

**THE EUROPEAN TRADING COMPANIES
AND INDIAN MERCHANTS IN GUJARAT
DURING THE 17TH CENTURY**

*Dissertation submitted to the Jawaharlal Nehru University
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CERTIFICATE

This is to certify that the dissertation entitled **"THE EUROPEAN TRADING COMPANIES AND INDIAN MERCHANTS IN GUJARAT DURING THE 17TH CENTURY"** submitted by **MURARI KUMAR JHA**, in partial fulfillment of the requirements for the award of the degree of **MASTER OF PHILOSOPHY**, is *his* own work and has not been submitted for the award of any degree of this or any other university.

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Dedicated

To

Babuji

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ABBREVIATIONS

CEHI	:	The Cambridge Economic History of India
EFI	:	The English Factories in India
EIC	:	The English East India Company
IESHR	:	Indian Economic and Social History Review
IHCP	:	Indian History Congress proceedings
IHR	:	Indian Historical Review
IHRC	:	Indian Historical Records Commission
JBRS	:	Journal of Bihar Research Society
JESHO	:	Journal of the Economic and Social History of the Orient
MAS	:	Modern Asian Studies
PIHC	:	Proceedings of Indian History Congress
VOC	:	<i>Vereenigde Oost-Indische Compagnie</i> (The Dutch East India Company)

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INTRODUCTION

The subject matter of history is the whole of its past society, with all its complexities and varieties, encompassing day to day events to individual occurrences, conscious and unconscious realities alike.¹

“A history whose passage is almost imperceptible, that of man in his relationship to the environment, a history in which all change is slow, a history of constant repetition, ever-recurring cycles.”²

The seventeenth century was a period of European commercial expansion. It facilitated brisk commercialization and monetization of the Indian economy.³ Western India in general and Gujarat in particular provided the centre-stage for extension of trade to the larger parts of the India. The European Companies gradually spread their networks deep into the interiors of the Mughal Empire to procure their merchandise. They established factories throughout Gujarat to procure indigo. However, when indigo started to fade its colour in the export markets⁴ and cotton textile assumed greater significance the Companies explored the possibilities of its procurement in the Northern India. The English factors spread all through Samana to Patna in search of textiles along with commodities like indigo, saltpetre, sugar etc.⁵

¹ Fernand Braudel, *On History*, Chicago, 1980. See chapter: ‘History and Sociology’, pp. 68-69.

² Fernand Braudel, *Mediterranean and the Mediterranean World in the Age of Philip II*, vol. I, London, 1972, p. 20.

³ Om Prakash, ‘On Coinage in Mughal India’ in *Indian Economic and Social History Review*, 25 (4) 1988, p. 481. During Akbar’s period as Abul Fazal’s account suggests that the rate of seigniorage stood at 5.78% including the cost of minting, wastage etc. The rate of seigniorage came down to 3.37% in the seventeenth century and it further lowered to 2.5% in the eighteenth century. It has been rightly argued that the reduction in seigniorage charge, as a conscious policy choice of the Mughals, was perhaps a positive development designed to encourage minting, monetization and trade.

⁴ George D. Winus & Marcus P. M. Vink, *The Merchant- Warrior Pacified*, Oxford, Delhi, 1991, p. 63. It has been argued that from even before the mid-seventeenth century indigo from the New World had begun to drive down the European prices of this commodity. From about this time Gujarati cotton textiles began to play a major role in the commercial operations of the Companies.

⁵ W. H. Moreland, *From Akbar to Aurangzeb*, New Delhi, 1972 (reprint), p. 41.

THE REGION AND THE PERIOD

It is important to define the region and its physical features in order to understand the socio-economic developments therein. Focussing on a particular area helps us to throw into relief the contours of the larger picture. Western India, particularly Gujarat functioned as an entrepot, facilitating linkages between the Asian and European economy in the seventeenth century. The focus would be on analyzing the economic significance of western India within both an Asian and as well as a Mughal economic milieu, which was not entirely dependent upon European trade.

After the conquest of Gujarat in 1573, it had been the imperial policy of the Mughals to centralise the long distance trade at Surat in order to consolidate the collection of customs.⁶ After the gradual centralisation of Gujarati trade at Surat a host of professionals like merchants, brokers, *shroffs* and other functionaries came to Surat in ever increasing numbers.⁷ Such favourable developments helped Surat build an infrastructure for handling the large-scale transactions in overseas trade. Surat's economy largely depended on the considerable cache of goods being transhipped there, by virtue of it being the most important port city in the western coast for trade with the Gulf region, Africa and Europe as well as Southeast Asia.

Furthermore, western India became a common ground on which the English and Dutch tried their best to assume the ascendancy over the incumbent power, viz. the Portuguese.

⁶ S. Arasaratnam, *Maritime India in Seventeenth Century*, Oxford, Delhi, 1994. p. 54.

⁷ Bomanjee Byramjee Patel, *Parsi Prakash A Record of Important Events in the Growth of the Parsee Community in Western India*, vol. I, Bombay, pp. 10-14. It is evident from this source that the Parsees were coming to Surat and adjacent areas to join commercial activities with the Portuguese and later with the Companies.

The European Companies, who competed to establish their commercial dominance in the 'trading world of Asia', were quick to grasp the significance of western India. It could have been virtually impossible for the Dutch to operate on a massive scale in the intra-Asian trade without having an uninterrupted supply of the coarser variety of cotton textile goods from western India.⁸ Buyers and sellers of various nationalities operated in western India. The competition among the Europeans for the procurement of merchandise stalled the fostering of any kind of monopolistic tendencies among them. It was not possible for the Europeans to exploit the producers, as the developed traditional markets were available for them to sell their goods, thence depriving the Europeans of any sizeable leverage over them.⁹

Gujarat's westward boundary was somewhere on the Gulf of Kutch or perhaps a little further east. In the south was the Ahmadnagar region. The areas south of Tapti were comparatively less fertile. Sorath comprised of the ports of Porbander, Mangrol, and Somnath, which produced and exported cotton cloths. Further, there were Ahmadabad, Pattan, Baroda, Broach, and Surat, which were great manufacturing centres of cotton textiles¹⁰ and were also conveniently located close to the caravan route to Delhi and Agra.¹¹ Within a 20 miles radius of the great metropolitan port city of Surat there were the three small weaving towns Bardoli, Nausari and Gandevi. The ports of Cambay were also

⁸ The coarser variety of cotton piece goods was indispensable for the bartering of spices in the Indonesian archipelago. The Indonesians disposed off their wares for the cotton textiles of Gujarat.

⁹ Holden Furber, *Rival Empires of Trade in the Orient, 1600-1800*, Minneapolis, 1976, p. 333.

¹⁰ W. H. Moreland, *India at the death of Akbar*, London, 1920, pp. 167-171.

