

## **INDIAN MUSLIMS IN BRITISH INDIA: TOWARD ECONOMIC NATIONALISM AND ECONOMIC INDEPENDENCE (1943-1947)**

*Naureen Talha \**

The identification of economic backwardness with them and the hold of Hindus on the economic life of India nurtured the feelings of economic nationalism among the Muslims during the British colonial period. Economic nationalism draws “from the ranks of the economically deprived, and their poor economic position...” In India, that started taking shape during the years 1943-1947.

It was in December 1943 that Jinnah appointed the Economic Planning Committee; and the hectic search for suitable personnel to man it was under way. He was also deeply involved in setting up a network of Muslim-owned economic institutions, primarily to establish Muslims to some extent in the economic arena. Ideas and foresight to strengthen Muslims in the economic field were Jinnah's, while support came from a core group of industrialists. These Muslim business enterprises were established basically because Jinnah believed that economic strength and political strength were interwoven. He made it clear that Pakistan was to be achieved for political power which would ensure the full implementation of economic development programmes for the Muslim-majority areas.

He was fortunate to have this group of Muslim industrialists and businessmen who supported him wholeheartedly to overcome Muslim economic backwardness. Economic nationalism motivated them. This core group consisted of Ahmed Ispahani, M. A. H. Ispahani, Habib Rahimtoola, Sir Adamjee Haji Dawood and Abdul Ghani Haji Habib. Besides, Sir Sultan Chinoy Sikandar Dehlavi, Mohamed Abedeen Peerbhoy and the Raja of Mahmudabad contributed in various economic ventures. The most powerful impetus for the Pakistan areas came from the middle class elements in the West Pakistan region as a whole. Fortunately, in Bombay Sindh, Madras and Bengal, a very powerful section of the mercantile, professional and industrialist class of Muslims backed Jinnah and the Pakistan movement. Some of the important institutions started with Jinnah's inspiration were as follows:

## **Federation of Muslim Chambers of Commerce and Industry**

In August 1943, even prior to the formation of the Economic Planning Committee, Jinnah first contacted Hassan Ispahani about forming a Federation of Muslim Chambers of Commerce and Industry. The chamber was the All India Muslim Chamber of Commerce and Industry, at Bombay, with Sir Sultan Chinoy as its president. The activities of this body were limited. The purpose of forming a federation of chambers, with its office located in Delhi, was “to bring within its orbit all the existing chambers, and also to merge with it the All India Muslim Chamber of Commerce and Industry, so that there was one Federation of the whole of India.”

Hassan Ispahani proved to be the most active person in establishing the federation. He reported to Jinnah on April 3 1944 informing him about the efforts made and the success achieved for the formation of the federation on April 8, 1944. Jinnah wrote back expressing satisfaction at the progress and proposed the name of Sir Adamjee Haji Dawood as president of the new body, saying that he believed him to be a representative of real business and industry.

That was the time when Jinnah was busy selecting the best talent for the Economic Planning Committee. He was glad that Ahmed Ispahani had agreed to serve on the committee. He was sure that he should be valuable and helpful in pursuing its objectives.

On October 24, 1944, Hassan Ispahani informed Jinnah that the Bombay Muslim Chamber of Commerce had been affiliated with the federation and the Federation of the Muslim Chambers of Commerce and Industry at Delhi had grown into a robust and representative organization of Muslim merchants and industrialists of India. Jinnah was intensely pleased with the progress made and observed that with the establishment of the federation “we have got the Muslim businessmen on one platform where they can meet and exchange views as to what is going on and as to what they should do.”

Jinnah was also informed that the first meeting of the federation was to be held in the fourth week of November or the first week of December 1944. Initially, Sir Adamjee had declined the offer to become the first president of the federation on grounds of ill health, age and inability to travel to Delhi every now and then. He proposed that Ahmed

Ispahani should be made the president. To this Hassan Ispahani replied that people opposed to the formation of the federation had been saying all along that “the Ispahanis have been working for the establishment of the federation and spending large sums of money in that direction because they want to capture it and to use it to further their own interests.” Both Hassan and Ahmed Ispahani did not wish to be considered for any office.

By April 1945, Jinnah became very disappointed and was annoyed because even after a delay of four months, the first meeting of the federation had not been held. He was anxious to have the federation inaugurated so that it should not exist only on paper. So, he reprimanded Hassan Ispahani: “Have you been sleeping over the Federation of Muslim Chambers of Commerce, and is it to remain a paper scheme?” Jinnah, a man of determination and a hard task master, complained that “We are losing very valuable time and a golden opportunity. Every week that passes is now not only creating a sense of frustration and despair amongst those who have worked, and are willing and ready to work, but in the rapid developments that are taking place. Muslim India will unfortunately find itself as usual with the motto ‘Too late’.” He cautioned Hassan Ispahani that unless the business of the federation was expedited, and things gingered up, Indian Muslims with commercial interests would suffer very seriously.

