

Gandhi: Patron Saint of the Industrialist

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For over a quarter of a century Mohandas K. Gandhi maintained a close friendship with G. D. Birla., a wealthy industrialist, who was Gandhi's chief patron. This article explores their relationship which reveals some of the less well-known aspects of Gandhi. Despite popular perceptions of Gandhi, he was neither a social nor economic revolutionary.

During the years of the Indian independence movement, a leading Indian industrialist, G. D. Birla, was Mahatma Gandhi's most generous financial supporter. While Birla has been described as a devotee of Gandhi, the relationship between the two men was more one of collaboration than of one-sided devotion. Gandhi's campaigns were made possible by drawing from Birla's vast financial resources while Birla benefited not only from the social and religious prestige which his association with Gandhi brought him, but his economic role and position as a wealthy capitalist was strengthened and glorified. Gandhi gave his blessing to the abundant wealth of Birla with his teaching on trusteeship, a concept which asserted the right of the rich to accumulate and maintain wealth, as long as the wealth was used to benefit society. Gandhi apparently borrowed the concept of trusteeship from the writings of the American millionaire, Andrew Carnegie, who had used trusteeship to promote capitalism over socialism.

The close relationship between Gandhi and G. D. Birla did not escape scrutiny. B. R. Ambedkar, a leader of the untouchable castes, accused Gandhi of pretending to support the cause of the oppressed while actually supporting the forces of social conservatism.¹ Lord Linlithgow, the Viceroy of India, questioned the Gandhi-Birla connection. Linlithgow, who had blamed Gandhi

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¹For further discussion see B. R. Ambedkar, *Gandhi and Gandhism* (Jullandar: Bheem Patrika Publications, 1970).

for the sabotage and violence of the Quit India Movement of 1942, had suspicions that Birla, as representing big business, was actually the hidden hand behind the violence.¹ Investigations by the governments of both colonial and independent India into Birla's economic and political association with Gandhi and the Congress failed to bring criminal indictment.² Nevertheless, the relationship between the two men had consequences for the future of India and deserves attention. Gandhi and Birla, both strong defenders of social conservatism, shared objectives that were not brought out openly. In the shadow of Gandhi's public persona and popular teachings, Gandhi and Birla were able to weave conservative policies into the social, political, and economic fabric of independent India.

Ghanshyam Das Birla (1894–1983) was from a Marwari merchant family of Pilani in Rajasthan.³ His grandfather, Seth Shivanarain Birla, set out for Bombay on a camel in 1862. In Bombay, Shivanarain began trading in seeds and bullion. His only son, Baldeodas, joined him in the business at age thirteen in 1875. The Birla's trading business thrived and the family established an export-import business in Calcutta. In Bombay the family moved into trading in cotton, wheat, rape-seed and silver. G. D. began his apprenticeship in the family business at age thirteen. G. D. was sixteen when he started his own brokerage. G. D.'s business took him into contact with the British. He was offended by their racial arrogance. Birla wrote, "I was not allowed to use the lift to go up to their offices nor their benches while waiting to see them. I smarted under these insults and this created in me a political interest."⁴

When G. D. was in his early twenties he found himself a wealthy man. World War I had produced great profits in his trading business. He was also a wanted man. G. D., in his frustration with the British had become involved with the Bara Bazaar Youth League, a group that engaged in terrorist activities against the British. Birla denies participating in terrorism, but in 1916 he was

¹Linlithgow to all Provincial Governors, 2 November 1942, in Nicholas Mansergh, *Reassertion of Authority, Gandhi's Fast and the Succession to the Vicerealty: 21 September 1942–12 June 1943*, Vol. 3, *The Transfer of Power 1942–7* (London: Her Majesty's Stationary Office, 1971) 190–91.

²Margaret Herdeck and Gita Piramal, *India's Industrialists*, Vol. 1 (Washington, D. C.: Three Continents Press, 1985), 73.

³Birla's biographer Alan Ross provides the following information on Birla's life in *The Emissary: G. D. Birla, Gandhi and Independence* (London: Collins Harvill, 1986).

⁴G. D. Birla, *In the Shadow of the Mahatma* (Bombay: Vakils, Feffer and Simons, 1968), xiv.

accused of stealing a shipment of armaments. He went into hiding for several months until friends could have the charges dropped against him.

Birla, restored to his business, decided to steer clear of terrorism. He would meet the British on the playing fields of business. There were British businessmen though who did not want him to play. When the Birlas attempted to open a jute factory in Calcutta, a British competitor started buying up all the land adjacent to the plot on which the Birlas were to build their factory, forcing the Birlas to move elsewhere. The Birlas were not deterred. G. D. and his brothers prospered in the jute business, as well as in their other enterprises. At the beginning of World War II, the Birlas were worth \$3.3 million. By the end of the war, they had holdings of \$20 million.¹ Before independence in 1947 the Birlas had 20 companies. Today they own 175 businesses and are prominent in textiles, sugar, jute, automobiles, bicycles, boilers, calcium carbides, industrial alcohol, linoleum, woolens, flax, ghee, margarine, and also starch, confectionery, banking, and insurance. The Birlas owned several newspapers including the *Hindustan Times* and a large interest in radio. In the summer of 1993, the Birla fortune was \$1.5 billion.² G. D. Birla's political activities were a factor in the success of the Birla empire.