¹¹ K. N. Chaudhuri, *The Trading world of Asia and the English East India Company 1660-1760*, Cambridge, 1978, p. 249.

home to a busy shipbuilding industry. The presence of navigable rivers, adjoining hills and wood supply facilitated the shipbuilding activities.¹²

Indigo was the major produce of the region, next to cotton textiles. It was produced in Sarkhej near Ahmadabad,¹³ though the Bayana variety was considered far more superior.¹⁴ The flourishing trade of Gujarat could be assessed by the fact that the Gujarati Sea trade during 1572 was worth about Rs. 8,00,00,000 a year.¹⁵ By comparison the average capital on English East India Company's ships remained at about 2,00,000 per year from 1601 to 1640. It is held that even during the opening years of the seventeenth century the Gujarati merchants furnished more than Rs.100, 000 to the Portuguese at Diu in lieu of 'Cartaz charges' for the protection of their shipping.¹⁶

Gujarat's geo-strategic location and produce supported it with economic bases. The stability of the Mughal Empire fostered the growth of commercialization and monetization of the economy. In the seventeenth century, the Mughal government sought to capitalise on the natural resources of Gujarat. The European trading Companies did not remain passive to these favourable aspects of Gujarati economy. The efforts on the part of the Companies, to go beyond the markets of Surat, directly to the producing areas, shows their eagerness to tap the resources available for their mercantile pursuits.¹⁷

¹² S. Arasaratnam, *Maritime India in the Seventeenth Century*, Oxford, Delhi, 1994, p. 20.

¹³ V. Ball, *Travels in India by Jean-Baptiste Tavernier*, vol. II, First Indian edition 1977 (New Delhi reprint), pp. 7-9.

¹⁴ W. H. Moreland and P Geyl, eds., *Jahangir's India, The Remonstrantie of Francisco Pelsaert*, Cambridge, 1925. See for Bayana Indigo, pp. 10-18.

¹⁵ M. N. Pearson, *Merchants and Rulers in Gujarat*, Munshiram Manoharlal, New Delhi, 1976, p. 23.

¹⁶ M. N. Pearson, *Coastal Western India*, New Delhi, 1981, p. 104.

¹⁷ K. N. Chaudhuri, *Trade and Civilization in the Indian Ocean, An Economic History from the Rise of Islam to 1750*, Cambridge, 1985, p. 91.

It is equally significant to specify the period within which the work is to be confined. The seventeenth century is significant owing to various considerations. The European trading Companies' arrival to the east is, of course, considered to be a major watershed in the maritime commercial history of Gujarat. The seventeenth century had offered unprecedented opportunity to the Indian merchants to accumulate huge amounts of merchant capital. By the end of the century though, Gujarat's economy started to reel under the political turmoil and Maratha incursions into the hinterland. A study of seventeenth century Gujarat would demonstrate how the mercantile community withstood adverse situations such as Maratha raids and Mughal official's exactions and carried on trade and commerce.¹⁸

This work proposes to review some of the aspects related to trade involving the European trading Companies, Indian merchants and the Mughal State in western India. Further the investigation also aspires to see how these three forces acted and reacted upon and with each other, to the increased demands fostered by the growth of mercantilism. An assessment of the growth of trade and commerce in western India would be attempted, as also the nature of competition and collaboration between the two major operating forces viz. the Indian merchants and the trading Companies in the commercial world of Gujarat.¹⁹

¹⁸ Holden Furber, *Bombay Presidency in mid Eighteenth century*, Bombay, 1965, pp. 6, 9. It has been argued that as a trade centre Surat commanded far more significant position even till at least third decade of the Eighteenth century.

¹⁹ Ashin Das Gupta in his article 'The Merchants of Surat, c. 1700-1750', in *Elites in South Asia*, ed. by Edmund Leach and S. N. Mukherjee, postulates that the wealthiest of the merchants of Surat, the ship-owning Muslim merchants, never entirely relied upon a direct connexion with the Europeans for their prosperity. In fact, they were the formidable competitors of the Europeans in the Red Sea and Persian Gulf markets. On the other hand, the families of the Paraks and Rustamjis prospered on basis of their European 'connexion'. p. 221.

It has been the contention of some scholars that the Indian merchants lost ground in respect of their commercial operations to the new entrants, the European trading Companies.²⁰ First, they lost their traditional linkages to Southeast Asia²¹ after the Dutch domination of the Spice-Islands from the early seventeenth century; subsequently, the English made a dent into the Red Sea zone. This argument is untenable in the face of the large-scale commercial operations of the Indian merchants in the Indian Ocean networks. The Gujarati merchants had great expertise in the Asiatic trade, which had been accumulated and bequeathed over generations. In this respect it is important to remind us that the Companies represented a new entrepreneurial form as far as Asia was concerned, but they did not revolutionise the market. The Company became an element in “the early Asian trade.”²²

The *Banias* who acted as brokers, moneychangers and bankers had their own internal organization- viz. that of the *mahajan*. Moreover one can also find evidence that these merchants occasionally interacted with the Muslim merchants and ship-owners of the region as well. The agents of the *Bania* merchants were stationed in several places inland

²⁰ W. H. Moreland succeeded to a large extent in presenting a picture of Indian commerce. However, as a colonial historiographer his major contention lies in the fact that the Indian trade did not grow remarkably until the foundation of the British rule. He took note of the Indian merchants but assigned far greater space to the English and the Dutch.

²¹ S. Arasaratnam, *Maritime India in Seventeenth Century*, Oxford, Delhi, 1994, pp. 56-57. It has been argued that the overwhelming evidence of the growth of westward trade from Surat inclined most of the scholars to accept that during this period Gujarat's eastward trade began to decline. Arasaratnam further buttresses the point that at least during two or three decades of the seventeenth century Gujarati trade was still continuing and even flourishing. Gujarati ships sailing into Acheh, through what became known as the Surat Channel, traded both at that port and in the neighbouring port of Pase, and the west Sumatran ports of Baros and Priaman.

²² Niels Steensgaard, *Asian Trade Revolution of the Seventeenth Century: The East India Companies and the Decline of the Caravan Trade*, University of Chicago Press, Chicago/London, 1973.

and also abroad.²³ The *Bania* merchants financed the trading networks linking commercial towns of north India with the ports of Aden, Yemen, the Persian Gulf on one hand and Malacca, Aceh, Java, Sumatra etc. on the other. The agents of the *Bania* merchants issued and encashed promissory notes or the *Hundis* and also supplied commercial intelligence to their masters at Surat.²⁴

The contemporary travellers' accounts narrate the advantages that India derived in terms of natural resources, produces, artisanal craftsmanship etc. Francois Bernier, who reached India around the mid-seventeenth century, had given references of the Indian merchants operating in the various ports of western, as well as eastern Indian Ocean. The advantageous position of India made it like a sink where all the bullion got buried.²⁵ Bernier found that the great quantity of gold and silver which 'after circulating in every quarter of the globe, came at length to be swallowed up, lost in some measure in *Hindustan*.'²⁶ He further relates that artisans employ themselves in manufacturing carpets, brocades, embroideries, gold and silver cloths and various other sorts of silk and cotton goods, which are used within the country or exported abroad.²⁷

²³ William Foster ed., *English Factories in India 1624-29*, p. 212. Virji Vora had his trading interests at places like Mocha and Gombroon in the western part of the Indian Ocean and Malaya and Sumatra in the eastern part. Virji Vora also used the agency of the English Company in transmission of treasure at distant places.

²⁴ Dietmar Rothermund, *Asian Trade and European Expansion in The Age of Mercantilism*, Manohar, New Delhi, 1981, p. 72.

²⁵ Sushil Chaudhary, *From Prosperity to Decline*, Manohar, New Delhi, 1995, p. 7.

