

Book Reviews

Financing the Raj: The City of London and Colonial India, 1858–1940. *By David Sunderland.* Woodbridge, U.K.: Boydell Press, 2013. viii + 240 pp. Figures, tables, appendices, bibliography, index. Cloth, \$130.00. ISBN: 978-1-84383-795-4.

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Reviewed by Ranald Michie

Observe the subtitle. This book is a detailed account of the relationship between India under British rule and the City of London as a financial center, through the prism of the India Office. Though David Sunderland occasionally discusses the wider perspective of what this relationship meant for both Britain and India, this is a small and tangential element in the book. Instead, he concentrates on mechanisms and details based upon a close reading of primary sources. As such, the book should appeal to those who wish to know more about the City of London as an international financial center between the mid-nineteenth century and the beginning of the Second World War, with special reference to India. This book is not, however, for a novice. Rather, it should appeal to those who are already specialists in those subjects. Even for those specialists, the book contains one serious flaw, and that revolves around the absence of a chapter dedicated to the impact of the First World War on the relationship between India and the City of London. Throughout the book are references to different ways that the First World War affected the relationship between India and the City and the consequences this had for the interwar years. Unfortunately, the author never brings together these disparate elements to produce a definitive assessment, leaving readers to make their own judgments. This is an opportunity lost because the material is there. The lack of a First World War chapter also undermines the narrative flow of the book because it is not always clear what the long-term trends in the relationship were, compared to the importance of an event of such magnitude as the First World War, and even one of more subsidiary significance such as Britain's return to the Gold Standard in 1925 and then its departure in 1931.

The various chapters can be grouped according to the themes in the relationship that they explore, once the book sketches in the structure of the India Office in London and its connections to the City. The first four chapters cover the issue of Indian long-term borrowing in the City of

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London. What emerges is how relatively unimportant was the London capital market given its global role. The focus of these chapters is twofold. The first is to explain why the loans were issued in London instead of India or, after the First World War, rather than New York. The answer lies in the level of demand, the terms and conditions obtained, and the facilities in place rather than any deliberate bias towards London. When conditions became unfavorable in London, as they did in the 1930s, the Indian government both repatriated existing sterling loans and switched to borrowing in India. The second focus is to detail the mechanisms through which the Indian government issued loans in London. There are highly technical descriptions of the rate at which new loans were issued and methods used to attract investors, which help to expand on what is already known about the depth and breadth of the City of London as an international capital market.

After a chapter that investigates the India Office's activities in the London silver market, especially a fascinating account of how it forestalled an attempted corner in 1912, the next five chapters cover the Indian government's short-term borrowing in London. These include detailed descriptions of how money was transferred between India and London and the use of bills of exchange for this purpose. Given the seasonal nature of India's exports, as they relied heavily on agricultural crops, it was a complex and difficult matter to balance outflows and inflows over the year. Furthermore, for the same reason, India's exports were subject to annual fluctuations because of poor or abundant harvests of cash crops like cotton and tea. In addition, the failure of food crops, such as rice, could cause famines, affecting demand for imports and the need for relief operations. Both of these had significant effects on the need to move money between London and India, which had to be carefully managed. What emerges from these chapters is the complexity of intercountry transfers and the central role played by the City of London in the international payments mechanism before the First World War, despite the supposed simplicity of the gold standard. If these complexities were not difficult enough to cope with, the First World War and the subsequent periods of monetary instability made them even worse.

However, the India Office acted not only as a borrower in the London money market but also as a lender, and the last chapter deals with this role, though many earlier chapters also refer to India as a lender. The India Office maintained reserve funds in London to cover either potential demand or to await transfer to India, and the office actively managed these funds to generate a good rate of return while keeping them accessible. Loaning these funds brought the Bank of England into conflict with the India Office, as it was in a position to provide an

alternative source of liquidity, including to the discount houses. The result was a growing dispute between the India Office and the Bank of England. This dispute is highly revealing as it details the conflicts inherent in the Bank of England at a time when it was both answerable to its shareholders and operating as a central bank.

This book is a detailed research monograph that describes and analyzes the operations of the India Office in its relationships with the City of London's capital, money, and bullion markets. Those with an interest in those subjects should read it.

Ranald Michie is professor of history at Durham University, England. He is author of numerous books and articles in the field of financial history. His latest work is The Origins of International Banking in Asia: The Nineteenth and Twentieth Centuries (edited with Shizuya Nishimura and Toshio Suzuki) (Oxford University Press, 2012).

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Ahmedabad: Shock City of Twentieth-Century India. *By Howard Spodek.* Bloomington: Indiana University Press, 2011. xvi + 330 pp. Illustrations, maps, glossary, notes, bibliography, index. Cloth, \$49.95. ISBN: 978-0-253-35587-4.

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Reviewed by Douglas E. Haynes

The city of Ahmedabad in Gujarat has been at the forefront of some of India's most significant economic and political developments, but scholars of South Asian history have largely ignored it. Ahmedabad was a leading textile center from the late nineteenth century into the 1980s, and it was also the headquarters of the Indian nationalist movement under Gandhi during the key mass campaigns of the 1920s and the early 1930s. Since 1990, under the new policy regime of "liberalization," it has experienced a major upsurge of economic growth, though the city's mills have dwindled in their importance. Politically, Ahmedabad has achieved a certain notoriety for the gruesome violence of Hindus against Muslims in 2002, in which up to two thousand people were killed, more than 100,000 people were displaced from their homes, and perhaps a half billion dollars in damage took place.

In this book, Howard Spodek, who has nearly fifty years of connection to the city, examines the history of Ahmedabad during the twentieth century (and into the twenty-first). Spodek certainly provides valuable insight into the rise of Gandhian politics and the events of 2002. But the special contribution of this work is to highlight developments between these most famous episodes, such as the activities of the