificent illustrated volumes of Indian Architecture prompted by Sir G. Birdwood whose unbounded love of æsthetics is so undying. Last, though not the least, Sir Shapurjee B. Bharrucha has his authority for saying that on the eve of the departure of Mr. Michael Scott about the close of 1864, he placed in his hand a cheque of £50,000 for distribution at his discretion among the various deserving charitable institutions in London. The fact is hardly known and deserves special mention in this place. It is a very striking illustration of the entire absence of what may be called advertising benevolence. True charity always is silent. It was characteristic of Mr. Premchund. It clearly demonstrates how even in the palmyest days of his prosperity he never for a moment thought of deriving any satis-

faction from indulgence in that personal vanity which is to be discovered in nine out of ten persons, as the world goes. As Sir George Birdwood has rightly interpreted, Mr. Premchund had "no worldly ambition." "Wealth with him was a divine trust." His whole private life was instinct with spirituality of the purest kind. It was the same which prompted all his magnificent charities without the remotest intention of having them proclaimed to the four quarters of the heavens. Mr. Michael Scott did but the barest justice to this trait of Mr. Premchund when he observed in the reply he gave to the address presented at the magnificent entertainment in his honour in October 1864, when none had the remotes idea of the catastrophe which took place six months later, that "he was a kind hearted and good samaritan." In short Mr. Premchund had amply realised in his person that scriptural saying "He that giveth let him do so with simplicity."

CHAPTER XIII—CONCLUSION.

MR. PREMCHUND AS CITIZEN AND MAN.

I.—*Citizen.*

There now remains little to be said of the life career of Mr. Premchund after the first heavy stroke of adversity which befel him in common with thousands of the citizens of Bombay in 1865-66. It is a well-worn maxim that they who stand high have many blasts to shake them. So far Mr. Premchund paid the penalty—a severe penalty indeed—of having stood high. Bacon says: "*bona rerum optabilia adverseram mirabilia.*" The virtues which adversity teaches are greatly to be admired, though in justice to Mr. Premchund it must be said that he was the same in adversity as he was in prosperity. He bowed to the inevitable when fortune abandoned him with the same spirit of resignation or contentment

that he bowed when Fortune smiled her best and showered all her favours on him. Prosperity never elated him or instilled a scintilla of pride in him. Never was he ever known to have been giddy when prosperity led him to the highest summit. Though he climbed to the uppermost rung of the ladder pride never dwelt in him for a moment. Similarly when adversity befel him he bowed to fate's decree in the same spirit of conviction which had come to almost instinctively from his early days upwards, namely, that it was Providence who made one rich and it was Providence who made one poor. Both were accepted with equal resignation as the will of that Great Unknown who is supposed to shape the destiny of our common humanity. Mr. Premchand, by his spirituality knew that there was a Something which shaped all human ends howsoever humanity rough hewed them. After his final discharge by the Court from all his debts

Mr. Premchund continued to transact his former business as a broker. Sometimes he got himself interested in the commission of Agents of cotton factories. Sometimes he had partnership in single commercial transactions of a modest but remunerative character. Sometimes he won and sometimes he lost. But gain or loss never altered his inner unalterable spirit. Thus, though he had one or more reverses, on the whole he led the even tenor of his fairly busy life and seemed to be quite content and happy with what he possessed. But even from that modest possession he used to give freely away his mite now and again in charity. He was able to leave a handsome fortune which his sons and grandson are modestly increasing. As he grew in years his spirituality became stronger and more marked, and his devotion and piety glowed with a pure and lambent flame. His greatest happiness consisted in his domestic life till at the ripe age of 76 he was

gathered to the majority deeply mourned but highly esteemed and regarded by a wide circle of friends and relations. Many were the silent tears dropped before his funeral pyre and many more were the sincere expressions of lamentation that, say what we will, we would never see his like again!

It now only remains to judge of the character of Mr. Premchund as a whole. His career has been described in the foregoing pages so far as it could be faithfully described with all the available materials at our disposal. No doubt different persons will have different estimates. But it may be permissible to say that it is not possible to judge of him by the light of the present day. As has been well said that when we are closest to considerable objects we are least apt to be impressed by their size and proportions. It is only six years since the death of Mr. Premchund. For the many who knew

him only during the latest period of life he is certainly too near. Those can hardly realise his character. Not so with his surviving contemporaries, a minority at the best, who knew him from the early and stirring days of his manhood. Almost half a century has rolled by since they saw and came into contact with him. Those may be said to be at a fair distance to be able to judge of him with a clear gaze, just as much as the persons who could realise the height, dimensions and other peculiarities of a mountain or of a monumental pile of architecture, not from the base but at a respectful distance. We know that this man or that is taller than his fellows, but by how much he is taller is better known to generations that are far off than to those who are near.