²⁶ Francois Bernier, *Travels in the Mughal Empire A.D. 1656-1668*, Munshiram Manoharlal, New Delhi (First Indian Edition 1983), p. 202.

²⁷ *Ibid.* p. 202. These commodities were the famous products of Ahmadabad.

It has been rightly held that the Indian maritime merchants did not enjoy state patronage to a considerable extent, neither did they live in a state of constant fear of their government. Some of the ill-informed western travellers of India conjured up the picture of the *Bania* merchants always living in fear of the Mughal government confiscating their property. Throughout the seventeenth century the Indian merchants freely accumulated large fortunes over generations. Their impoverishment can be attributed to other factors like setbacks in their trade, family feud etc. rather than any official exploitation. The government officials' oppression surfaced only when the Mughal State entered into the critical phase gradually moving towards its dissolution.²⁸

Substantiating Moreland,²⁹ another historian, J C van Leur,³⁰ believed that Asian trade for most of the pre-modern era, remained, essentially, unchanged insofar as the basic character of it was concerned. Though some obvious factors like changes in the maritime routes, rise and fall of the ports and changes in the structure of trade itself were indisputable, Van Leur emphatically denied that there had ever been any change in the peddling character of the Asian trade and the nature of relationship between the merchants and the aristocracy. No easy passage was possible between these two worlds and a yawning chasm separated the peddler from the prince. Ashin Das Gupta has conceded that "these great merchants were

²⁸ Tapan Raychaudhuri & Irfan Habib eds., *The Cambridge Economic History of India*, Delhi, 1984, pp. 422-423.

²⁹ W. H. Moreland, *From Akbar to Aurangzeb*, New Delhi, 1972 (First published 1923, London.) Also see, *Relations of Golconda in the Early Seventeenth Century*, London, 1931.

³⁰ J. C van Leur, *Indonesian Trade and Society*, The Hague/ Bandung, 1955. The postulations of van Leur that Indian trade was largely confined to the luxury goods and its character was of a peddling trade was criticized by several scholars including Ashin Das Gupta. See Das Gupta's presidential address of the medieval section of the *Indian History Congress* 1974. It has been argued that the goods of mass consumption dominated India's export trade and such a proposition seems to put van Leur's formulation under scrutiny. See Om Prakash's presidential address of the medieval section of the *Indian History Congress*, 1981, p. 177.

‘no peddlers in the scale of their operations but it is possible that they remained peddlers somewhere deep in their minds.’³¹

When the Companies (i.e. the English and the Dutch) tried to control the Asian waters by upstaging the Portuguese, they adopted an offensive posture against the Indo-Portuguese arrangement of trading networks in the Indian Ocean. The Companies also issued passes of safe conduct to the Indian junks, non-compliance with which rendered them liable to confiscation. For the Companies this system did prove quite effective as it did for the Portuguese. Unlike the Portuguese who never ventured into the deep interior of the Mughal Empire and preferred to remain a coastal power, the Companies had their factories spread across the Mughal dominions and traded into the hinterland.³² In the face of any hostility the Indian merchants apparently turned to the Mughals who had an ability to correct the Companies’ wrongdoings by seizing their factory and imprisoning their chiefs. Thus, it can be surmised that the seventeenth century reflects a positive change in the relationship between the Indian merchants and the Mughal aristocracy.³³

In contrast with the Mughal State’s relations with the Indian merchants the European States displayed a far more active intervention in matters of trade and commerce and vis-à-vis their mercantile classes. Interestingly, in England, the political forces effectively

³¹ Sanjay Subrahmanyam’s introduction in *The World of Indian Ocean Merchant 1500-1800*. Oxford, Delhi, 2001, p. 11.

³² Ashin Das Gupta, ‘The Maritime Merchant and Indian History’ in *The World of the Indian Merchant 1500-1800* collected essays of Ashin Das Gupta, New Delhi, 2001.

³³ It should be borne in mind that during the seventeenth century the Mughal aristocracy itself got involved in trading speculations. This fact perhaps explains the changing nature of relationship between the Mughal ruling class and the merchant groups. The relationship further crystallised in face of an external threat to their commerce. Especially in case of the English encroachment into the Red Sea trade this cementing relationship between the Ruling elites and the merchant groups of Gujarat became more than apparent.

balanced the commercial groups, which in turn necessitated a mutual accommodation.³⁴ Thus the formal separation between the English Crown as a political institution and the English East India Company as an economic institution should not be taken to mean that the Crown or concepts of national allegiance did not influence the overall policy of the Court of Committees. Again, in the United Provinces it was the mercantile groups which wielded formidable power and influence in the process of decision making in the States General.³⁵ In the case of the Dutch Company, the State itself became a stockholder in the commercial enterprise of the merchants and it was hoped that this arrangement would profit the State from the economic activities of the merchant community.³⁶ The vigour of the Dutch merchants was apparent when they formed the *Vereenigde Oost-Indische Compagnie* (VOC) in 1602, subscribing six and a half million florins. The relative superiority it enjoyed over the English in terms of capital and expertise was abundantly clear from the fact that while in the first seven years of its existence the VOC sent fifty five great ships to the Indies, in nine years of operations the English East India Company was able to set out only twelve.³⁷

HISTORIOGRAPHY

The historiography of the region in its particular time frame unearths disparate levels of treatment. Ann Bos Radwan³⁸ has dealt with western India for three decades of the

³⁴ Ann Bos Radwan, *The Dutch in Western India 1602-1632*, Calcutta, 1978, p. 3.

³⁵ The States General was the central administrative body which was represented by the delegates of seven provinces, Holland, Zealand or Middleburg, Utrecht, Gelderland, Overijssel, Flanders and Brabant comprised the United Provinces. The representatives of the States General were bound by the decisions of their respective provinces and any decision affecting all the provinces required to be passed unanimously. The provinces were the centres of power among which Holland was the most dominant. However it was not obligatory upon the state to uphold the resolutions taken by the States General.

³⁶ Radwan, *The Dutch in Western India 1602-1632*, pp. 1-2.

³⁷ K. H. D. Haley, *The Dutch in the Seventeenth Century*, London, 1972, p. 25.

³⁸ Ann Bos Radwan, *The Dutch in Western Indian 1601-1632*, Calcutta, 1978.

seventeenth century. This interesting work needs to be extended to the seventeenth century, missing out as it does, on the subsequent period marked by hectic political and economic activity. The other oft-cited book, on Gujarati trade is by a Dutch historian W. H. van Santen.³⁹ Interesting citations from this work, focussing on the period between 1620 and 1660, can be found in Ashin Das Gupta's article⁴⁰ and Om Prakash's book.⁴¹ O. P. Singh's work on Surat is significant in many respects as it deals with the period of the genesis of instability of the political regime.⁴² Ashin Das Gupta's authoritative work on the declining Surat city and the treatment of mercantile groups remains unmatched.⁴³ Such work need to be stretched backward to the seventeenth century as well to account for the other merchant magnates of the preceding period. In the line of the treatment of Gujarat's historiography Shantha Hariharan's work is perhaps most recent one.⁴⁴ Hariharan's study of Broach at a micro economic level tries to encapsulate the long-term economic trends of the region over a period of two centuries. However, the emphasis on the economic issues and the data projection leaves the book lopsided. The work has virtually blacked out the role of Indian merchants in the economy of Gujarat. An interesting facet that comes to the fore after a survey of the existent body of literature on this subject is that the intermediary merchants and brokers are given short shrift consistently. The present work thus is a modest attempt to put these hitherto under-represented groups under scrutiny.