Jinnah’s annoyance was indicative of the importance he gave to the economic betterment of the Muslims. He was determined to inspire the Muslim business community to organize itself in order to strive for the economic advancement of the Muslim masses. That shows how keen he was to awaken the Muslim business community.

It was either a reaction to this strong admonitory letter or things with the working of the federation were really picking up, but a few days later, on April 19, 1945, the first meeting of the Federation of Muslim Chambers of Commerce and Industry was held at Delhi. Sir Adamjee Haji Dawood was unanimously elected as the first president for a period of one year, with Habib Rahimtoola as Joint President and M. A. H. Ispahani as the Vice President. At this meeting, the constitution of the federation was also passed.

On April 20, 1945, some important resolutions were passed for the industrialization and reconstruction of India. The aim was to raise the living standard and provide employment in all parts of the country. Resolution 5 said that Muslim merchants and industrialists visit the Middle East to expand commercial relations between India and the

Middle Eastern countries. Resolution 6 directed the federation to approach the government of India for giving Muslims fair representation on the panels of Departments of Post War Planning and Reconstruction and Industries and Civil Supplies. Resolution 7 demanded adequate representation of Muslim students for technical education and training abroad.

Earlier, in his presidential address, Sir Adamjee Haji Dawood highlighted that the federation would coordinate the efforts being made in every province to organize the Muslim mercantile community. He declared that the federation would be a medium for expressing opinion on commercial subjects, “organizing the trade and developing the industries in which Muslim are vitally interested.”

Having passed through the organizing stage, the federation now had a constitution and office-bearers to conduct its affairs, but no proper accommodation. As early as April 3, 1944, Hassan Ispahani had written to Jinnah asking him to “please exercise your influence with Dalmia and secure for the chamber two respectable and airy rooms in a good locality...” Till May 1945, efforts for renting suitable accommodation for the federation had not materialized. Hassan Ispahani informed that he had contacted everyone known to him. Nawabzada Liaquat Ali Khan had tried his best and failed. The Secretary of the Federation, Nurur Rehman, and Hassan were all the time looking for suitable office space. Twenty months passed in this state of uncertainty, the correspondence between Jinnah and Hassan Ispahani is silent as to when the accommodation was actually made available; and the federation found a permanent place of its own.

On May 6, 1945, Jinnah in a letter to Hassan Ispahani expressed his happiness on hearing from him the account of the successful first general meeting of the federation. His words echo his strong feelings on the subject. He said, “I hope you realize the urgency and the importance of Muslim India making every effort to make up the leeway. What we now want is selfless workers and deeds and not mere words and thoughts and speeches.”

Sir Adamjee Haji Dawood assured Jinnah that he would do his very best to translate the policy of the federation into practice and not let it exist on paper alone. Ispahani wrote to Jinnah that he would do everything “to see that the promise made by us to you in regard to the Muslim Federation is fully carried out.” With its very first meeting held in Calcutta in May 1945, the federation became fully operative. Given those times and the

generally weak position of Muslims, that was a great achievement. The number of federations of chambers of commerce at that time was three; namely, the British Federation, the India Federation and the Muslim Federation. This process of setting up a federation of Muslim chambers of commerce and industry had taken from August 1943 to May 1945, almost two years.

During the correspondence between Hassan Ispahani and Jinnah regarding the federation, another issue confronting the Muslims came to forefront. It was constantly pointed out that the Muslims as a political entity had no press of their own. It was because of this that neither the foundation nor the objectives of the federation received proper coverage in the Hindu press and the British newspapers. Hassan Ispahani wrote to Jinnah, "if the Hindu agencies and Press, as is their habit, black out Muslim activities, what can we do? These are the difficulties that our nation has to face all the time."

The Parsis and the Hindus were the two communities who fully seized the opportunities available in economic fields. With the passage of time, the Hindus in particular had established their supremacy in both industry and commerce. They produced a class of monopolists comprising big businessmen and financial tycoons. By the early 1930s, their hold on business and commerce had become fairly strong. It is significant that this hold was not confined to the Hindu-majority areas; even in the Muslim-majority areas, they were in full control. This caused concern among Muslim classes who were becoming increasingly aware of their economic backwardness. It was in this environment that Jinnah gave Muslims an important institution to develop commercial and industrial strength of Muslim India. It was because of his foresight and concern that the business and industrial class among the Muslims developed an interest in supporting the Muslim-owned ventures in India.

But it was also a reality that wherever Muslims ventured to set up businesses and institutions, Hindus hovered above their heads and made the task difficult. A prime example of this is found in the sad story of the Federation of Muslim Chambers of Commerce and Industry not being able to find even two good rooms in a big city like Delhi to locate its office. The bulk of immovable property was owned by the Hindus, and so was the press.