Uninspired by any spirit of hero worship or carried away by excessive friendly feelings, but interested only for the truth of history, I shall now endeavour to des-

cribe the character of Mr. Premchund as a man and a citizen who was in the making and marring of monetary Bombay. Speaking first of Mr. Premchund in his latter capacity I should say that as a business man, keen in the pursuit of wealth, when wealth lay in his grasp, by reason of the many favourable opportunities afforded, he was at any rate in those days hardly surpassable. He possessed the three most important qualifications required in a man of business in an eminent degree, namely, knowledge, temper and time. Mr. Premchund's knowledge of the mercantile transactions was great, if not of that quality which our international and expanded commerce imperatively demands. But quick and shrewd as he was at obtaining intelligence from all quarters, high and low, from near and far, he was able to utilise it well for his own business. One cannot speculate on what Mr. Premchund might have been with a knowledge of the English learnt at a

college or university such as that of Manchester, Birmingham or Leeds. Neither can one conjecture how far a study of modern economics, including banking, currency, and public finance, might have been useful to him in his every day business. But judging from what he did, it will not be denied that he would have proved an invaluable personage, a high authority on commerce and finance, such was his innate gift and quickness of comprehension. He could in a trice embrace the most difficult situation limned on the broadest of broad horizon. The knowledge he had of the mercantile community and of the principal members of it was phenomenal. He had the happy faculty of sounding or gauging their position and credit and their capacity to undertake small or large enterprises. That knowledge stood him in good stead. It was one part, we may say, the fundamental part, of his success even before he became the cynosure of all

eyes. His early beginnings between 1852 and 1858 plainly inform us of that fact. Next as to temper. He was a personage of the serenest temper which would hardly be ruffled even under the greatest provocation. Not only it was the serenity which characterised Mr. Premchund all through his life. It was accompanied by a cheeriness which was certainly no mean element in the magnetic attention he everywhere drew towards himself. There is that striking Gujarati word which correctly interprets the peculiar cheerfulness which Mr. Premchund possessed. It is મેઢીની, a word difficult of translation into English. That cheerfulness was ever to be seen on his face. His countenance beamed with it. Even when bowed down by adversity that cheeriness was still to be perceived in a subdued form. Mr. Premchund had never an angry word and he never let his sun go down on his wrath. Such a trait, a placid and cheerful temperament, is indispensable to

every business man who would care to succeed in his business. Lastly, the time. From what has been already said, it will be readily admitted that Mr. Premchund never allowed an opportunity to slip in order to promote his welfare. An opportunity seized at the right time is most beneficial, provided the person to whom it is offered knows how to utilise it. It must be said of Mr. Premchund that he never allowed any opportunity to pass by without securing some benefit for himself. Thus, knowledge, temper and time were undoubtedly the qualifications which Mr. Premchund pre-eminently possessed as a business man.

His business career extended over half a century during which he passed through various vicissitudes of fortune. But whatever the vicissitudes Mr. Premchund was never known to be depressed. In his case every fall was only a more vigorous attempt to rise again. A fall

did not deter him. Of an optimistic turn, no defeat, however crushing, discouraged him. He strove, come what may, to retrieve a defeat. Mr. Premchund was one of the few exceptions who was able to regain a handsome fortune after the loss the colossal one he had acquired. It was his fearlessness and indomitable courage which led him to embark on enterprises of the greatest pith and moment and achieve for him a brilliant success which was the admiration of all who witnessed it. And yet it was the same sterling courage and fearlessness which characterised him when he resumed his business, though, of course, with caution and circumspection dictated by his previous experience.

Here, it will be asked, that granting the qualifications which he possessed as a thorough man of business, what may be the estimate of his commercial ethics among his own contemporaries of

1863-4-5 and those who came later on into contact with him. Here one has to judge of the ethics by the particular standard prevalent. Different generations and different communities have been known to have no fixed standard. The commercial morality of New York and Chicago of to-day is not the morality of London, Paris and Berlin. Neither is the commercial honesty of the Chinese that of his next door neighbour, the Japanese. Again, the manners and the usages and morality of London a century or two ago are not the manners, the usages and morality of the modern Babylon of 1912. But it would be unfair to judge of the former generation by the light and standard of the latter. Very often such an unfair comparison—it is a matter of regret to have to observe—is made by the British about their own rule in India to the disparagement of the Native rule, which was in vogue before their advent, say, two or three hundred years ago.

Rather they should try to compare the political and moral aspects of the rule under the Mogul with similar rule of the monarchs of Europe, and notably of the British during the same period and in the same generation. Thus, it is that, if moral judgment of a person is to be formed his actions must be judged by the light of the morals of his age and not by the standard of a subsequent period. We may be agreed that the ethics prevalent at a former period were not quite correct. That they were deficient. But all the incorrectness and all their deficiency were relative only. What one has to consider in matters of adjudgment of character is this. Whether, judged by the standard prevailing at the period when the person flourished, his morality or ethics were such as to be admired or reprobated. In short, whether they were higher than or below the standard; or they were up to the mark. All moralities, political, social, intellectual, and other

have to be tested by that one standard and one alone.