G. D. Birla's association with Mahatma Gandhi began in 1915. Gandhi had just returned to India from South Africa as a hero for championing the rights of Indian workers. In Calcutta, where Gandhi was to make a speech, Birla arranged a grand reception for him. Birla related his first impressions of Gandhi:

At this first meeting he appeared rather queer I was rather puzzled about him when I first saw him, and then gradually I came to know him He gave us a new conception of politics. We felt him a saint as well as a politician That meeting was thirty-two years ago, and since then I have been associated with him and have been giving him such service as I can.³

The service that Birla provided amounted to supplying practically every financial need Gandhi brought to him. Gandhi had other

¹Herdeck and Piramal, 67.

²Michael Schuman, "The Birla Family," *Forbes* (1993): 88.

³Margaret Bourke-White, *Halfway To Freedom* (New York: Simon and Schuster, 1949), 64.

sources of income, including the assistance of the industrialist Jamnalal Bajaj, as well as the accumulated donations from multitudes of poor supporters, but Birla was the major financier. Birla's brothers also contributed to Gandhi, but sometimes G. D.'s gifting was seen by them as an extravagance.¹ Birla rarely refused any financial request on Gandhi's part and Gandhi's requests were numerous. The following request from Gandhi was not atypical:

My thirst for money is simply unquenchable. I need at least Rs. 2,00,000—for khadi, untouchability and education. The dairy work makes another Rs. 50,000. Then there is the Ashram expenditure. No work remains unfinished for want of funds, but God gives after severe trials. This also satisfies me. You can give as you like for whatever work you have faith in.²

With Birla's beneficence Gandhi was able carry on his massive political campaigns, as well as to maintain a semblance of poverty and simplicity in lifestyle, while enjoying almost limitless financial resources.

While Gandhi appeared to share the living standards of the typical Indian villager in his ashram, the annual expenditure of his ashram was 100,000 rupees,³ a considerable sum in pre-Independence rupees. In a similar vein, Gandhi was known for his humility in insisting on travelling by third-class trains. To get a seat in a crowded third-class car was difficult, so when Gandhi and his entourage travelled, the entire third-class car, cars, and sometimes even the whole train was paid for to ensure Gandhi's comfort.⁴ When Gandhi attempted to make a symbolic action by temporarily moving into an untouchable colony in Delhi, half the residents were moved out before his visit and the shacks of the residents torn down and neat little huts constructed in their place. The entrances and windows of the huts were screened with matting, and during the length of Gandhi's visit, were kept sprinkled with water to provide a cooling effect. The local temple was white-washed and new brick paths were laid. In an interview with Margaret Bourke-White, a

¹Herdeck and Pirmal, 77.

²Gandhi to G. D. Birla, 10 January 1927, G. D. Birla, *In the Shadow of the Mahatma*, 35.

³Judith M. Brown, *Gandhi: Prisoner of Hope*, (New Haven: Yale University Press, 1989), 318.

⁴Bourke-White, 88–89

photo-journalist for *Life* magazine, one of the men in charge of Gandhi's visit, Dinanath Tiang of the Birla Company, explained the improvements in the untouchable colony, "We have cared for Gandhiji's comfort for the last twenty years."¹

Gandhi put forward the illusory image of poverty and simplicity while he was actually living very comfortably. We can only speculate whether this image-making was political posturing on Gandhi's part or whether the amenities were forced on him by the practicalities of operating a massive movement. When Gandhi was questioned by the journalist Louis Fischer about the percentage of his budget which was funded by the rich, Gandhi told him practically all of it was, adding, "In this ashram, for instance, we could live much more poorly than we do and spend less money. But we do not and the money comes from our rich friends."² Gandhi was not oblivious to the expense laid out for him.

We can also only speculate on whether certain statements Gandhi made were representative of his opinions or whether they, too, could have been political tactics. Gandhi was well known for espousing seemingly contradictory positions. As a result it is a difficult task to decide what Gandhi's true positions were. For example, Birla criticized Gandhi for his public support of the Swaraj party. Birla did not care for the party due to its violent propensities.³ Gandhi responded:

I shall talk to you about the Swaraj party when we meet. I do not want you to change your view because by justifying your views I seek to justify my position as well.⁴

Apparently Gandhi had reasons for publicly seeming to support a party which he admitted in private he was against. Similarly, Gandhi voiced radical views against capitalism and industrialism in his public speeches and writing:

¹Ibid., 11f.

²Gandhi to Louis Fischer, 6 June 1942, Louis Fischer, *A Week With Mr. Gandhi*, (London: Allen and Unwin, 1943) cited by B. R. Ambedkar, *Gandhi and Gandhism* (Jullandar: Bheem Patrika Publications, 1970), 10.

³Birla had earlier written to Gandhi encouraging him to not worry about offending the Swaraj party. Birla writes that the Swarajists were espousing violence: "At the Sirajganj Conference the Swarajists have openly declared themselves in favour of violence and have therefore torn the mask of non-violence off their faces." Gandhi to Birla, 11 June 1924; G. D. Birla, *Bapu*, 7-8.