### **Muslim-owned press**

To secure better press coverage for the activities of the Muslim League, its various bodies and leaders; the launching of some English newspapers became an obsession with Jinnah. He was supported by the core group of businessmen loyal to him and the Muslim League. Most of the existing newspapers that mattered were Hindu-owned with a few run by the British. It was a tremendous problem for the Muslims to get their political points of view across to the people of India. The Hindu press and news agencies were averse to giving even cursory coverage to news concerning Muslims, particularly about the Muslim League and anything relating to demands for Pakistan. These were the handicaps that spurred Jinnah to set up a newspaper network and it was because of him that the Pakistan Times, the Morning News, Dawn, and the Star of India were started as English dailies. Jinnah's vision and indomitable will made this possible.

On April 8, 1944, Jinnah wrote to Hassan Ispahani regarding the purchase of a printing press for a newspaper and other related machinery. He wanted to examine the machinery as soon as possible; "the question of anybody else chipping in does not arise," and he quite agreed with Hassan Ispahani that they should keep the negotiations confidential. Jinnah wanted to send a competent man to examine the machinery. He did not want the matter delayed any longer. So, by May 20, 1944, the said printing press and machinery had been purchased. In a letter dated May 20, 1944, Jinnah thanked Hassan Ispahani for securing the printing machinery for Dawn. However, Jinnah informed him that the composing machines were capable of working only on gas, and therefore of no use in Delhi. They could be utilized only in Bombay or Calcutta.

## 1. The Pakistan Times

Hassan Ispahani and Jinnah also talked about starting a Muslim-owned English daily in collaboration with Rafi Butt, probably in the last week of March or the first week of April 1944. The letter written by Rafi Butt to Jinnah on April 11, 1944 mentions an earlier meeting with him. This meeting made Rafi reflect on the options of how he could contribute in making the "proposed English daily" a success, since this newspaper was to be taken out from Lahore. Economic advancement of the Muslim community was very important to Jinnah. Rafi Butt offered to look after the commercial side of the proposed daily. He contributed 25 per cent of the capital for the daily in question. If that met with approval, Rafi offered to render some more help in this connection. Jinnah wrote to Rafi Butt telling him that they could meet on April 19, when he was due in Lahore, to "further discuss the matter regarding the proposed English daily." From Rafi's letter to Jinnah dated July 5, 1944, it is apparent that Jinnah and Rafi Butt met as scheduled on that date.

Rafi did not want the progress made in the launching of the daily to remain at a standstill due to lack of funds. It was his desire to see a first-rate English daily of the League functioning in his province of the Punjab. He did not hesitate to further contribute toward the cost of machinery over and above his offer of Rs. 25,000. Its first issue appeared from Lahore in February 1947.

## 2. Morning News

As early as June 21, 1938, Mian Ihsan Elahi, Managing Director for the Central Exchange Bank, Lahore, wrote to Jinnah, informing him about starting a purely Muslim-owned bank. He elaborated that even though in Punjab the Muslims were in majority, they had not been able to implement the long felt need to start a Muslim-owned newspaper from Lahore. To give this venture practical shape, he added that "some colleagues in our Bank have decided to form a separate limited company, with an authorized capital of Rs. 100,000 divided into 10,000 shares of Rs. 10 each, fully paid up". Mian Ihsan Elahi informed Jinnah that they had already discussed the scheme of a newspaper with the prominent Muslims of Lahore, who had assured him of their full support.

The Morning News was launched on August 1, 1942 from Calcutta. Ispahani wrote to Jinnah that the Morning News was "a tiny show but is all the same first class." He was all praise for one of its editorials. It was indeed one more accomplishment in the face of predominance of the Hindu-owned press. Ispahani rightly pointed out that Muslims needed twenty such news papers.

## 3. Star of India

Jinnah patronized the Star of India which was the only newspaper that had reported Ispahani's address at Mohammad Ali Park. Ispahani wrote, "How can we fight with such tremendous handicaps? No money and no press!"

Hassan Ispahani, M. A. H. Ispahani and Sir Adamjee Haji Dawood were the major contributors to the Star of India launched from Dhaka. They had set up the office of the

paper in January 1938. Sir Adamjee, a Calcutta merchant, backed it. However, the newspaper was going through losses; and Sir Adamjee decided to withdraw himself from its management. Despite the financial losses, the paper was daily increasing in strength and influence in Bengal. Hassan Ispahani pleaded with Jinnah that Sir Adamjee and Mirza Ahmed Ispahani should not be allowed to withdraw their support because he was sure that after some time the loss that the Star of India was incurring every month would gradually diminish.