³⁹ W. H. Van Santen, *De Verenigde Oost-Indische Compagnie in Gujarat en Hindustan, 1620-1660* (Leiden University, Doctoral Dissertation)

⁴⁰ Ashin Das Gupta, 'The Ship-owning merchants of Surat, c.1700', in Denys Lombard and Jean Aubin eds. *Asian Merchants and Businessmen in the Indian Ocean and the China Sea*, Oxford, 2000.

⁴¹ Om Prakash, *European Commercial Enterprise in Pre-Colonial India*, Cambridge, 2000.

⁴² Om Prakash Singh, *Surat and its Trade in the Second Half of the 17th Century*, University of Delhi, 1977.

⁴³ Ashin Das Gupta, *Indian Merchants and the Decline of Surat c. 1700-1750*. Manohar, Delhi, 1994. First published, Wiesbaden, Germany, 1979.

⁴⁴ Shantha Hariharan, *Cotton Textiles and Corporate Buyers in Cottonopolis*, Manak, Delhi, 2002.

The European sources provide the lifeline for all the literature aforementioned, as it does for this study too. The paucity of indigenous sources is telling- only a few contemporary Gujarati and Persian sources can be found on the matters of trade and commerce of the Indian maritime merchants. The contemporary Gujarati literature can definitely add new depth to any such study, but unfortunately it could not be incorporated into this work; beyond the confines of *Parsi Prakash*⁴⁵ and other translations of the Persian documents, an overwhelming reliance on European source material proved unavoidable for any aspiring maritime historian of Asia.

Ashin Das Gupta once wrote about the English factors 'the first reason that I know is that witnesses, even in the English factory, tell lies. They do so partly because they do not know and they do not understand, and partly because they are liars. This is sad but demonstrable.'⁴⁶ Moreland has written that the English textbooks often give something less than the truth...He further writes that, the Dutch records lying at the Hague archives probably contain a minefield of information that might be of indispensable value to any student working in this field.⁴⁷ Moreland cautions us that, there could be two more reports of the kind that were written by Francisco Pelsaert, so the body of extant sources might, one day be supplemented or indeed contradicted by a wealth of new evidence. Moreover, one should not rest content with exploring the European documentary sources of the period for 'facts' with which to test this or that hypothesis. In fact, we should question the

⁴⁵ Bomanjee Byramjee Patell, *Parsee Prakash being a record of important events in the growth of the Parsee community in western India*, From the date of their immigration into India to the Year 1860 A.D. Printed at the Duftur Ashkara Press, Bombay.

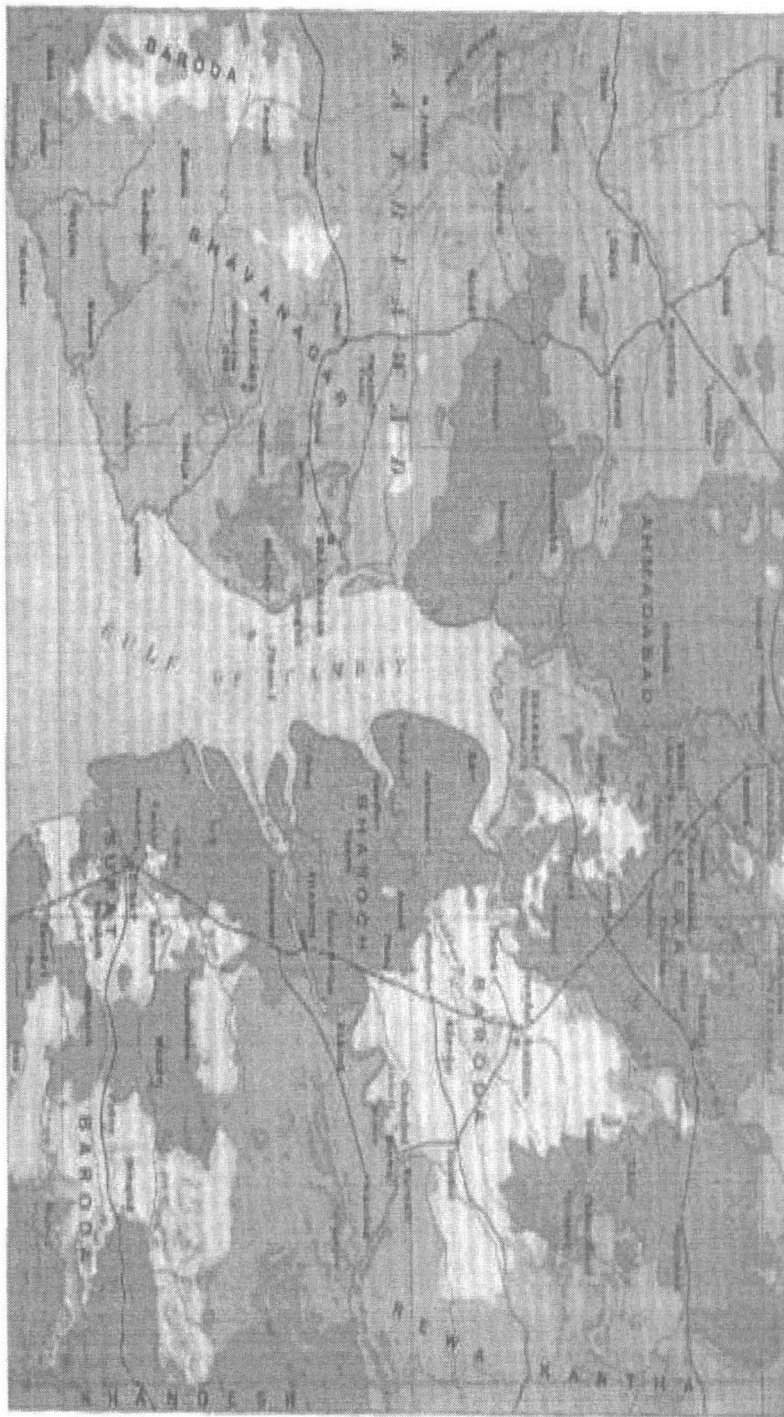
⁴⁶ Ashin Das Gupta's book review in *The Indian Economic and Social History Review*, vol. XV, no. 3, 1978, p. 416.

⁴⁷ W. H. Moreland, 'Dutch Sources for Indian History 1590-1650', *Journal of Indian History*, 1923, pp. 226, 229.

documentation itself, the circumstances under which it was generated and also what it says not only in respect of the world it describes, but concerning the writers themselves.⁴⁸

This work has been divided into three chapters. In the first chapter, an attempt has been made to reconstruct the history of the English and Dutch East India Company along with their growing commercial participation in western Indian commerce. The questions of commercial dominance and competition among both the Companies have been attempted. The second chapter addresses the issues of competition and collaboration between the European trading Companies and the Indian merchants. It also tries to find out to what extent the Indian merchants gained or lost in commercial matters, especially after the arrival of the Companies and resultant commercial expansion. The third chapter discusses some of the aspects of the Mughal fiscal administration and custom duties. The mint and monetary regulations have been briefly touched upon. The Indian merchants, their trading operations, and their capability to withstand the competition with the trading Companies for throughout the seventeenth century are some of the central aspects of this work. It should be however, pointed out that the work has not followed the strict chronological sequence rather a thematic treatment of the subject has been attempted.