⁴Gandhi to Birla, 16 December 1925, *Collected Works of Mahatma Gandhi*, Vol. XXIX, 324.

Industrialism is, I am afraid, going to be a curse for mankind Industrialism depends entirely on your capacity to exploit.¹

To change to industrialism is to court disaster ... The one great change to make is to discard foreign cloth, and reinstate the ancient cottage industry of handspinning. We must thus restore our ancient and healthgiving industry if we would resist industrialism. I do not fight shy of capitalism. I fight capitalism ... I do picture a time when the rich will spurn to enrich themselves at the expense of the poor²

These radical positions do not seem to correspond to other elements in Gandhi's life and thought, especially his close relationship with the industrialists. Margaret Bourke-White, having read Gandhi's seemingly revolutionary writings, was very puzzled to learn that for a quarter of a century Gandhi had spent much of his time living in G. D. Birla's palatial mansion in Delhi, where he was later assassinated.

Margaret Bourke-White's investigations into working conditions at one of Birla's mills in Delhi revealed a equally puzzling attitude on Gandhi's part to Birla's labour practices. Bourke-White was present when Gandhi was fasting in December 1947. During his fast, all the trade-unions sent delegations with peace pledges and pleas for Gandhi to end the fast. One trade-union, the largest union in India, did not send delegates. The textile workers union, whose chief employer was Birla, was noticeably absent. On December 8, shortly before Gandhi was to begin his fast, workers at Birla's textile mill in Delhi went to the manager asking for a cost of living bonus to meet rising prices. When their requests were answered with gunfire and rifle butts, the workers sent a delegation of five workers to see Gandhi at the Birla House. According to Bourke-White, Gandhi refused to see them.³ On an earlier occasion, the workers at Birla's Delhi mill wrote to Gandhi directly to complain of

¹M. K. Gandhi, *Young India*, 12 November 1931.

²M. K. Gandhi, *Young India*, 7 October 1926.

³Bourke-White, 56-57.

bad working conditions.¹ Instead of answering the letter or questioning Birla about the matter, Gandhi forwarded the letter to Birla. Birla responded by telling Gandhi that the workers were lying.² Margaret Bourke-White visited Birla's mills and found conditions to be appalling. The squalid living quarters Birla provided for his workers were no better than those at mills belonging to owners who were not devotees to Gandhi. She wondered why Gandhi never visited the mills, as it would have been easy for him to do so.³

In none of the voluminous correspondence between Birla and Gandhi is Gandhi critical of the working conditions in Birla's mills. Birla once defensively wrote Gandhi, not in response to rebuke from Gandhi, but to reports that conditions were bad in his mills. Birla tells Gandhi that he is improving conditions in one factory and hopes to do so in others. He blames any atrocities at his mills on the mill managers, claiming he cannot control them.⁴ While it would seem natural for the Mahatma to take an interest in Birla's workers, Gandhi refrained from criticizing or questioning Birla personally. In other cases, Gandhi did not shy away from public criticism of companions who did not abide by his views. He frequently complained about his longtime friend Pandit Madan Mohan Malaviya. Gandhi had called for a boycott of all British education. Malaviya, the founder of Banaras Hindu University, refused to comply. In one of many attacks against Malaviya's position, Gandhi accused him of the greatest *adharma* (unrighteousness).

I do not want to go into why this Empire is Satanic. But an Empire which has been guilty of the atrocities in the Punjab, which killed children six or seven years old ... to study in the schools of such an Empire is, to my mind, the greatest *adharma* of all. To Panditji, an elder brother to me, this seems to be *dharmā*.⁵

¹A. C. Nanda of Textile Mazoor Sabha to Gandhi, 14 November 1944, G. D. Birla, *Bapu: A Unique Association*, Vol. 4 (Bombay: Bharatiya Vidya Bhavan, 1977), 344–46.

²Birla to Pyarelal, 30 November 1944, *Ibid.*, 347–8.

³Margaret Bourke-White, 49–58.

⁴Birla to Gandhi, October 1929, *Bapu: A Unique Association*, 128–29.

⁵M. K. Gandhi, *Collected Works of Mahatma Gandhi*, 28.

Though Gandhi continued to say he respected Malaviya, in reality there was a break in their friendship. In Gandhi's thirty-two year friendship with Birla, he never publicly criticized Birla's actions. Gandhi at times would make suggestions to Birla, but if Birla failed to follow them, Gandhi did not complain. Gandhi did not have the upper hand in the relationship. He considered Birla one of his mentors and would act on his advice.¹ In Gandhi's letters to Birla he does not lecture him, except with regard to dietary matters. Their correspondence is remarkably free from spiritual concerns, quite unlike the writing which Gandhi puts forward to the public. In Birla's collection of his correspondence with Gandhi, one letter by Gandhi stands out in addressing spiritual matters.² Birla writes that he cannot remember the context or for whom the letter was meant. Though the letters between Gandhi and Birla are very amicable, the subject matter concerns mostly mundane affairs of finances and strategy.