Jinnah was told that the one month loss in the account of Star of India was Rs. 3,000 which was a big amount in those days. To help the paper tide over the losses, an appeal for donations was made. There were 48 donors. Many had contributed as little as Rs. 20. The biggest collection of Rs. 1,175 was boasted by Syed Ismail Ispahani. The highest single contributors were M. A. Ispahani and Khawaja Nazimuddin, each giving Rs. 3,000. The total donations came to Rs. 25,000; most of the money coming from the Ispahani brothers. The collected amount went toward the payment of debts incurred in running the paper. Jinnah himself was always ready with monetary help for the Muslim newspapers.

The Morning News and the Star of India were the two newspapers from Bengal actively covering the League's activities. From December 1942, the position of the Star of India improved, and they even showed a small profit which grew with time. The credit for this success went to the combined support and efforts of the Ispahanis and Sir Adamjee.

Jinnah planned to shift the Star of India to Delhi. However, the shifting did not take place.

#### 4. Dawn

On June 15, 1944, Jinnah decided to make Dawn a daily and asked for financial support from Hassan Ispahani. Jinnah believed that journals and newspapers must be of high quality in order to motivate readers.

As a weekly, Dawn had reached a circulation of 4,000 and was known all over India and even abroad. As usual, the Ispahani brothers told Jinnah that they would back it "with pleasure" and help in the noble cause of starting an English daily from Delhi, and were

prepared to undertake a loss up to Rs. 1,000 per month for a year. Jinnah also asked Hassan Ispahani to get the financial support for Dawn from Ahmed Ispahani and Sir Adamjee and other wealthy people. As there was a problem of getting a suitable editor for the daily Dawn, an offer was made to pay Pothan Joseph Rs. 1,250 per month, which was higher than the amount he had been receiving earlier. Hassan wanted him to write editorials only for Dawn and Star of India, since previously he had been contributing articles under his signatures to the Hindu and other newspapers. This, Ispahani pointed out, "could not be permitted as it would discredit the newspapers that employed him."

Pothan Joseph took charge and preparations began to convert the weekly Dawn into a daily. Hassan Ispahani had given a guarantee of Joseph's salary every month. Jinnah suggested it would be better to pay in lump sum and after some time to receive it back in the form of shares. Jinnah was very appreciative of Hassan's interest and help in launching the new daily. He hoped to see the paper become a really first class English newspaper acting as the genuine, real and true voice of Muslim India. The printing machinery for Dawn was the property of the India Daily Mail of Bombay; the price demanded was on the heavy side, in the neighbourhood of Rs. 60,000 to 65,000. Besides the Ispahanis, the Raja of Mahmudabad and Sir Adamjee Haji Dawood contributed to back up Dawn financially. The daily was launched in October 1942.

Jinnah was advised to register Dawn as a company. Since Muslim newspapers lacked government patronage in advertisements relating to recruitment, Hassan thought it opportune to do so, as otherwise the large income Dawn was generating might diminish.

## **Banks**

Jinnah was aware that banking had always been a prerogative of non-Muslims and was a source of their real strength. According to statistics of banks in 1945 prepared by Mohamed Abedeen Peerbhoy, there were 821 scheduled banks and 621 non-scheduled banks in India. Out of these, only 11 scheduled banks and 15 non-scheduled banks were based in what was to become Pakistan. The total number of Indian insurance companies in 1945 was 244, but there were only five Muslim-owned companies, and only one in the proposed territory of Pakistan. The following table prepared by Peerbhoy gives the details in this regard:

Table 1

Indian banks 1945	Total in Pakistan	Muslim-owned
Scheduled banks	821 11	1
Non-scheduled banks	621 15	-
Indian insurance companies	244	21 3
Provident companies	125 11	-

Source: F. 162/211-4, QAP, (NAP).

There were three Muslim-owned insurance companies at Bombay and one in Calcutta. Abedeen Peerbhoy suggested to Jinnah that since Muslim-owned scheduled banks and insurance companies were all in Hindu hands, inducement should be offered so that these companies transfer their head offices to the Pakistan even nominally. If that were done, funds could be available for the Pakistan State Bank.

#### Muslim Commercial Bank and Habib Bank

Jinnah insisted on the establishment of another first-class Muslim-owned bank in the subcontinent. Since late 1946 and early 1947, it was Jinnah's persistence and drive with Sir Adamjee Haji Dawood and Mirza Ahmed Isphahani which brought into existence the Muslim Commercial Bank. The prospectus of the Muslim Commercial bank was issued on August 22, 1947 and it was sent for registration to the registrar Joint Stock Companies, Calcutta, on July 9, 1947. Till the creation of Pakistan, the Muslims had just two banks in Hindu India: namely Habib Bank and the Muslim Commercial Bank (MCB).