It may then be enquired what was the prevailing moral tone among men of business about the period that Mr. Premchund came to be known—first as a broker and afterwards as a most brilliant and dashing speculator? Among the Indian merchants and traders it is a fact, which cannot be denied, that the moral tone was very high. It was deemed an act of shame and disgrace to deviate by a hair's breadth from the usage of *meum* and *tuum* in commercial transactions. The usage was as cast-iron in its rigidity as that of caste itself. Credit was at its highest. Before the era of the mushroom financial institutions, credit was so high that money-lending and borrowing by thousands was done without even passing a promissory note! Moneys were lent by mere word of mouth. The word of the borrower as much of

the lender was as good as a bond, signed, stamped and registered. It may be a relic of immemorial times. All the same it served a good purpose and was highly instrumental in maintaining in its primitive but salutary simplicity, the code of commercial integrity. As an illustration, the commercial integrity of a private banker's firm of a hundred and fifty years' standing known as Atmaram Bhookan and Co., whose place of business was in Bazaar Gate Street, was so reputedly high that it was synonymous with commercial integrity itself. It was vulgarly known as the *pehdi* of "Kaka Parekh." The poorest man, woman and child, if directed to go to that *pehdi*, would soon find his or her way there. More, the firm's integrity and credit had passed into a proverb. It was said that a single hair of the moustache of Kaka Parekh (meaning a member of the firm) could obtain from the public a lakh of rupees. It really signified that the credit of the

banking firm was so high that a member of it can easily obtain a lakh on his *personal security*. On the other hand, so puritanic was the commercial code that it was deemed a disgrace, an operation equivalent to putting one out of caste, to declare himself a bankrupt or insolvent. The person would hide himself for months together and never show his face. And *figuratively*, he was said to wear his turban in the direction opposite to the ordinary custom or practice. Such was the austerity of the commercial code. It prevailed at its fullest all through Premchund's early career as broker and later on as a stock jobber and speculator. It was the same during the prevailing fever of speculation. There was no deviation from it. A implicitly trusted B., and B. with equal trust confided in A. Of course the banks had their formalities of promissory notes and bonds; but these were deemed a matter of course, for no borrower had the remotest thought

of repudiating his liability or behaving fraudulently with his lender. Not that, therefore, no insolvencies took place; stress of circumstances would certainly lead one to declare himself insolvent and he would compromise for less than 16 annas in the rupee. But the general practice was as described. Mutual trust prevailed. It was one of the best features of the times. It will thus be readily understood why during the very thick of the speculative period, which is indissolubly associated with Mr. Premchund, there was no deviation from the commercial code, which had so honourably characterized the traders and merchants of Bombay. Their word was a sacred bond, unwritten or written. It never entered the minds of the thousands of investors who bought and sold or their brokers to practise anything approaching to deliberate dishonesty. Mr. Premchund daily dealt in a variety of commercial transactions, chiefly in cotton and opium and in shares, which

were computed by lakhs ; but not even so much as a whisper was heard touching his departure from the ethics of the day which were so rigid. It is inaccurate, therefore, of those ignorant of the true condition of commercial ethics of the period, and of those who were in no way contemporaries of Mr. Premchund, to accuse him of having done in the eye numberless persons! Nothing could be more incorrect and opposed to truth. Of course, there was to be perceived at its climax some of the human verities which are common to all humanity, oriental or occidental, specially cupidity and avarice. The greed to make a fortune burned within every breast. But Mr. Premchund was no more answerable for it than the man in the Mars or the Moon. In the high game of buying and selling, of course, the gain of one is the loss of the other. That phenomenon was to be discerned in all its transparency. In a game of this kind innate skill comes forcibly into play.

The shrewd man sees his opportunity and endeavours to win. As experience is gained, that faculty is sharpened. He does his best to overreach the other party. That Mr. Premchund, with his shrewdness and experience, did his best to overreach those transacting business with him cannot be denied. It was his business to reap the fruits of his superior shrewdness, combined with his other characteristics. It was the sharpness of the practised person and no more as the sharpness of the most shrewd and skilful even to-day has led and does lead many to a fortune in every part of the civilized world. But it was not anything like "sharp practice" about which lawyers wrangle in courts of law. Resolved into its constituent or fundamental element all that the sharpness meant was a shrewd intelligence which exercised its commercial sagacity to surpass the other person. Of course, it would be sharp practice, tantamount to a deliberate fraud, were such a person to

transact business with a fraudulent intention. The impartial investigator has, therefore, to inform himself of instances where it was known that the numberless transactions into which Mr. Premchund entered were against the code of commercial ethics in vogue in those days. Were his transactions *bona fide* or the reverse. On the answer to that question must depend our judgment on the commercial integrity of Mr. Premchund. So far it has not been known that his numerous transactions bore that ugly character.