When Gandhi disagreed with Birla, he found a way of avoiding argument. In one instance, Gandhi publicly complained that people were buying mill-produced *khadi* under the mistaken impression that it was homespun. Birla understood this as an indirect criticism of his textile industry, which was producing milled *khadi*., and gave quick retort to Gandhi's complaint:

Do you not think that you are unnecessarily exaggerating the results of the khadi propaganda? ... You could find this out yourself if you send hawkers with mill-made as well as *shuddha* khadi who may ask some villagers to select their choice after explaining the latter properly about the quality as well as the price of the cloth, I have not the least doubt that if you made the experiment you will find that 90% of the consumers will pick up the cheaper and more lasting of the two stuffs. Mill khadi is popular because people find it cheap, durable besides it being swadeshi make.³

¹"God has given me mentors, and I regard you as one of them." Gandhi to Birla, 20 July 1924, *Bapu*, Vol. 1, 10.

²Letter Without Date, *Bapu: A Unique Association*, Vol.1, 167.

³G. D. Birla to Gandhi, 11 April 1928, *Bapu: A Unique Association*, 92.

Gandhi answered a week later: "I got both your letters. But even today there is not time for reply."¹ Gandhi never allowed the *khadi* issue to become an object of contention between himself and Birla. Instead he found a place for mills in the *khadi* movement. Later Gandhi wrote to Birla:

I am convinced that the boycott will be successful only through *khadi*. This does not mean that the mills have no place in the scheme at all. The mills can have their deserved place by recognizing the worth of *khadi*. The conception of God envelopes all Gods.²

Gandhi was clearly making concessions to Birla in incorporating textile mills into his homespun *khadi* movement. Gandhi was as much interested in pleasing his patron as Birla was in pleasing his saint.

A useful model for examining the give and take of the Gandhi-Birla relationship is that of the patron and publicist as presented by the historian C. A. Bayly.³ Bayly examines the relationship between wealthy patrons and leaders of reform movements such as the Hindi movement and the cow-protection movement in the late 1880s. Bayly uses for example the patronage of Madan Mohan Malaviya, a leader of the Hindu revivalist movement, the Hindu Mahasabha, by the wealthy magnate Ram Charan Das.⁴ Bayly holds that the goal of the patron-publicist relationship was not exclusively concerned with protection of the patron's financial interests:

Two forms of relationship can be seen between patron and publicist, as also between various levels of political activity. One was the relationship between patron and publicist designed to protect material interests, or to promote them within new political arenas—the *vakil* relationship. The other concerned the protection or enhancement of particular conceptions of status conceived within the bounds of

¹Gandhi to Birla, 27 April 1928, *Ibid.*, 93.

²Gandhi to Birla, 28 April 1930, *Ibid.*, 139.

³C. A. Bayly, "Patrons and Politics in Northern India," *Modern Asian Studies*, Vol. 7, Part 3, July 1973, 349–388.

⁴*Ibid.*, 368ff.

revived Hinduism—the *dharmik* relationship. It is difficult to separate them.¹

Desire for enhanced religious standing in the community, which affected all avenues of social interactions, from marriage arrangements to business deals, was an important element of the patron-publicist relationship. Religious patronage was a means to enhance social and economic status in the community. Avenues of religious patronage went beyond the traditional practices of temple construction and maintenance, feeding of *brāhmaṇas*, sponsoring of festivals, etc. With the advent of religious reform movements in the 1800's, sponsoring such causes as the Hindi movement or the cow-protection movement became a religious and status-enhancing act. Elements of some of the earlier religious reform movements, such as the use of the vernacular and revived cultural identity, as well as the political undertones and organizational capabilities of the movements, later played a role in the growth of nationalism. These causes were sponsored by the wealthy, whose economic and social standing profited therefrom.² Later, the relationships of patrons and publicists became an important element of Congress.³

Aspects of the Birla-Gandhi relationship can be described by Bayly's model. Birla's fame and social standing did not rest on his raw wealth alone. Birla did not neglect to develop his reputation for generous religious patronage. He is well known for his religious gifting, particularly in the construction of magnificent temples. Birla admitted that he did not construct the temples from personal piety, "Frankly speaking, we build temples but we don't believe in temples. We build temples to spread a kind of religious mentality."⁴ Birla's financial support of the publicist Gandhi, as a form of religious patronage, would serve him well. The mere association with Gandhi conferred on Birla a measure of Gandhi's religious stature. It is easy to see that Birla's generous patronage of Gandhi could have been perceived as a sign of devotion and Gandhi's acceptance of that patronage as a sign of approval of Birla. Gandhi's role in the independence movement was as much religious as it was political. He was the Mahatma, the Great Soul. Gandhi captured the hearts and imaginations of his fellow Indians by drawing upon a wealth of traditional Hindu symbolism. The

¹Ibid., 368.

²Ibid., 365.

³Ibid., 360.

⁴G. D. Birla in interview with Margaret Bourke-White; Margaret Bourke-White, 63.

political entity that Gandhi called for would be a *rāmrajya*, a kingdom likened unto that of the righteous Lord Rama. The British, Gandhi often said, were the equivalent of the evil demon Ravana, who Lord Rama and his entourage defeated. Gandhi, not only discarded his Western garb and lifestyle to appear to identify with the Indian masses, but also to take upon himself the attitude of the *brahmacāri*, the holy renunciant. He renounced material possessions, sexual relations, and held to a strict vegetarian diet as part of his regime of holiness. At the same time he was the guiding inspiration to a massive political movement. According to Bayly's model, Gandhi would be the exemplar publicist.