⁴⁸ Sanjay Subrahmanyam, *The Political Economy of Commerce*, Cambridge, 1990, p. 6.



Map of Central and South Gujarat and of part of the Kathiawar Peninsula
(From Burgess and Cousens's *Architectural Antiquities of Northern Gujarat*)

Source: M.S. Commissariat, A History of Gujarat, Vol. 2.

CHAPTER ONE

SEVENTEENTH CENTURY GUJARATI COMMERCE AND THE EUROPEAN TRADING COMPANIES IN RETROSPECT

THE EAST INDIA COMPANIES IN THE WESTERN INDIA DURING THE EARLY SEVENTEENTH CENTURY

The present chapter seeks to analyze the nature of the trading operations of the English and the Dutch East India Companies in western India during the seventeenth century. Keeping the commercial centres of Gujarat in focus, our analysis would concentrate on both the Companies' activities in the western India and their involvement with the Indian merchants. We will also take note of the linkages of trading networks to the Persian Gulf and Red Sea zones with the western India. While the activities of these two North European Companies in the context of their relationship with Southeast Asia has been the subject of considerable literature¹, in the case of western India there is an essential lack of it when one tries to study the nature of trade and commercial policies, mutual rivalry and competition, their relations with the Indian merchant groups and the ruling elites for the seventeenth century.²

The important commercial centres of Gujarat were Surat, Broach, Baroda, Ahmadabad, and Cambay. They played a significant role in the commercial expansion of the East India

¹ W. W. Hunter, *A History of British India*, vol. II & I. Holden Furber, *Rival Empires of Trade in Orient 1600-1800*, Minneapolis, 1976. J.E. Wills, *Pepper, Guns and Parleys; The Dutch East India Company and China, 1662-1681*, Cambridge, 1974. C. R. Boxer, *The Dutch Seaborne Empire 1600-1800*, London, 1965.

² Ann Bos Radwan, *The Dutch in Western India*, Calcutta, 1978. This work however, touches the above aspects for a brief period of three decades of the early seventeenth century.

Companies. From the first quarter of the seventeenth century Surat developed into a major centre of trading operations of the English and the Dutch East India Companies. Surat's cotton textiles played a significant role in establishing commercial dominance in the Indian Ocean by the Dutch Company in the seventeenth century. Surat was bestowed with a rich and fertile hinterland producing indigo and cotton, which was much in demand for the overseas trade. Ahmadabad and Burhanpur were two other important cities of the Mughal Empire which were closely linked with the port city of Surat. It was well within the ambit of the overland trade routes linking west and central Asia with the northern India. Its connection with the imperial city of Agra greatly enhanced its status as an important commercial city of the Mughal Empire. Jourdain noted about Agra, "...the cittie [Sic.] is of great trade from all places. Here you finde [Sic.] merchants of all places of Indians, Persia, and Aleppo. A man maye bestowe 100,000 rials in a weeke in diamonds. [Sic.]"³

The share and control over the Southeast Asian spice trade played a significant role in the maritime Asian trade. However, the English possessed only a small share of it unlike the Dutch who had a dominating presence. Yet, they succeeded in establishing themselves at Surat. The English had to struggle and consequently immunise themselves against the Portuguese intrigues as well as compete against the rival claims of the Dutch for a larger share of western Indian trade in course of the seventeenth century.

It has been pointed out that one of the most obvious reasons behind the commercial eminence of Gujarat was that its ports were at the confluence of a number of trading

³ William Foster ed., *The Journal of John Jourdain*, London, 1906, p. 164.

systems. These ports linked the oceanic trade along with interregional trade of Asia with the coastal and subcontinental trades of India.⁴ Consequently, western India in general and Gujarat in particular played a pivotal role in shaping the commercial enterprises of the European trading Companies. The early endeavours in this region is a narrative of formidable courage and determination on the part of the English and Dutch Companies. On one hand they had to counter the Portuguese hegemony, fanning out from the high seas to the Mughal court and on the other, they had to establish themselves as an alternative to provide a defensive umbrella to the native shipping in order to support the economy of the region as the chief bullion importers.

The proper integration of the Indian economy into the premodern world economy with its economic centre in northwestern Europe could be effected only at the turn of the seventeenth century.⁵ While the high tide of the import of the American silver into Europe took place during the years 1550 to 1630, the real expansion of European trade with Asia did not begin until the second and third decades of the seventeenth century.⁶ From around this period the European Companies started penetrating into the interiors of western India. It is because of these developments that our study of the trading activities of the English and the Dutch Companies begins from the early seventeenth century.

⁴ Sinappah Arasaratnam, 'India and Indian Ocean in the Seventeenth Century' in Ashin Das Gupta and M. N. Pearson eds., *Indian and the Indian Ocean*, Oxford, 1987, p. 99.

⁵ Om Prakash, *The Dutch East India Company and the Economy of Bengal, 1630-1720*, Princeton University Press, New Jersey, 1985, p. 6.

⁶ Ruby Maloni, *European Merchant Capital and the Indian Economy: Surat Factory Records*. Manohar, 1992, p. 2.

SECTION – I

BEGINNING OF THE ENGLISH EAST INDIA COMPANY IN WESTERN INDIA

It would be pertinent to begin with the English East India Company's early activities in western India. When in 1608, William Hawkins arrived at Surat, Muqarrab Khan was the *Mutasaddi* of both Surat and Cambay; and it was with his permission that the English were allowed to unload their cargoes. But before we move ahead, it would be appropriate to understand the implications of his reception by the local authorities in Surat. It should be borne in mind that the Portuguese occupied a dominant position in Surat when the north Europeans ventured in the western India. Though they had no territorial settlement in the Mughal territory but they had dominated as the paramount power over its sea-borne trade for more than a century. From the fortified capital city of Goa they wielded formidable influence over the territorial power of the east (in our case, the Mughal Empire). From their trading stations at Diu and Daman the Portuguese collected *cartazes* [license fees] from the ships leaving different Gujarati ports. Their coasting-fleets carried a large proportion of the merchandise from the province and their frigates policed the coastal waters. The Portuguese intrigue deprived the Dutch of a foothold at Surat in the first decade of the seventeenth century. The English, however, were by no means daunted by such hostilities and struggled hard to establish themselves at Surat.

The local Mughal officials suggested that the settlement of a factory required the sanction of the Emperor. Hawkins tried a great deal to obtain an imperial *farman* but his stay at Agra for quite a few years did not yield much. It would be interesting to note what transpired at Agra during Hawkins stay. In 1609, John Jourdain noted in his diary;

“The 29th of October Captaine Hawkins... sent the Great Mogolls letters patents to enterteine us kindlie with our shippige and goods, as alsoe for the recoveringe of our debts, and to ayde us if neede required against the Portugalls or any other that sought to wronge us; soe that with this *firmaie* and patent from the Greate Mogoll made us to be in better esteeme then before. The Kinge grannted this *firmae* to Captaine Hawkins, hopinge of some strange present in the shipp ...; but as soone as he heard that our shipp was cast awaie, the Portugall preists which laye att the courte sollicitid him for another *firmae* in contrarye of ours, which with presents and promises was granted.” [Sic.]⁷

It can be gleaned through the sources that the English were in a desperate need for a royal decree or *farman* permitting them trade at Surat. However, the overarching Portuguese influence at the Mughal court foisted all the positive steps taken by the English in this direction. But not withstanding the fact, the English continued to send ships to Surat. In 1609 the ship *Asension* reached off the coast but was wrecked on a shoal. The misconduct of some of its survivors on the land weakened the prospects of the English trade in Gujarat. In 1611, Sir Henry Middleton reached Surat and found the Portuguese influence still too strong. In the very next year hopelessness in the English camp touched a new zenith. Middleton’s pessimism had reached a high pitch and in one of his letters to the English residents of Surat he advised “all our countrymen not to expect any trade here, the people being treacherous...”⁸

⁷ William Foster ed., *The Journal of John Jourdain, 1608-1617*, London, 1906, p.136.