Neither would it be fair to lay at his and his door alone the authorship of the ruin which stared thousands in the face when the financial catastrophe overtook Bombay, and so many were caught in the inexorable grip of the aftermath. How, it may be reasonably asked, was Mr. Premchund responsible for the distress and woe in which those were engulfed? Were

each and all advised by him? Did each and all consult him prior to entering into their respective transactions? If, in their ignorance or fit of insanity, which then came over all, Mr. Premchund included, their transactions ultimately resulted in a loss and culminated in their material ruin, how may Premchund be accused as the author of that ruin? Was he not a ruined personage himself? The tide which engulfed them did not save him. But, assuming even that it was because Mr. Premchund bulled and bore that they took hint from him; was it just that he should be denounced if by taking the hint they lost. Take the contrary case. Would they not have blessed him as the author of all their good luck if the crisis had not overtaken them. Did they not bless him, aye adored him, as a kind of golden deity, whilst they were daily buying and selling and counting their gain?

The fact is that not even Mr. Premchund's shrewdness, sagacity, experience

and what not saved him from the inevitable. Imbued with the most sanguine optimism he believed in prosperous times and flung himself in full force in the rising tide, hoping to swim ashore safe and sound. The storm, though expected, was not anticipated to come so suddenly and sweep away everything in the twinkling of an eye, so to say. The whole superstructure of speculation came down with a terrific crash and disappeared like the baseless fabric of a vision leaving not a vestige behind. All erred without exception. All sinned. None can say he was more sinned against than sinning. And it would be both unjust and ungenerous for those who would lay all the sins of omission and commission at the door of one single personage. But do we not know that the mass is, as the poet says, "a many-headed monster." Who would wish to be the king of such a monster? Have we not known that the crowd who wave the white handkerchief in the air

and cry "hurrah and huzza" to-day will set up a different cry and denounce to-morrow the very person whom they hurrahed and huzzaed! Such is the fickleness of the mass who in the main are ignorant. When we calmly and judicially reflect on the diverse episodes and events of those times, and endeavour, with an open mind, to trace to the root the upheaval, we are compelled to come to the conclusion that the forces which were then at work were even too strong for Mr. Premchand himself. He was no doubt, to a large extent, the original author of those forces. But having once let them loose he himself was unable to control them. The ordinances of nature, in the physical and moral world, are the same. We cannot override them. Once forces are brought into play, they work out their own destiny for weal or woe. Storms brew and create a havoc till the forces have spent themselves. The fury abates and nature resumes her normality.

In this question of the speculation of 1863-64-65 with which the name of Mr. Premchund is intimately associated, what happened was that the forces he was instrumental in calling forth went on their way and never stopped till thoroughly exhausted, creating devastation and havoc in their onward course. From the prosperous sunblue they were all caught in the frozen regions of arctic gloom. The blast came and shook them and they were all dashed to pieces.

But the one permanent evil consequence of the era was that commercial integrity of the old and puritan type was swept away. Liquidations and bankruptcies led to fraudulent practices. The Companies Act, which was like the sybilline book, came to be widely interpreted by courts of law. The judgments and interpretations opened the eyes of those fraudulently inclined. When liquidation came to a close and Bombay breathed afresh,

it was found that the old commercial honesty had disappeared. The refined civilization of the West, with its refined ways of transacting business, came into vogue. Veiled dishonesty gradually came into practice till one cannot say how far downgrade Bombay City has gone in the way of commercial morality. It is the most lamentable feature in Bombay business life which, it is to be hoped, may soon be removed. Corrupt practices, deep and broad in a variety of disguises, are sapping the vitals of commercial and industrial Bombay.

II.—*Mr. Premchund as a Man.*

Speaking of Mr. Premchund as a man, and not as the person in active life who had trodden the path of unexampled fortune and sounded all the depths and shoals of misfortune, it may be said, in the words of Sir George Birdwood, than whom no cultured European had come into closer contact with him and fully appreciated

the goodness and nobility of his character, that he was pre-eminently "a spiritual man, and so simple and elemental in his nature that he might have passed for a spirit, but for his dutiful and devout sense of responsibility towards the Unknown Power that works throughout the world for Righteousness."

None had greater opportunities to judge of his character than Sir George. In the obituary notice which he wrote in the pages of the *Indian Magazine and Review* for November 1906, we are told by that well-known Bombay citizen how he was "at the back" of Mr. Premchand, and most confidentially counselled him all through the period of the share mania. The independent and impartial testimony of such a person may be relied upon when he informs us of Mr. Premchand's spiritual nature. Has not Bacon observed in one of his imperishable philosophical essays

that "a man's nature is best perceived in his privateness." There is no affectation there and you best perceive him in his true colours. It is a fact which was recognized by all who came into intimate contact with Mr. Premchund that goodness was innate in him. It was that special goodness which in theology is known as the virtue of charity. Howsoever a person may have wronged and calumniated him, Mr. Premchund never harboured any ill-feeling against him. He would ignore it. He was truly charitable in his conduct towards all men. The Christian world would have characterized him as a "Good Samaritan," one who when smote on one cheek would in all humility offer the other.