As Birla's publicist, Gandhi was able to deftly weave Birla's interests into a seemingly spiritual context. A blatant example of this is found in Gandhi's support for Birla's position against government regulation of prices. On several occasions Gandhi brought up the need for decontrol in his sermons during his evening prayer meetings.¹ Gandhi also allowed the issue of decontrol to be promoted in his newspaper *Harijan*, a publication that was supposedly devoted to the needs of the oppressed. As part of the campaign for decontrol, Gandhi's son, Devadas, as managing editor of the *Hindustan Times*, Birla's chief New Delhi newspaper, also published an editorial calling for decontrols.² When Margaret Bourke-White questioned Birla about decontrols, he responded: "I never was in favor of controls. I am not built that way. The greatest virtue of capitalism is free competition."³ He went on to add that since the recent decontrol of sugar prices, the price of sugar had gone down. Gandhi followed this line of argument in his prayer meetings. Bourke-White's investigation of decontrol found that it was true that the price of sugar went down for the wealthy, who could buy on the black market. As for the man on the street, the price of sugar had doubled.⁴ Though in theory prices could go down for poor consumers with decontrol, in this case, it was the wealthy consumers and industrial producers who prospered.

Gandhi did not have anything against wealth. He was not inclined towards socialism and taught that there should be no forced redistribution of wealth in India. Gandhi called for social justice and alleviation of suffering, but believed that change brought about by

¹Gandhi, Birla House, 21 December 1947, *Harijan*, Vol. XI, 1973, 477.

²*Ibid.*, 66.

³*Ibid.*

⁴*Ibid.*

government intervention would be ineffective. Change must first come in the individual heart. The wealthy should not be coerced into sharing their wealth; they should do it voluntarily. Gandhi taught that the wealthy should be trustees of their wealth, using only what was necessary for their own use and distributing their surplus for the benefit of society. Gandhi's idea is very much like the ideas of trusteeship that were being expounded in England and America in the late 1800s and early 1900s. Andrew Carnegie, a self-made American millionaire, had published a series of articles between 1886 and 1899 that sought to justify private wealth in the industrial society increasingly burdened with social concern and unrest.

Although some conservative Christian spokesmen had condemned corporate oppression, financial dishonesty, and growing poverty, many American and British religious leaders supporting the capitalistic economic system saw these social realities as prices that must be paid for progress. Carnegie in his essays set "in authoritative form the ideas that many Christian authors and most of the church press had been preaching for at least a generation."¹ In England the articles were reprinted and commented upon in the *Fortnightly Review*, *Nineteenth Century*, *Saturday Review*, and *Pall Mall Gazette*. The articles received much attention, including a review and praise by the British Prime Minister, William E. Gladstone. Carnegie believed that the articles were better-received in England, because England was "more clearly face to face with socialist questions." Carnegie's articles offered an alternative to socialism. He stressed individual effort and responsibility instead of government control. He urged the wealthy to adopt the principle of trusteeship:

This then, is held to be the duty of the man of wealth:
To set an example of modest, unostentatious living,
shunning display or extravagance; to provide
moderately for the legitimate wants of those
dependent upon him; and, after doing so, to consider
all surplus revenues which come to him simply as
trust funds, which he is called upon to
administer ... the man of wealth thus becoming the
mere trustee and agent for his poorer brethren,
bringing to their service his superior wisdom,
experience, and ability to administer, doing for them

¹Henry F. May, *Protestant Churches and Industrial America* (New York: Harper and Brothers, 1949), 132.

better than what they would or could do for themselves.¹

Gandhi was a student in England from 1888 to 1891, at the time some of Carnegie's articles were published. As the articles were a subject of some controversy at the time they were published and afterwards, it is possible that Gandhi was exposed to these ideas that served to promote capitalism over socialism. Gandhi's teachings are remarkably similar to Carnegie's:

The rich man will be left in possession of his wealth, of which he will use what he reasonably requires for his personal needs and will act as a trustee for the remainder to be used for society.²

Carnegie made a list of worthy causes on which surplus wealth should be spent which included educational institutions, hospitals, churches, etc.³ To provide for the required surplus wealth, Carnegie called for unbridled capitalism:

He who manages the ships, the mines, the factories, cannot withdraw his capital, for this is the tool with which he works wonders; nor can he restrict his operations, for the cessation of growth and improvement in any industrial undertaking marks the beginning of decay.⁴

Birla's lifestyle and actions could almost be used to illustrate Carnegie's ideas. Birla was known for his unostentatious living and philanthropy. Rajendra Prasad, the first President of India, in the foreword to G. D. Birla's book *In the Shadow of the Mahatma*, puts forward Gandhi's version of trusteeship and points to G. D. Birla as being a worthy trustee. The beneficiaries of Birla's patronage curiously match Carnegie's list of the institutions deserving of surplus wealth:

¹Andrew Carnegie, *The Gospel of Wealth* (Cambridge: Belknap Press of Harvard, (1900) 1962), 25.