⁸ William Foster ed., *Letters Received*, vol. I p. 235.

In February 1612, Sir Henry Middleton sailed away from Surat, with Captain Hawkins aboard his flagship. Now all prospects of the English obtaining permission to trade in India seemed gone forever. Moreover, Middleton's subsequent exaction from the Indian junks in the Red Sea, were likely in any case to make the breach irreparable.⁹ But the Mughal authorities at Surat acted quite sensibly after the event and assured the English factors that what had occurred at the high seas would make no difference in their attitude. The leading merchants were much impressed by this 'proof of power' of the English, and recognised that the intercourse with Mocha, which was the mainstay of the trade of Surat, was at the mercy of any nation that was strong in shipping. At the same time the absence of Muqarrab Khan, who was at the court, also facilitated the establishment of improved relations. To resolve the doubts still harboured by Thomas Best, the local authorities on October 21 of the same year, entered into a written agreement for English trade in Gujarat, and promised that a *farman* confirming it should be procured from the Emperor within forty days. Thomas Best's confidence appeared to be justified when, on January 7, 1613, the expected document arrived.¹⁰

The Dutch, in the meanwhile, continued to concentrate their attention in Southeast Asia. Pieterszoon Coen's aggressive policy further discouraged the English from trying to obtain a greater share of the spice trade of that region. The Dutch opposition, hence, made it difficult for the English to augment their share of trade in the Indonesian archipelago. Therefore, the English now thought it would be wise and profitable to devote their attention to the cotton producing areas of India. The principal reason behind this being that

⁹ William Foster ed., *Early Travels in India 1583-1619*, Oxford, London, 1921, p. 188.

¹⁰ William Foster ed., *Early Travels in India*, p.189.

the products of the Spice Islands could be profitably exchanged for the cotton cloths of India.¹¹

In this regard it would be interesting to take note of a reference to the prevailing situation made by Sir Thomas Roe in his letter to the Company on 14th February, 1618, "...If they [the Dutch] keep you out of the Moluccas by force, I would beat them from Surat to requite it..."¹² The English thus concentrated themselves in the western Indian Ocean because as mentioned earlier their activities in the Southeast Asia were hindered by the Dutch. In the western Indian Ocean, they could procure gold, silver, zinc, lead, copper etc. from the Red Sea zone, which were easily vendible in Surat and the piece-goods could be procured out of the sale of these proceeds. As we would see in the light of the later developments that it had rightly been assumed that the English participation in the Red Sea trade would give them a lever to exert pressure on the Mughals to compel them to accede to their demands.¹³ Surat now became the hub of the English Company's activities and gradually they tried to get trading concessions from the Mughal and the Persian Empires.¹⁴

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In this respect, it would be worthwhile to examine the significance of Surat during this period. Surat was not only a major centre for the procurement of textiles to cater to the needs of market of the Southeast Asian countries but it was also a major trans-shipment centre from where the vast carrying trade to the Persian Gulf and the Red Sea could be exploited. The well-established empire of the Mughals provided the outlets for the goods

¹¹ C.J Hamilton, *The Trade Relations between England and India*, 1975 (reprint), Delhi, p.14.

¹² W. Noel Sainsbury, *Calendar of State Papers*, vol. I, London, 1870, p.121.

¹³ Surendra Gopal, *Commerce and Crafts in Gujarat*, New Delhi, 1975, p.24.

¹⁴ Rudolph P. Mathee, *The Politics of Trade in Safavid Iran*, Cambridge, 1999. Mathee has discussed the English and Dutch Companies relations with the Safavids.

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brought by the Companies. This region was well within the ambit of the major arteries of the overland trade routes linking the central and west Asia to the northern India. Thomas Aldworth wrote from Surat on January 25, 1613, mentioning the importance of the port city, "Surat which is, as it were, the fountainhead from whence we may draw all the trade of our East Indies; for we find here merchandise which we can take and sell in nearly all parts of these Indies and also England. For this reason the Portuguese resent very much our entry into this city, and they have worked hard, both by craft and force, to prevent us. But thanks be to God, their efforts have not been successful; and I trust that we have here laid such firm foundations that the Portuguese will no longer attempt to drive us out..."¹⁵

"A month's hard fighting destroyed for ever the Indian legend of the Portuguese supremacy over other Europeans."¹⁶ Though the English were gaining in the confidence as they displayed their naval prowess in the Arabian Sea against the Portuguese, they still were suspicious about the Portuguese moves at the court. The English tried their best to keep the king and the higher officials in good humour with gifts and presents of various sorts. "The Portuguese will do their utmost, both by gifts and by force, to expel us from this place. It is therefore necessary for us to gain the goodwill of the King and of certain principal persons; the which [Sic.] may be obtained with some trifles from our country, rather than the gift of other things of much greater value."¹⁷

Fortunately for the English the events of the following year moved in such a way that they advanced their trading interests in a positive direction. The Portuguese's desperate moves

¹⁵ William Foster ed., *The Voyage of Thomas Best*, London, 1934, p. 251.

¹⁶ W. W. Hunter, *History of British India*, vol. II, 1972, p. 49.

¹⁷ William Foster ed., *The Voyage of Thomas Best*, p. 253.

complicated their relationships with the Mughals. They resorted to the plunder and ransacking the junks belonging to the merchants of Mughal State. These events naturally tilted the opinion of the Mughal officials towards the English, whose testimony of naval power had already been established by the Best's skirmishes with the Portuguese off the Surat coast in 1612. Thomas Aldworthe and William Biddulph wrote to the Company in 1614, "... we last wrote concerning the Portingals [Sic.] taking a ship of this town, to the value of one hundred thousand pounds sterling, and that we doubted of a breach of peace between this king and the Portingals...In so much that had we now English shipping here, we might do great good in matter of trade, which now is debarred to the people of this country, having none to deal with them. They all here much wish for the coming of our English ships, not only for trade but to help them, for as they say the coming of our ships will much daunt the Portingals...The Portingals threaten much to take Surat, which we find no so well fortified as we could wish."¹⁸

In the meantime, the Mughal authorities' expectations from the English had grown manifold. They needed the English to provide not only adequate security to the merchant ships plying from Surat, but also to take all the defensive measures against the Portuguese offensives. The English now had to uphold the credibility of their naval power in case of Portuguese attack on the Surat City. But the English dealt with this situation diplomatically. William Edward wrote to the Company, "...the viceroy's [Muqarrab khan's] demands were: first, that we would go with our ships, and ride at the river's mouth of Suratt, and fight with the Portingals [Sic.] if they should come thither; the next that our

¹⁸ William Foster ed., *Letters Received by the East India Company*, vol. I, London, 1896, pp. 96-97.