Such goodness in Premchund was accompanied by a most serene temper. It was calm and unruffled. Neither grief nor joy perturbed him. A person of unbounded optimism he always hoped for

the best and knew how to suit his temper to his circumstances. Never was he known in his most prosperous days to be elated with his phenomenal success. And when he fell few could perceive even a scintilla of change in his manner and action. In the very depth of his depression he uniformly wore a cheery countenance. There were no frown and no furrows on his forehead. He would look rather the very picture of patience and humility. Fully believing in the goodness of the Invisible Deity whom he daily adored in his domestic sanctum, he had unbounded faith that all in the end will be for good. This spiritual conviction sustained him all through his life. It was the source of his greatest contentment and the one imperturbable solace of his old age. It was the root of that optimism that filled him. Like the Christian he believed that those who wait upon the Lord shall find their strength renewed.

Mr. Premchund's affability and amiabi-

lity were also well known. He was accessible to the meanest being walking in the street as to the most exalted authority in the land. Amiable he always was, whether the person conversing with him was a stranger or a friend. There was a spirit of genial cosmopolitanism in him which disregarded all distinction of race and creed as of no consequence. Though he had made numerous friends in the European community of his day, he never was known to have kowtowed to any of them, be he official or non-official. Practically, both in private and public virtues Mr. Premchand was every way a model. His domestic life was exemplary. And as to his religious life, perhaps none has revealed it so admirably, so appreciatingly and so fervidly as Sir George Birdwood. The reader is referred to his short article which forms one of the appendices of this biography. If we were asked to state what was his greatest glory in life we should say that it consisted in never falling but rising

every time he fell. The true inward goodness and nobility of his character became more marked and more emphasized during his career of forty years after his fall than during the few short years that he shone like a dazzling star in the financial heaven of Bombay. Zimmerman has said : " Many have been raised by their fortunes ; many have escaped ruin by the want of fortune. To obtain it the great becomes little and the little great." This was best realized in Mr. Premchund's case. Were an impartial verdict to be pronounced on his character as a man, I have no hesitation in saying that Mr. Premchund was a man of the greatest gentleness, sincerity and simplicity, without ostentation and affectation : full of the milk of human kindness and a generous spirituality which brings peace and contentment to body and mind. He stood every way higher in the estimation of the public who knew him at the date of his death than when he was

the cynosure of the world of Bombay in the stirring days of the mad speculation of 1864-65.

“ The gentle mind by gentle deeds is known,
For a man by nothing is so well bewrayed,
As by his manners in which plain is shewn.
Of what degree and what race he is grown.”



APPENDIX A.

THE LATE SETT PREMCHUND ROYCHUND.

(*The Indian Magazine and Review.*)

I find it impossible to respond to the invitation to write for the *Indian Magazine and Review* any adequate account of the life of the late Premchund Roychund. As for the mere chronicle of his wonderful career, I can add nothing to the admirable abstract of it in the obituary notice of *The Times* of the 3rd instant; while for personal reminiscences of him,---I was so intimately "at the back" of the whole private history of "the Bombay Share Mania of 1861-5," and so confidentially in the counsels of Mr. Premchund Roychund as a civic benefactor, that I have made it a sacred rule never to publish any of the incidents and circumstances of the time to which, merely through my privileged relations with individual persons and personages,

I became privy. There is always a grave wrong, and, as between man and man, an unpardonable wrong, involved in such revelations toward those of one's fellow sufferers in misfortune who have meanwhile died, and cannot reply to the injustice directly or indirectly and intentionally or unintentionally done to their good name and fame. I will therefore restrict myself to an appreciation of the late Sett Premchund Roychund's character and individuality, as they impressed me, now over fifty years ago. He was essentially a spiritual being; and so simple and elemental in his nature that he might have passed for a sprite, but for his dutiful and devout sense of responsibility toward the Unknown Power that works throughout the worlds for righteousness. He was playful as a kitten, and an irrepressible optimist, with an energy in every look and movement that flashed wireless messages to all around and about him a generation before they

were invented by Marconi. That is how the man Premchund Roychund was born. But he was bred a *Srawak* Jaina, that is a layman Jaina, or Brahmanised Buddhist, having no belief, that is in the form of creed and dogma, in a personal God, holding the Universe to be self-existing, and in ceaseless flux, and imperishable; and every intelligent and responsible being in it capable of rising through the practice of self-negation, and of goodwill and helpfulness towards others, to the highest height of spiritual perfection and beatitude. And Premchund Roychund was this *Srawak* Jaina, indeed, a man in whom there was no guile; and, when his heart was set on any generous and beneficent work, "full of the spirit of God." He was quite a little man,—of the race of Piccolonini,—lithe of figure, his every muscle always at "attention,"—ready to act; with keen, bright eyes, and an expression of face yearning and resolute, as always on the