²Gandhi as cited in Raj Krishna's "The Nehru-Gandhi Polarity and Economic Policy" in *Gandhi and Nehru* by B. R. Nanda, P. C. Joshi, and Raj Krishna, (Delhi: Oxford University Press, 1979), 55.

³Carnegie, 29 ff.

⁴*Ibid.*, 72.

It has been one of Gandhiji's teachings that those who are blessed with wealth should regard themselves as Trustees and treat their wealth as trust property for the benefit of others. The large number of institutions which are to be seen in so many parts of the country in the shape of educational institutions or religious temples and Dharmshalas or Hospitals with their apex at Pilani and Delhi are testimony to the fact that Birlas have imbibed this part of Gandhiji's teachings in no small manner. They have earned abundantly and likewise spent also generously and abundantly on every good cause.¹

Gandhi claimed that his idea of trusteeship was taken from the first verse of the *Īśā Upaniṣad*.²

All this, whatsoever moves on the earth, is to be hidden in the Lord (the Self). When thou hast surrendered all this, then thou mayest enjoy. Do not covet the wealth of others.

Perhaps by making such a claim Gandhi hoped to give credence to the concept of trusteeship in the eyes of the Indians. Attributing the basis of contemporary ideas or practices to ancient texts, even while the connection is spurious, is not an uncommon means of legitimization. This is not to say that it was impossible for Gandhi's idea of trusteeship to be original or inspired by Hindu tradition. The *Manu smṛti*, for instance, contains a verse in a section on the duties of castes, which encourages the *vaiśya* caste to accumulate wealth for the benefit of others:

He [a *vaiśya*] should expend the greatest effort in justly increasing his goods, and he should also take pains to bestow at least food on all creatures.
Manu smṛti IX. 333.³

¹Rajendra Prasad in foreword of G. D. Birla's *In the Shadow of the Mahatma*, vii.

²Pyarelal, *Mahatma Gandhi: The Last Phase*, 624.

³*Ordinances of Manu*, translated by Arthur Cole Burnell (New Delhi: Oriental Books Reprint (1884) 1971), 303.

Theoretically, the verse could be developed into the idea of trusteeship. But Gandhi did not bring forward such an explicit text on which to claim trusteeship was founded. Judging from the popularity of Carnegie's writings and the simultaneity of Gandhi's stay in England with the publication of Carnegie's "Gospel of Wealth," it is highly probable that Gandhi borrowed from Carnegie's ideas on trusteeship.

Gandhi's first application of trusteeship was with regard to Britain's trusteeship of the colonies well before Gandhi called for independence.¹ While Gandhi changed his mind about the ability of the British to be beneficent trustees, he did not change his mind about the trusteeship of capitalists in India.

Gandhi's support for capitalists is expressed in his writing concerning industrial workers. On one hand, Gandhi suggested in *Young India* that mill owners should provide the following improvements for their workers:

1. The hours of labour must leave the workmen some hours of leisure.
2. They must get facilities for their own education.
3. Provision should be made for an adequate supply of milk, clothing and necessary education for their children.
4. There should be sanitary dwelling for the workmen.
5. They should be in a position to save enough to sustain themselves during their old age.²

In the same article Gandhi makes a strong statement of the intellectual superiority of the capitalist over the workers:

When labour comes fully to realise its strength, I know it can become more tyrannical than capital. The millowners will have to work dictated by labour if the latter could command the intelligence of the former. It is clear, however, that labour will never attain to that intelligence. If it does, labour will cease

¹"What is the duty of a trustee, if not to make his ward fit for everything that the trustee has been doing for the ward?" *Collected Works of Mahatma Gandhi, Vol. IX, Sept.-Nov. 1908, 475-6.*; "They [the British] will be trustees and not tyrants, and they will live in perfect peace with the whole of the inhabitants of India." 14 October 1904, *Collected Works of Mahatma Gandhi, Vol. IX, Sept.-Nov. 1908, 481.*

²Gandhi, *Young India 1919-1922, 729.*

to be labour and become itself the master. The capitalists do not fight in the strength of money alone. They do possess intelligence and tact.¹

In another article Gandhi worries that increased wages and reduced work loads will be squandered by the workers:

It is now time to examine the use we should make of increasing wages and hours saved. It would be like going into the frying pan out of the fire to use the increase in wages in the grog-shop and the hours saved in gambling dens. The money received, it is clear should be devoted to education of our children, and the time saved to our education. In both these matters the mill-owners can render much assistance.²

Gandhi implies that the workers are incompetent to spend their wages properly and that the mill-owners are better able to use the increase in wages to provide milk, reading rooms and harmless amusements and games for the workers. Gandhi counsels the workers that it would be a sin to request higher wages and less hours if they were unable to control their passions. Higher wages and reduced hours, according to Gandhi, required clean minds and hearts.³ Gandhi does not grace the capitalists with a lecture to the effect that increased profits require a clean heart. According to Gandhi's version of trusteeship, the capitalists had a right to their profits owing to their superior abilities. They were to make decisions that would benefit their less able workers.