MCB had an authorized capital of Rs. 3 crores. By the middle of 1948, branches of the MCB had been opened in all the principal cities of Pakistan, the head-office being at Karachi in Zeenat Mansion, McLeod Road. Habib Bank, the first Muslim-owned bank in Hindu India, was then small in size and financial strength as compared to other banks operated by Hindus and foreigners. Later, a Muslim-owned bank was set up in Singapore and branches of Habib Bank were opened in Bhopal and Assam as well.

By 1948, the number of Pakistani banks had gone up to four. These banks had 23 branches all over the new country. On the other hand, there were 34 foreign banks operating in Pakistan that year with 172 branches. Altogether, there were 38 banks with 195 branches in Pakistan. By 1948, the number of Pakistani insurance companies had also increased to eight. Foreign-owned insurance companies were sixty-eight.

### State Bank of Pakistan

Pakistan did well in the banking sector. Within just a year of independence, the State Bank of Pakistan was set up and started functioning as the bank of banks. Initially just prior to the creation of Pakistan, there was the danger of the flight of Hindu capital. Some big Hindu-owned banks and insurance companies took steps to transfer their head-offices from Lahore to Delhi. India was heir to the Reserve Bank of India and all its centralized offices, whereas Pakistan had to create corresponding institutions from scratch.

### Central Exchange Bank

This Bank was established in 1936. It was probably the first Muslim-owned financial institution in northern India. It began working in Anarkali, Lahore. On March 19, 1942, the bank published its detailed subscription, paid-up capital, deposits, working capital, reserve fund and declared dividend in an advertisement in The Civil and Military Gazette. It also published complete financial information about the bank on April 16, 1942 in The Civil and Military Gazette. This advertisement showing the complete financial portfolio of the bank was repeated on April 23, 1942, April 30, 1942, and May 7, 1942.

The statement as published on January 19, 1943 in the same newspaper showed that the authorized capital, subscribed capital, paid-up capital, reserve fund and working capital had shown a remarkable improvement. This improved portfolio of the bank was repeated on January 31, 1943, February 9, 1943, February 14 1943, and on February 21, 1943, in The Civil and Military Gazette.

Branches were opened at Sialkot in Chowk Katcheri, on Brandreth Road, Lahore and Amritsar in Hall Bazar. There was also an announcement that branches in Peshawar and Delhi were soon to be opened. The bank followed a policy of intimate newspaper coverage. After the creation of Pakistan, the head-office of the bank was shifted to its newly-built building in Bank Square on the Mall, Lahore. Many new branches were opened in Pakistan. It was also reported that the bank was soon to open its branches in Gujranwala, Rawalpindi, Multan, Quetta, Lyallpur (now Faisalabad) and Montgomery (now Sahiwal).

Thus, on November 2, 1947, there were altogether six branches of the Central Exchange Bank in the new country, located at Bank Square, Lahore; Anarkali, Lahore; Brandreth Road, Lahore; one in Peshawar, one in Sialkot, and one in Karachi. The Peshawar branch had been opened on June 24, 1946.

The existing shareholders of the Central Exchange Bank were offered shares at the rate of Rs. 30 per share (paid-up value was Rs. 25, plus a premium of Rs. 5). The market value of the share was between Rs. 55 to 58. Under the dynamic leadership of Rafi Butt, the bank progressed rapidly and the deposits showed a marked upward trend.

The Pakistan Times of April 12, 1947 and April 15, 1947, and Inqilab (an Urdu daily) of April 27, 1947 carried an advertisement of the Central Exchange Bank asking for donations in the name of the Punjab Provincial Muslim League for the relief of refugees.

It was declared the oldest financial institution of Pakistan. The quotations on the Punjab Stock Exchange mentioned the value of its share at Rs. 24 and, on a later date, the rate was quoted as Rs. 25. A news item appearing on June 23, 1944, showed the bank being quoted at Rs. 42 in the Lahore Central Exchange. On fixed deposits, the bank offered three to four per cent profit, and on saving accounts the profit was two and a half per cent. Immediately after partition, it asked for donations for the relief of refugees and

advised its customers to deposit money for the sufferers in any of its branches in Punjab, Karachi and Peshawar.

The share of the Muslims in ownership, control and profits in banking and insurance was negligible till as late as 1945. M. L. Qureshi was in favour of socialism. He urged Jinnah to make the nationalization of banks and insurance companies a part of the election manifesto of the Muslim League in 1946, to be implemented once independence was achieved. That, he thought, would prevent discrimination against Muslims by the Hindu-dominated banking system. The Muslim economic backwardness was focused by Qureshi in the economic programme which he wanted to be considered by the All India Muslim League. "The Muslims are the have-nots," he said. In banking, insurance, trade and industry, Muslim participation was very low. He was sure that socialism would ensure the economic well-being of the Muslim masses. There is no reply from Jinnah to M.L. Qureshi in the Quaid-i-Azam Papers.