alert to take promptly and irrevocably the step determined on. He thought out any question before him with electrical rapidity, and his decision on it was always clearly formulated, and put into operation ere yet the fateful words were well out of his mouth : and those familiar with him knew beforehand, by the sudden jerk of his left arm, with a snap of the fore and middle fingers backward or of his right arm forward, whether the decision was in the negative or the affirmative. In either case he drew up his head smiling [the angelic smile of an Italian child], his eyes looking straight into your eyes. When considering some public benefaction his vote was invariably,—in my experience,—in the affirmative : and when he himself initiated the proposal, he would on my suggestion at once cap it with the requisite provision for worthy architecture, a point I never failed to insist on all my life in Bombay. He never hesitated a moment. He was

totally devoid of every form of wordly ambition. He had no greed of gold, no lust of riches : wealth with him was a divine trust, and through prosperity and through adversity he lived the same simple life,—that rather of a Jaina *yati*, or “ascetic,” than a *Srawak*. He was an absolute asarcolatrous dietarian. In his commercial speculations there may possibly have been something of the vice of speculation ; but if so his pleasure was in the race run, not in the prize. The truth is Sett Premchund Roychund was, as I began by saying, essentially a spiritual entity ; and although, when not directly imbued with religious feeling, I recognized in him something of the joyous devilry of the irresponsible sprite, the predominant feature of his fiery spark of a soul was an unfeigned enthusiasm of humanity ever fervent and aflame with the twofold energy of an elemental force, and an all-consuming spiritual passion.

When the crash came, Premchund

Roychund was day after day in the Press of all India a man "full of the names of blasphemy"; only Mr. William Martin Wood, who always as a journalist showed a strong sense of righteousness, stemmed the seething tide of detraction against him, and with all his authority as Editor of *The Times of India*. I also, I am happy to recall to-day, contributed to the same faithful and just purpose, and as it proved with greater effect than I dreamt of, a parody of "'Tis better to have loved and lost, than never to have loved at all." But the public rage was inevitable, as in all such incalculable calamities a scapegoat has to be found for the sin of the whole people; and I will not dwell on his phase of the "Bombay share mania of 1861-65." We had all sinned, and we all had our punishment for it, and on the whole we took it like men; and Sett Premchund Roychund took it best of us all. 'Twas better to have won and lost than never to have

won at all," was the prevailing note of those terrible days. I shall never forget the day and the scene when the first bolt fell. I was at a business meeting in the Fort, at the offices of one of the leading European "Houses," and representatives of most of the other great Firms were present ; and of some of the philanthropic movements then in progress in Bombay. In the midst of the consideration of the schemes before them, a clerk presently brought in the telegram announcing the surrender of Lee's Army. For a moment a dead silence filled the room, which also seemed lighted up with a strangely unnatural light. This optical effect on me happened again when reading the first "*depeche telegraphique*" announcing the overthrow of the Second French Empire at Sedan, when the blaze of superb dahlias in the country garden near Boulogne in which I stood, in the twinkling of an eye, took on an uncanny metallic lustre, as if painted in enamels.

But in another moment or two, someone at the meeting said : “ Well, it’s a good thing to be made to sit up to your business once again ; ” while Premchund Roychund on my leaving the room said to me : “ This, B., means beginning my life over again ; ” and he began his life over again that night. When swollen by unwonted rains Pactolus bursts its narrow, restraining banks, what man may withstand its gold impounded flood ? —that is the absolution for all of us sinners of 1861-65 ; while for Premchund Roychund, the greatest benefactor Bombay ever knew, the bravest and the best of men, and the most fascinating character of Western India since *Sargiya* Siva-*jee*,—if not storied urn, nor animated bust be raised in honour of his memory, it will still ever remain triumphantly true of him that :—“ Stirring spirits live alone ; Write on the other’s, ‘ Here lies such an one.’ ” —(*Indian Magazine of November 1906.*)

GEORGE BIRDWOOD.

Oct. 9, 1906.

APPENDIX B.

APPRECIATION OF PREMCHUND ROYCHUND.

The Times, 3rd October, 1906.

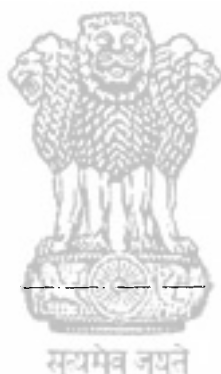
A romantic career has been closed by the death in Bombay at the age of 76 of Mr. Premchund Roychund, who was the central figure in the memorable Bombay share mania of the early sixties. Mr. Roychund was the son of a Jain merchant of moderate means, and when only sixteen became a share broker in Bombay. His exceptional ability as a financier soon brought him to the front ; his influence with the banks and mercantile firms, both European and native, became very great. In the East, even more than elsewhere, nothing succeeds like success, and when unexpected wealth