Birla, while prospering from his textile mills and making use of Gandhi to promote his own industrial interests, daily wore *khadi* and occasionally worked at the spinning wheel. At Gandhi's suggestion he had been active in the Harijan upliftment movement. Though Gandhi and Birla are supposed to be strong supporters of the untouchables there is a noticeable lack of emotion or enthusiasm about the issue in their letters. The Harijans are spoken of as a cause, perhaps one that they would not want pushed too far. Gandhi did not want to abolish the caste system that had assigned the Harijans to their degraded position. B. R. Ambedkar, an untouchable leader, was strongly critical of Gandhi's motives and policies regarding untouchable castes, including the euphemistic

¹Gandhi, *Young India* 1919–1922, 729.

²Gandhi, *Young India*, 6 October 1921, 731f.

³Gandhi, *Young India*, 6 October 1921, 732–36.

designation of untouchables as Harijans.¹ Ambedkar was also critical of Gandhi's connection with businessmen:

If the Bania is financing the Congress it is because he realized and Mr. Gandhi has taught him—that money invested in politics gives large dividends.²

Gandhi's call for Harijan upliftment, like Gandhi's ideas on abolition of capitalism and industry would be revolutionary if put into actual practice. But Gandhi's lofty teachings were otherworldly and seemingly unattainable, perhaps purposely so. That most people would not follow them literally was understood, even by Gandhi. Birla once wrote of the exaggerated expectations Gandhi had aroused in the untouchable castes:

Especially among the educated Harijans, hopes have been encouraged which could under no circumstances be fulfilled. Many educated Harijans seem to be under the impression that the society of ours is going to create a millennium.³

Ambedkar accused Gandhi of exploiting social problems, such as the plight of the untouchables, for political gain, while actually preventing social change. Ambedkar pointed out for example that Gandhi had publicly supported a bill for temple-entry for Harijans, but when election time came, he, along with Congress withdrew support for the bill.⁴

Birla realized that behind all the revolutionary rhetoric, Gandhi was socially conservative. Gandhi might make public statements against industrialism, but he was no threat to Birla's industrial interests; he was a boon. Birla, as Gandhi's patron, basked in the aura of Gandhi's popularity, while Gandhi went about securing Birla's interests. Among Birla's chief concerns was Indian independence.

There had been times that Birla had profited from his relations with the British, and for some time had served as a go-between for Gandhi and British officials. But developments in

¹See B. R. Ambedkar's chapter, "Gandhi, the Doom of Untouchables" in *Gandhi and Gandhism*, 42-92.

²B. R. Ambedkar, *Gandhi and Gandhism*, 10.

³Birla to Gandhi, 10 January 1933, *Bapu: A Unique Association*, Vol. 1, 248.

⁴B. R. Ambedkar, 63.

British economic policies in India in 1937 had not been favorable to Birla and other industrialists:

The [British] refusal to change the rupee ratio, the willingness to sacrifice large-scale Indian interests in Burma, new encroachments of foreign capital in some profitable fields, austerity budgets and ... open hostility to India's industrialization and to planning combined to produce a marked shift in the traditionally cautious line pursued by big business towards the government.¹

Resentment on the part of industry grew against the government and led to closer ties with Congress. B. R. Tomlinson, a historian, credits a group of industrialists, which included G. D. Birla, Sir Purshottamdas Thakurdas, and J. R. D. Tata, with presenting in 1944 the most complete survey of India's postwar economic requirements, as well as detailed planning to achieve them. Tomlinson writes that the industrialists began to regard Congress, rather than the British, "as the body best able and most willing to secure for them a place in the domestic economy and polity they desired."² From 1944 onwards, business interests openly supported Congress. It was clear that big business, including Birla, would stand to profit by independence.

There was a major obstacle remaining in Birla's path. Jawaharlal Nehru, as president of the Congress in 1936, put forward two proposals. The first was to establish a joint anti-imperialist front. He was willing to yoke himself to any sympathetic party for this cause, including Madan Mohan Malaviya, whom Nehru had criticized for the communal politics of his Nationalist Party. Nehru's other proposal was the affiliation of trade and peasant unions to the Congress. Nehru in his presidential speech at the Lucknow Congress presented his plea for radical changes in the *status quo* of India:

I see no way of ending the poverty, the vast unemployment, the degradation and the subjection of the Indian people except through socialism. That involves vast and revolutionary changes in our political and social structure, the ending of vested

¹Claude Markovits, *Indian Business and Nationalist Politics 1931–1939: The Indigenous Capitalist Class and the Rise of the Congress Party*, (Cambridge: Cambridge University Press, 1985), 183.

²B. R. Tomlinson, *The Political Economy of the Raj*, 163.

interests in land and industry, as well as the feudal and autocratic Indian States system. That means the ending of private property, except in a restricted sense, and the replacement of the present profit system by a higher ideal of cooperative service.¹

The outcome of the Lucknow Congress was that Nehru's idea of yoking the Congress to the unions was gently pushed aside to a committee who was to consider the matter. Satyamurti, a Congressman from Madras, announced that it was the triumph of Gandhi over socialism.²

Birla had earlier tried to bring Nehru into his camp. When Nehru was having severe financial difficulties, Birla had offered him a handsome monthly allowance, such as the Birla family was providing Gandhi and other Congress leaders. Nehru was angry with the offer and refused it.³ Now Birla expressed his pleasure with Gandhi's victory over Nehru:

Mahatmaji kept his promise and without his uttering a word, he saw that *no new commitments were made*. Jawaharlalji's speech in a way was thrown into the waste paper basket because all the resolutions that were passed were against the spirit of his speech.⁴

A disappointed, but undeterred Nehru went on tour to promote his proposals. In Bombay, he was met with hostility by businessmen. On 20 May 1936, *The Times of India* published a response to Nehru's speech signed by twenty-one Bombay businessmen:

We are convinced that there is a grave risk of the masses of the country being misled by such doctrines into believing that all that is required for the improvement of their well-being is a total destruction of the existing social and economic structure. The inculcation of any such ideas into the mind of

¹Jawaharlal Nehru as cited by Markovits, 206.