## **Orient Airways**

In spite of hectic and all-absorbing political activity during the crucial years between 1945 and 1947, Jinnah never lost sight of the need to provide economic independence to the Muslims of India. In June 1946, he first mentioned the possibility of having a Muslim-owned airline. He believed:

"It is all very well to talk of Muslims as a nation and demand a separate homeland for them, a homeland in which they can live according to their own customs and traditions and shape their won destiny, but do you realize that such a State would be useless if we did not have the men, the material and the wherewithal to run it?"

With his devoted economic lieutenants, he focused on an economic arena which was vital for the Muslims, and inspired them for investment for the prosperity of Pakistan. He pointed out to M. A. H. Ispahani: "Do you realize that in India there is not a single airline which is owned or operated by Muslims? You should know how many such airlines are owned, financed and manned by Hindus." He further asked him: "Did he know how many Muslim pilots and mechanics we have in the country? How can we do anything with this inadequacy of material which every nation must have in ample supply?"

It was in these circumstances that the Orient Airways was conceived and launched. Starting an airline was a big undertaking for the Muslims. As soon as the company was floated, Jinnah, in order to encourage other Muslims to back the enterprise, bought shares worth Rs. 25,000 of the company on February 19, 1947.

Being a thorough organizer and a hard taskmaster, Jinnah asked Hassan Ispahani to discuss the details right away with Sir Adamjee Haji Dawood and Mirza Ahmed Ispahani in Calcutta, and instructed all concerned to get busy with the task of starting an airline without loss of time.

Mirza Ahmed and Sir Adamjee's devotion to Jinnah and Pakistan was such that when told about the airline idea, they did not ask for time but set to work on floatation of Orient Airways. Muslims all over India bought shares in the airline, valued up to one crore. Some bought them for substantial amounts, and there were others with limited means that were happy to have just one share. Poor as they were, they wanted to have the honour of participating in a Muslim undertaking which had the blessings and support of the Quaid-i-Azam.

Orient Airways was the first and the only Muslim airline operating in pre-partition India. It symbolized the growing economic independence for the Muslims. Initially four converted Dakota aircraft were purchased from USA in 1946 from TEMCO, Texas. Approximately 75,000 US \$ were paid for each of them. Later, three Convair 240's were purchased in 1949. These aircraft were much more modern, faster and had twice the number of seats than the Dakotas. There were problems created by the established airlines, as they did not like the idea of a new competitor in the business. However, on June 10, 1947, Orient Airway, based in Calcutta, was given permission to operate on the Calcutta-Rangoon route. Even when the airline was ready to commence the service to Rangoon, it had to wait and meet its heavy establishment expenses for three months before permission was granted by New Delhi to actually start work.

Hassan Ispahani wrote to Jinnah on February 5, 1947:

“The organization is now complete, ready to start operation. We shall be writing to the Chairman, Air Licensing Board, to send his representative to check our planes and organization prior to granting us the necessary license to operate on an air route.”

Orient Airways was an enterprise that had a modest beginning with no government backing or financing. It was a great achievement for the Muslims of India and for the future Pakistan. It had to surmount numerous obstacles before starting its much needed operation between India and Pakistan after partition. It helped to fly out Muslim refugees from India and flew out Hindus from Pakistan. Its significance grew even more in view of the distance of 1,200 miles between the eastern and western wings of the new country. If this airline had not come into existence, there would have been no air connection between East and West Pakistan for a long time after partition. Jinnah’s vision helped the Orient Airways to come into existence and later to be absorbed by the new national airline, Pakistan International Airline (PIA).

Under Jinnah’s guidance, Pakistan made bilateral air transport agreements with USA, France, the Netherlands and Iraq and also negotiated agreements with India and Ceylon.

To serve the civil aviation companies and the Royal Pakistan Air Force (as it was then known), it was also proposed by Jinnah “to establish a factory/workshop at Karachi which would carry out major overhauls and repair work of aircraft.” The training of mechanics and maintenance engineers and other services which the airlines and the government may require were to be provided by this undertaking.

### Muhammadi Steamship Company and Al-Meezan

Jinnah inspired the Habib Brothers in Bombay to float the Muhammadi Steamship Company. That created an opportunity to absorb Muslim workers in another nation-building effort. The Habibs launched this enterprise which turned out to be very successful. These Muslim-owned companies, banks, institutions, newspapers, and airlines, show two things, first, the Muslim industrial class was small, and second, the support that the Muslim businessmen and industrialists gave to Pakistan and Muslim League arose out of their desire to overcome Muslim economic backwardness and their trust in Jinnah’s leadership.

Jinnah's name and his achievements in both political and economic spheres helped the promoters of this steamship company to a large extent. After 1947, there were many industries which were established in Pakistan within a year because people had faith in Quaid-i-Azam and followed his guidance. Jinnah emphasized, "Without economic progress, freedom is worth nothing as one cannot turn it to full advantage."