poured into Western India as a result of the unprecedented demand of Lancashire for cotton, owing to the American Civil War stopping the ordinary supplies, Mr. Premchund Roychund's advice and co-operation was most eagerly sought both by company promoters and by speculative investors. He bought up enormous quantities of Gujerat cotton, and was undoubtedly the principal individual beneficiary of the 81 millions sterling additional wealth poured into Bombay from 1861 to 1865 as a result of the high prices and enormous trade in this product. With very few exceptions people of all classes gave themselves up to demoralizing speculation, and the state of affairs was comparable with the South Sea Bubble of the time of George I. As in that case, the inevitable reaction brought wide-spread ruin in its train. The surrender of Lee's army in the spring of 1865 brought down the price of Indian cotton with a run ; millions of money

vanished as if by magic, and the chief speculator was also the chief sufferer. In some respects his loss of fortune told on Mr. Roychund's mind ; but he lost neither his courage nor his business ability. With great tenacity of purpose he remained on the Stock Exchange, and as almost everyone else had been stricken by the speculative fever as well as himself, his reputation as a financier, though much impaired, was not destroyed. For the second time, he built up a substantial business, and such was his knowledge of stocks and shares that he could do oral business all day long, often to the extent of many lakhs of rupees, without having recourse to a note-book, leaving all memoranda to be dictated to a clerk in the evening. A man of kindly and unobtrusive bearing and of sympathetic nature, he was highly esteemed by his fellow townsmen, and none of the sufferers from the mania of forty odd years ago thought of blaming him for

their loss of fortune. Moreover, within sound of the share market the beautiful chimes of the Rajabai Tower Clock attested every quarter of an hour to the liberality with which he had given for public purposes in the days of his wealth. He was one of a number of distinguished citizens who, under the public spirited advice and guidance of Sir George (then Dr.) Birdwood, made the educational and philanthropic buildings of Bombay worthy of the magnificent setting of the "Town and Island." Mr. Roychund gave nearly 6½ lakhs of rupees (£43,000) for the erection of the University Library and the graceful Rajabai Clock Tower, named after his mother, and designed by Sir Gilbert Scott. To Calcutta University he gave three lakhs of rupees for scholarships; to his native town of Surat a female school, to Broach a library; to the Bombay Scottish Orphanage the building and large piece of land it occupies at Mahim; and to people of his own

or of the Hindu faith several dharamsalas (rest-houses) and many new or restored temples. Indeed his charities, both public and private, were innumerable. His personal habits and mode of life were quite simple even in the days of his most abundant prosperity.



APPENDIX C.

DONATION OF TWO LAKHS RUPEES FOR THE UNIVERSITY LIBRARY.

BOMBAY, 27th August 1864.

To

THE HON'BLE H. L. ANDERSON,
Chief Secretary to Government.

SIR,

I have the honour to request that the Government will have the goodness to communicate to the University of Bombay my desire to offer most respectfully to that learned body the sum of Rs. (2,00,000) two lakhs, towards the erection of a University Library, which may be an ornament to the city, and by becoming a storehouse of the learned works not only to the past, but of many generations to come, may be a means of promoting the high ends of the University.

I understand that there will be sufficient room for the building in the ground allotted to the University after providing a site for the University Hall.

I have the honour to be,
Sir,
Your most obedient Servant,
PREMCHUND ROYCHUND.

No. 760 OF 1864-65.

From

THE HON'BLE H. L. ANDERSON,
Chief Secretary to Government.

To

R. S. SINCLAIR, Esq., LL.D.,
Registrar of Bombay University.

EDUCATION DEPARTMENT,
BOMBAY CASTLE,
Dated 31st August 1864.

SIR,

I have the honour by the direction of the Hon'ble the Governor in Council to

forward to you for submission to the Vice-Chancellor and Senate of the University of Bombay, a copy of a letter from Mr. Premchund Roychund offering to contribute the sum of two lakhs of rupees towards the erection of an University Library.

2. Mr. Premchund has been informed that it affords great gratification to Government to be the channel of communicating this noble offer to the University.

3. In tendering, at Mr. Premchund Roychund's request, this benefaction, splendid in its amount and unfettered by any conditions which could detract from its immediate or permanent utility for the acceptance of the Vice-Chancellor and Senate, I am directed to add that, should the University accept this gift, the Government will be prepared to adopt any measures in its powers for arranging a site for the University buildings so as to

ve the utmost effect to this and other
nefactions at as early a period as
ossible.

I have the honour to be,

Sir,

Your most obedient Servant,

H. L. ANDERSON,

Chief Secretary.

In the University, Revd. Dr. Wilson,
Vice-Chancellor, moved "that the
Senate cordially and unanimously accept,
with their best thanks, Mr. Premchund
Roychund's noble gifts. This effective aid
offered to the University was not the less
acceptable that it was unaccompanied by
conditions." The motion was seconded
by Dr. Buhler and carried by acclamation.

APPENDIX D.

BOMBAY, 6th October 1864.

To

THE HON'BLE H. L. ANDERSON,
Chief Secretary to Government.

SIR,

I have the honour to request that Government will do me the favour to offer to the University of Bombay in the name of my good mother two (2,00,000) lakhs of rupees for the erection of a Tower to contain a large clock and a set of joy-bells. If there be no architectural objections, I should like the tower to be in connection with the University Library.