²*Bombay Chronicle*, 16 April 1936, as cited by Sarvepalli Gopal in *Jawaharlal Nehru: A Biography*, Vol. One 1889–1947 (Cambridge: Harvard University Press, 1976), 209.

³Gopal, 190.

⁴To Purushottamdas Thakurdas, 20 April 1936. Purushottamdas Thakurdas papers, File 177. N.M.M.L. Emphasis in original, as cited by Gopal, 209.

unthinking millions of this country would lead to a situation in which not only the institution of private property but the peaceful observance of religion, and even personal safety, are likely to be jeopardized. The business communities and the propertied classes of this country played not a small part in the furtherance of the national movement for the achievement of political freedom and have supported all practical measures for the amelioration of the lot of the toiling masses of this country¹

Birla himself avoided a public confrontation with Nehru. In a letter to one of the signers of the Bombay businessmen's manifesto, he criticized the open display of hostility towards Nehru's policies:

You have rendered no service to your caste men. It is curious how we businessmen are so short-sighted It looks very crude for a man with property to say that he is opposed to expropriation in the wider interest of the country.²

Birla's preferred method was to quietly strengthen the opposition to Nehru by bolstering the non-revolutionary, right-wing elements in the anti-British camp. He left it to Vallabhbhai Patel, Rajendra Prasad, Rajagopalachari, and Gandhi to criticize Nehru for taking it on himself to try to push forward his minority viewpoint against propertied interests to the forefront of Congress policies.³

Gandhi's friendship with Birla endured until Gandhi's assassination at the Birla mansion in Delhi in January 1948. Gandhi has come to be remembered as a saint and leader of the Indian nationalist movement. He is not remembered as a supporter of capitalism and social conservatism. History's memory of Birla is somewhat fainter. After all, an industrialist is an industrialist. It is noted to his credit that he was also a devotee of Gandhi. This recollection distorts what transpired between Gandhi and Birla, as well as neglects their mutual influences. The relationship between the two men was too complex to be reduced to simple manipulation

¹As cited by Markovits, 206.

²G. D. Birla to Walchand Hirachand, 26 May 1936. Purushottamdas Thakurdas papers, file 177, as cited in Gopal, 212.

³Gopal, 212.

on the part of either. Theirs was a friendship involving an interplay of nationalism, social conservatism, the exigencies of business, politics, and patronage, as well as shared membership in mercantile castes, religion, and genuine affection.

The relationship between Gandhi and Birla reveals that Gandhi in many ways supported capitalism and policies that were favorable to the industrialists, particularly in respect to his teachings on trusteeship. It cannot be denied that Gandhi and Birla had a hand in the fact that after independence there was no social revolution and the socialist aspirations of Nehru were discouraged. When one reads a letter from Birla written as early as 1942 calling for the formation of Pakistan, and further mentioning that Gandhi told Birla at that time that he was willing to be converted to the idea, ones wonders if the full extent of Birla's influence is yet to be told.¹

Birla once defended himself for not being the ideal trustee to Margaret Bourke-White. In response to her questions about the contrast between his industrial policies and Gandhi's ideal of trusteeship, Birla responded, "I am an industrialist and a mill owner. He is a saint."² Birla did not claim to be a saint and did not feel he had to live up to Gandhi's ideal of trusteeship. Gandhi as a saint had the luxury of being idealistic. He did not have to implement the ideas which won him mass appeal. Nor did he have to make sure his devotees implemented them. Gandhi's relationship to Birla reveals a less public side of the Mahatma. In G. D. Birla's words, Gandhi's letters to him were not those of "a great man or Mahatma but of a saintly man and the outpourings of a friendly soul."³ Through their correspondence, we see a Gandhi who is far less the saint of history's imagination and much more a man, subject to biases and ideologies of his social milieu.

¹Birla wrote to Mahadev Desai, "Bapu says that the Congress and he are willing to be converted. I drew the attention of Nawabzaba to this and asked him to say publicly that he is prepared to meet the Congress and convert it. To this, he replied: 'Jawaharlal says he does not even want to talk of Pakistan. How could then the conversation be possible?' I think the two statements, viz., of Jawaharlal and Bapu, are contradictory to each other. If the Congress position is that it is willing to be converted, then a meeting is necessary ... You know my views about Pakistan. I am in favor of separation and I do not think it is impracticable, or against the interest of Hindus or India." Birla to Mahadev Desai, 14 June 1942, *Bapu: A Unique Association*, Vol. 4, 315-6.

²Birla to Bourke-White; Bourke-White, 69.

³Birla as cited by Alan Ross, 177.

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