Jinnah belonged to a Khoja family and his father had been a hide merchant. With such a business background, he was able to secure and value the support of the Muslim industrial and business class to the cause of Pakistan. His persuasion encouraged many Muslim entrepreneurs from India and other countries to establish industries in Pakistan.

At a meeting held in Delhi on December 12, 1943, representing Muslim commercial interests from various parts of India, it was decided to promote and develop a semi-commercial concern to "serve as a nucleus to establish industrial and commercial Muslim organizations in all parts of India" and to assist research and advanced studies in scientific and industrial fields. The set-up was later given the name of Al-Meezan. Now these industrialists and businessmen are well settled and enjoy the benefits which accrue to them in a free country. The support that the business classes gave to Pakistan resulted also in the emergence of Karachi as one of the major industrial centres in South Asia.

Jinnah with his entourage of Muslim businessmen and industrialists spent a number of years in establishing Muslim-owned institutions. In spite of all these steps, the Muslims remained backward in big industry and large business concerns. Here and there individual Muslim businessmen tried to break the monopoly of the Hindus in particular, but they failed to have any significant impact. It was only in Pakistan that within ten years, businessmen, industrialists and bankers worked wonders and soon a network of industries, factories, mills, banks, and other financial institutions were established throughout Pakistan. Although there still were multifarious issues of a serious nature confronting the nascent State; trade, business and industry took a concrete shape at a fast pace.

## Notes & References

\* The writer is Associate Professor at the National Institute of Pakistan Studies, Quaid-i-Azam University, Islamabad.

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[4] "The Pakistan Movement and Muslim Industrialists", *Dawn*, June 3, 1944.

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[6] *Ibid.*, p. 119. Also see, Z. H. Zaidi, (ed.). *M. A. Jinnah-Ispahani Correspondence, 1936-1948*, Karachi: Forward Publications Trust, 1976, pp. 369, 433, 444, 445 and 446.

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[8] *Ibid.*, p. 122.

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[10] The Speech by Jinnah at the second meeting of the Economic Planning Committee.

[11] M. A. H. Ispahani 1976, p. 12.

[12] Ibid., p. 126.

[13] Ibid.

[14] Jinnah to Hassan Ispahani, April 15, 1945, in M. A. H. Ispahani, op. cit., p. 126.

[15] Ibid.

[16] F. 11/8, 2-3, QAP (NAP).

[17] Ibid., p. 4.

[18] Ibid., p. 4.

[19] Presidential speech by Sir Adamjee Haji Dawood, at the First General Meeting of the Federation of Muslim Chambers of Commerce and Industry, Massey Hall, New Delhi, April 19, 1945, in F. 11/8, QAP (NAP).

[20] Ibid.

[21] M. A. H. Ispahani, op. cit., p. 121.

[22] Ibid., Jinnah to M. A. H. Ispahani, May 6, 1945, p. 128.

[23] Ibid., Jinnah to Hassan Ispahani, May 14, 1945, p. 129.

[24] Ibid., Hassan Ispahani to Jinnah, May 18, 1945, p. 129.

[25] Ibid., Hassan Ispahani to Jinnah, May 11, 1945, p. 128.

[26] B. R. Tomlinson, *The Political Economy of the Raj 1914-1947*, London: The Macmillan Press Ltd., 1979, pp. 6-14. Also see, Raja K. Ray, *Entrepreneurship and Industry in India 1800-1947*, New Delhi: Oxford University Press, 1992, pp. 47-9.

[27] *Census of India, Punjab and Delhi: 1921, 1923*, pp. 358, 366. *Imperial Gazetteer of India, Punjab*, Vol. 1, 1930, p. 87.

[28] Hassan Ispahani to Jinnah, November 9, 1937, *M.A. Jinnah-Ispahani Correspondence, 1936-48*, pp. 93, 114. Also see, Jinnah's address at Sindh Muslim League Conference, Karachi, October 8, 1938, A. M. Zaidi, *Evolution of Muslim Political Thought in India 1857-1947*, Vol. V.

[29] M. A. H. Ispahani, *Quaid-i-Azam As I Knew Him*, op. cit., p. 122.

[30] Ibid., p. 124.

[31] Rafi to Jinnah, April 11, 1944.

[32] Ibid.

[33] Ibid.

[34] Naureen Talha, *Economic Factors in the Making of Pakistan*, Karachi: Oxford University Press, p. 137.

[35] Rafi Butt to Jinnah, April 16, 1944 in Wasti, 1994, p. 25.

[36] Jinnah to Rafi Butt, April 19, 1944, F-11-2, QAP (NAP).

[37] Rafi to Jinnah, July 5, 1944, Wasti, p. 26.

[38] See Rafi's letters to Jinnah, April 11, 1944 and April 16, 1944, in Wasti, pp. 21, 25.