General would give under his hand, to defend the city of Suratt if the Portingals should seek to invade the same; both which our General refused, as being forbidden by our King's commission, and in these and such like much time was spent. But in fine, seeing he could not enforce what he attempted, he gave us free leave to land our goods and proceeded in our trade."¹⁹ In the same letter it had been acknowledged that the Viceroy's attitude had now become somehow modified because of "...the fear in the Viceroy that our discourteous entertainment should come to the ears of the Mogore..." William Edward also noticed that the people of the town greatly encouraged the English for the opening up the trading operations in Surat.

In 1616, John Browne acknowledged certain genuine problems of the English confronting the commercial operations at the Surat factory. The most acute of these was the problem of credit. "We are compelled by the present necessity of buying to exchange our rials to much loss, as 1, 11/2 pyce less than if we had time to exchange them at leisure".²⁰ In the same letter, Brown also informed to the Company that, "Towards the end of the year there are many buyers, and never so many great ones as now, viz. the Queen, Prince, Muckrob Chan, Meir Joffer etc.; whereby for prevention we rather made choice to exceed in price than to fail in the goodness, notwithstanding that at the date hereof the commodity is improved two rupp[ees] higher than our dearest in our several proportions."²¹ Though by now the regular commercial relationship with the Surat port-city had been established, yet the English trade was running on a modest capital outlay. We have striking evidence of

¹⁹ *Letters Received*, vol. II, London, 1897, p.149.

²⁰ *Letters Received*, vol. V, London, 1902, p.80.

²¹ *Ibid.*, p.80.

their limited trading activity, hinted at, in one of the letters written by Thomas Kerridge on 26 February, 1616 which reads, “Your charges by the maintenance of an ambassador and so many several factories is admired at [wondered at] by these inhabitants, that by one poor vessel at the red sea doth receive far greater customs than all the goods you land and transport in two years doth pay in their Customhouse.”²² This statement could also be interpreted to mean that the Indian merchants were operating with substantial amount of money in the Red Sea and Persian Gulf zones.²³

✓ Francisco Pelsaert noted in his *Remonstrantie* that the trade carried on by the Asian merchants amounted to a large sum of money. This is evident from his account, which says, “...saying that we are the scourge of their prosperity; for, even though the Dutch and English business were worth a million rupees annually, it could not be compared to the former trade which was many times greater, not merely in India, but with Arabia and Persia also.”²⁴ From 1620s the English Company started to acquire a respectable position in the commercial parlance of the western Indian Ocean as its focus centred on tapping the carrying or freighting trade of the western Indian Ocean and also the direct shipment of goods to the home market in Europe.

The Portuguese affront against the rival powers was gradually diminishing as the century progressed. Ten years from Best’s coast fight in 1612, to the English capture of Ormuz in

²² *Letters Received*, vol. V, p.116.

²³ Om Prakash, ‘Some Aspects of Trade in Mughal India’, in *Indian History Congress Proceedings*, Bodhgaya, 1981, p.176. It has been postulated that by the early decades of the seventeenth century the orientation of the ports on the West Coast had turned overwhelmingly in the direction of the Red Sea and the Persian Gulf. Thus, it appears quite plausible that the Indian merchants invested large amount of capital in this trading zone.

²⁴ W. H. Moreland and P.Geyl eds., *Jahangir’s India*, *The Remonstrantie of Francisco Pelsaert*. Cambridge, 1925. p. 20.

1622, sufficed to decide the issue of domination in the western Indian Ocean between these two sea powers. The Portuguese were no longer a gallant little nation as they previously claimed to be.²⁵ The fall of Ormuz bolstered the English confidence and they immediately opened up a factory at the Persian Gulf to claim a share in the silk trade of Persia as well as a share in the customs revenue of that port.²⁶ Thomas Roe wrote from Ahmedabad in February, "1618 that the Mughal subjects ha[ve] no grievances that we do not buy their goods but contrarily we buy so much that their own merchants want for the Red Sea. We have raysd [sic.] the price of all wee deale in and now wee feare the Dutch will make it worse."²⁷ This statement is a pointer towards the English trading activity, which was steadily growing. The demand-supply condition of the market was critically analysed by the brokers and the growing demand prepared the ground for the further commercial expansion of the region.

By now the English factors had settled down to buy and sell, as in spite of some unpleasant experiences, their objectives had been attained. Thus, while Bantam was supplied with its requirements, the direct trade between Surat and London increased rapidly in importance.²⁸ It can, now, be safely assumed that by the end of second decade of the seventeenth century the English became an active participant in the commercial world of western India. Subsequent sections of this chapter would deal with the other aspects of the Dutch and English commercial operations, such as their commercial rivalry, the commodity composition of their trade etc. from this point onwards.

²⁵ W.W. Hunter, *A History of British India*, vol. I, First Indian edition 1972, p.310.

²⁶ William Foster ed., *The English Factories in India 1622-1623*, p. IX. It was agreed upon between the English and the Persian authorities that the customs duties should be shared between the two nations and also that the English would be exempted from paying any duties. p. 78.

²⁷ William Foster, ed., *The English Factories in India 1618-1621*, 1906, p. 17.

²⁸ W.H. Moreland, *From Akbar to Aurangzeb*, 1972, p. 38.

THE BEGINNING OF THE DUTCH EAST INDIA COMPANY IN WESTERN INDIA

The Dutch association with the western India goes back to 1602 following the voyage of the *Vereenigde Zeeuwsche Compagnie*.²⁹ In fact, it was sometime before the establishment of the Dutch East India Company that two Dutch merchants Hans de Wolf and Lafer representing the *Vereenigde Zeeuwsche Compagnie* or the *Compagnie op Oost Indie te Middleburg* arrived at Surat with an introduction letter from the Sultan of Achin to the Mughal authorities. They were well received at Surat and provided with a house to operate from.³⁰ The Dutch had sailed to the great textile producing area, Cambay, in Gujarat, wherein Surat later became an important station for purchase of the textiles of northern India.³¹ But this initial Dutch venture proved to be a failure as the new entrants were entrapped by the Portuguese intrigues. They were misguided by some Portuguese agents at Cambay and told that they could have a better trading prospect on the Malabar Coast. When the Dutch came to Calicut in April 1603, they were captured and carried to Goa where they were put to death.³² Again in 1607, when a Dutchman David van Deynsen with two companions, arrived at Surat he too became the victim of Portuguese intrigues. The story is indeed interesting as far as Portuguese influence over the ruling Mughal authority is concerned. After the two juniors died at Surat, van Deynsen, in consequence of a dispute with a Portuguese, proceeded to Burhanpur in order to get justice from the *Khankhanan's* headquarter. There he discovered that the Portuguese had already secured a monopoly of

²⁹ Jos Gommans, Lennart Bes, Gijs Kruijtzter, *Dutch Sources on South Asia c. 1600-1825*, Manohar, Delhi, 2001, p.116.

³⁰ Om Prakash, *The Dutch Factories in India 1617-1623*, New Delhi, 1984, p.14.