At a meeting of the Senate held on 10th December 1864, it was unanimously resolved "that the Senate do accept the

ble gift of Mr. Premchund Roychund two lakhs of rupees for the erection of Tower to contain a large clock and a t of joy-bells; and the grateful thanks of the Senate be conveyed to Mr. Premchund Roychund.

It was further unanimously resolved "that the Tower be named 'The Rajbai Tower' in commemoration of Mr. Premchund Roychund's mother."



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APPENDIX E.

Extract from the Convocation Speech (1865) of Sir Bartle Frere, at the Bombay University, on Mr. Premchand being nominated a Fellow :—

“There are many gentlemen here who have witnessed the architectural glories of our great Universities in Europe. It is I believe, a fact which we should all do well to bear in mind that there is not so far as I am aware to be seen in them a single building of any kind erected by the Government. All is the work of private munificence, and we owe to a similar source the promise that this University will one day possess a hall of its own, suitable in everyway to such a body as this University is destined to become. As a founder, a benefactor to whose princely munificence the University already owes so much, Mr. Premchand will be regarded by the Senate as a most worthy addition to the list of Fellows.”

APPENDIX F.

In 1864-65 Mr. Premchund Roychund gave a donation of two lakhs of rupees to the University of Calcutta for the purpose of creating an endowment for the annual award of studentships known as Premchund Roychund Scholarships. The following are two extracts from the Hon'ble Mr. (afterwards Sir) Henry Summer Maine, Vice-Chancellor of the Calcutta University (1864-65 and 1865-66) :—

*Extract from the Convocation Speech of the Hon'ble
Mr. Henry S. Maine, Vice-Chancellor of
the Calcutta University.*

(Minutes, 1864-65, pp. 114-115.)

GENTLEMEN,—Until quite recently, I was under the impression that there would be no event in the history of the Academical year just closed, which would

require notice to-day from the Vice-Chancellor, according to our custom. But within the last few weeks, an event has happened of some importance to us. Many of you are familiar with the names of some of those Native Gentlemen in Bombay, whose wealth, fabulous in amount, has been accumulated with a rapidity hitherto only seen in Eastern story-telling, and if you are familiar with those names, I am sure you know that almost every one of them is associated with some act of magnificent generosity. At the head of those names there stands—I hope it is not necessary to say, there stood both as regards the amount of his wealth, the speed of its growth, and the splendour of the gifts drawn from it, the name of Mr. Premchund Roychund who has lately offered to the University of Calcutta two lakhs of rupees, to be expended for the benefit of education, in such a way as might seem fittest to the Chancellor and Senate of the University.

*Extract from the Convocation Speech of the Hon'ble
Mr. Henry S. Maine, Vice-Chancellor of
the Calcutta University.*

(*Minutes*, 1865-66, pp. 79-81.)

GENTLEMEN,—The only event of the past year in which I can expect you to take much interest from a University point of view, is the actual transfer to us of that munificent donation which I announced to you twelve months ago, at a time when there prevailed a rumour (which happily proved an idle rumour) of the donor's death. I attach an importance to that gift beyond its actual money value, as being possibly the first instalment of a series of benefactions on which this University will ultimately have to depend, if ever it becomes a national institution; and I had hoped to have been able to describe to you to-day some practical use to which it had been put, or at all events, some practicable proposal for using it. But there is still some doubt as to the tenure on which it is to be held; and

until that is cleared up, we cannot tell with what body or authority rests the responsibility of determining the purposes to which the fund is to be devoted. Of course, I can offer nothing more than an opinion, and, perhaps, it would be improper in me even to offer that confidently. But, speaking generally, I hold to the view which I expressed last year, that, whether the money be spent upon new modes of teaching, as some think it should be, or whether it be spent in stimulating learning by the foundation of prizes and scholarships—that in whatever way it is spent, the study stimulated and encouraged should be the study of the sciences of experiment and observation. I am not going over the ground which was traversed last year, and indeed it is not necessary for me to do so, because the suggestion, that the sphere of physical science in native education should be enlarged, appears to have been generally assented to. I know it has been said--

and it is the only stricture which I have seen, and it is of a somewhat vague character—that this proposal to found education in great part upon physical science is too much in harmony with that material, hard, and unimaginative view of life, which is beginning to be common in modern society. I admit that there is some truth in this in its application to Europe and England. But in contrasting England and India, in comparing the East and the West, we must sometimes bring ourselves to call evil good, and good evil. The fact is that the educated Native mind requires hardening. That culture of the imagination, that tenderness for it, which may be necessary in the West, is out of place here ; for this is a society in which, for centuries upon centuries, the imagination has run riot, and much of the intellectual weakness and moral evil which afflict it to this moment, may be traced to imagination having so long usurped the place of

reason. What the Native mind requires is stricter criteria of truth ; and I look for the happiest moral and intellectual results from an increased devotion to those sciences by which no tests of truth are accepted except the most rigid.



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