[39] Rafi to Jinnah, July 5, 1944.

[40] Jinnah to Rafi Butt, July 21, 1944 in Wasti, p. 27.

[41] Hassan Ispahani to Jinnah, August 4, 1942, M. A. Jinnah-Ispahani Correspondence, 1936-1948, p. 295.

[42] Ibid.

[43] Ibid., p. 93.

[44] Ibid.

[45] Ibid., p. 99.

[46] Ibid., pp. 310-311.

[47] Hassan Ispahani to Jinnah, December 17, 1942, M. A. Jinnah-Rafi Correspondence, pp. 313-314.

[48] Ibid., pp. 263, 264.

[49] Ibid., p. 274.

[50] Ibid., p. 274.

[51] Ibid., p. 278.

[52] Ibid., pp. 300-301.

[53] Ibid., p. 305.

[54] Ibid., pp. 305, 417-418.

[55] Ibid., p. 304.

[56] Ibid., p. 305.

[57] Jinnah's speech at the opening ceremony of the State Bank of Pakistan, July 1, 1948, IORL/1/1573.

[58] Mohamed Abedeen Peerbhoy to M. A. Jinnah, July 5, 1947, F. 162/211-4, QAP (NAP).

[59] Also See, M. A. H. Ispahani, Quaid-i-Azam Jinnah As I Knew Him, p. 152.

[60] F. 25(2) G-G 47, QAP (NAP).

[61] Civil and Military Gazette, September 24, 1947; also see, M. A. H. Ispahani, "Factors Leading to the Partition of British India", in C. H. Philips, p. 359.

[62] Jinnah to Ahmed Ispahani, 4 March 4, 1947. Also, Jinnah to Kazura and Co., March 1947, in Z. H. Zaidi (ed.), Jinnah Papers, Vol. 1 Islamabad, Quaid-i-Azam Papers Project 184, 185, 283-4.

[63] Pervez Tahir, Economic and Social Thinking of the Quaid-i-Azam, Lahore: Research Society of Pakistan, 1980. Table 8.3. Mohamed Abedeen Peerbhoy to M. A. Jinnah, July 5, 1947.

[64] Letter by Mian Ihsan Elahi to M.A. Jinnah, June 21, 1938, in Rafi Papers.

[65] The Civil and Military Gazette, March 19, 1942.

[66] The Civil and Military Gazette, April 16, 1942, April 23, 1942, April 30, 1942, May 7, 1942, January 31, 1943, February 9, 1943, February 14 1943, and February 21, 1943.

[67] The Civil and Military Gazette, April 11, 1944.

[68] Inqilab, April 13, 1945.

[69] The Civil and Military Gazette, January 5, 1945.

[70] The Pakistan Times, October 2, 1947.

[71] Inqilab, March 20, 1948.

[72] Nawa-i-Qaqt, October 3, 1947.

[73] The Pakistan Times, January 31, 1948.

[74] The Pakistan Times, November 14, 1947, and January 3 and 31, 1948. Nawa-i-Waqt, October 3, 1947.

[75] The Eastern Times, March 1, 1944.

[76] Inqilab, June 3, 1945.

[77] Inqilab, April 27, 1947.

[78] The Pakistan Times, April 12 and 15, 1947.

[79] The Pakistan Times, December 21, 1947.

[80] The Civil and Military Gazette, October 21, and November 2, 1944.

[81] The Civil and Military Gazette, June 23, 1944.

[82] Nawa-i-Waqt, July 1, 1947.

[83] Nawa-i-Waqt, March 25, 1948.

[84] M. L. Qureshi, "Economic Programme for the Consideration of the All India Muslim League", submitted to Quaid-i-Azam on October 19, 1945, available in National Archives of Pakistan.

[85] Ibid., p. 2.

[86] Ibid., pp. 2, 3, 4, 5.

[87] M. A. H. Ispahani, Quaid-i-Azam Jinnah As I Knew Him, p. 130.

[88] Ibid.

[89] Ibid.

[90] Z. H. Zaidi (ed.), M. A. Jinnah-Ispahani Correspondence, 1936-1948, p. 513.

[91] M. A. H. Ispahani, Quaid-i-Azam As I Knew Him, p. 130.

[92] Ibid., p. 131.

[93] Government of Pakistan, Quaid-i-Azam Mohammad Ali Jinnah: Speeches and Statements 1947-48, Islamabad: Directorate of Films p. 252.

[94] Ibid., pp. 252-253.

[95] M. A. H. Ispahani, p. 133.

[96] K. B. Sayeed, 'The Partition of India: Policies and Perspectives, 1935-47, London: George Allen and Unwin Ltd., 1970, p. 276. Also see, Stanley Wolpert, Jinnah of Pakistan, New York: Oxford University Press, 1984.

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