³¹ Kristof Glamann, *Dutch Asiatic Trade*, Copenhagen, 1958, p.139

³² George D. Winus, and Marcus P. M. Vink, *The Merchant –Warrior Pacified*, Oxford, Delhi, 1991, p. 25.

the trade at Surat and he, van Deynsen, himself would be handed over to them on his return to Surat. Out of sheer despair he shot himself³³ and his goods lying at Surat and Burhanpur were taken into possession by the Mughal authorities. This is attested by Thomas Kerridge's write up of 1613, "...what goods, moneys, or debts were to them belonginge or found dew unto them, yt should be by them maid good to a peny, and that there little should be answerable for yt; as before tyme they had done unto the Dutch nattion, for that, all ther people resident being dead, they took inventorie of all ther goods, mones, and debts was found dew unto them, and repaid yt unto ther nacion to the value of a penny. [Sic.]"³⁴

After the above incident, the Mughal authorities wrote to the Dutch at Masulipatam, offering to deliver the goods to anyone who might be sent to receive them. This order was, yet again, renewed in 1613. It was, however, not before 1615 that two Dutchmen arrived at Surat for this purpose, and received only a part of what was due to them actually.³⁵ Moreland seems to give us somehow a more pragmatic view of the event and the subsequent 'invitation' of the Dutch by the Mughal authority at the Surat. "This letter was," argues Moreland "meant as a semi-official invitation to the Dutch to send a fleet against the Portuguese, the offer of the [Deynsen's] abandoned property being a mere formality."³⁶ This view further is further attested to by the jottings of Nicholas Downton in a letter from Surat in November, 1614, which reads that "the Governor hath sent to Masulipatam for the Hollanders to come hither, promising them Daman when it is taken

³³ *The Dutch Factories in India, 1617-1623*, New Delhi, 1984, p. 14.

³⁴ William Foster, ed., *The Voyage of Thomas Best*, p. 145.

³⁵ William Foster, ed., *The Embassy of Sir Thomas Roe*, Oxford, 1926. p. XXIX.

³⁶ W H. Moreland,, *From Akbar to Aurangzeb*, 1972, p.37.

from the Portuguese.”³⁷ In 1615 van Ravesteyn arrived at Surat and learned much about the politics and commerce of the country. He discovered the great possibilities of commerce in Gujarat but at the same time also felt the need of an elaborate treaty to perpetuate such a commercial relation with the Mughal Empire.

In 1616 another Dutch ship under Van den Broecke appeared in the roadstead, but was not allowed to establish a factory. In 1618 the Dutch finally received a licence from the Mughal government, notwithstanding the efforts of Sir Thomas Roe to ‘turn them out’. This was followed by the return of Van den Broecke to Surat as director of the Dutch trade in 1620 covering the region of Arabia, Persia and India.³⁸ Hence, the conclusion of peace with the Mughal authorities gave the Hollanders an opportunity for making up for the lost time.³⁹

The English took notice of these developments. Captain Henry Powell wrote to the English Company in 1616 from the Surat bar mentioning about growing Dutch activities in the region. He proceeded further by mentioning that, “... in august last there arrived a ship of Holland and came to anchor before the bar of Suratt, coming from Southwards, being laden with pepper, cloves, nutmegs, cinnamons, and chyney stuffs... This ship landed her merchants at Suratt, and goods of the nature and quality before written, and have there established a factory, wanting neither money nor means to invest in any commodities the land affords. These Hollanders grow very powerful in the parts of Indies, searching out

³⁷ *Letters Received*, vol. II, 1897, p. 171.

³⁸ W.W. Hunter, *A History of British India*, vol. II, p. 55.

³⁹ *English Factories in India, 1618-1621*, in the introductory part.

every place of trade with their multitude of shipping.”⁴⁰ It appears from this letter that the Hollanders were gradually recognising the great potential of trade at Surat. As has been noted above, Surat textiles were indispensable for the procurement of spices in the Indonesian archipelago. In that context, the Dutch establishment at Surat became extremely significant. Furthermore, their trade in Gujarati cotton textiles enabled them to dominate the Indian oceanic trade throughout the seventeenth century.⁴¹

In order to discuss other aspects of the European trading Companies, it is essential now to have a discussion, albeit brief, of the policies of the Mughals towards the European trading Companies. The Mughals had a bitter experience as far as their relations with the Portuguese were concerned. The arrival of the Dutch and English Companies, however, gave them an opportunity to minimise the Portuguese influence at the sea once they became confident of the new-comers’ naval prowess. The Mughals consequently, granted the permission for trade and the establishment of the factory to the English. They, however, extended similar favours to the Dutch⁴² as well, so as to use latter as a counterpoint to pre-empt the English from making Portuguese-like overtures in the future. But the Portuguese were never expelled from the Mughal territory and they continued to trade from Surat. It should be borne in mind that the pivotal point of Mughal policy was to not be dependent on any particular European power for the safety of their shipping. On the contrary, they wanted to create an ambience of fierce competition among these trading

⁴⁰ *Letters Received*, vol. II, p. 149.

⁴¹ *The Dutch Factories in India*, Document no. 110, p. 143. Jan Pieterszoon Coen appointed Van den Broecke as the chief of the factories at Surat and Mocha on 15th June 1620. Also see W. H Moreland & P. Geyl, *Jahangir’s India, The Remonstrantie of Francisco Pelsaert*. Cambridge, p. X.

⁴² *The Dutch Factories in India*, “It would be seen that the freedom of trade available to Dutch was no less embracing than that granted to the English.” p. 85.

Companies in order to keep them involved among themselves. In other words, this was in accordance with the Mughal policy of playing one Company against the other so as to balance their power and to get maximum benefit out of their commercial rivalry.

SECTION- II

THE DEVELOPMENT

THE ENGLISH AND THE DUTCH EAST INDIA COMPANIES' GROWTH OF TRADING ACTIVITIES TILL THE FIRST HALF OF THE SEVENTEENTH CENTURY

By the second decade of the seventeenth century, the stage was set for the development of the trading operations of the English and Dutch East India Companies in western India. To the English, the wresting of the Ormuz⁴³ from the Portuguese in 1622 had firmly grounded them in the commercial world of western India. Their participation in the Persian trade also earned them handsome emoluments in terms of Persian silk trade, freightage, and share of customs at Gombroon apart from their profits at the Surat factory. The more significant development of the period was the growing English participation in the carrying trade of western India. In this section we would try to analyse the implications of the growth of the English and Dutch trade in the subsequent decades till the renewal of the English East India Company's charter in 1657. Our emphasis would be placed on the development of political relations between the Mughals and the Companies. We would also see how the Dutch were simultaneously emerging as a dominant participant in the western Indian trade.

⁴³ *The English Factories in India, 1622-1623*, p. 78.

During 1620's the English had shown the strong-arm tactics by seizing Indian shipping in retaliation against Mughal restrictions and certain authorities' extortion and illegal exaction in Gujarat. The English sought to redress their grievances only after taking as ransom some of the richly laden Indian junks returning from the Red Sea. This tactics worked as the Mughals were helpless in dealing with the English on the high seas. With these developments in the backdrop, it seems quite possible that such acrimonious relations between the Mughals and the English provided the Portuguese with the opportunity to advance their own case to the Mughals.

The Portuguese were trying to regain their prior privileges in the Mughal territory and in order to do so they also sought to outdistance the European Companies from Surat. In the early 1630s, the newly appointed Viceroy of Goa, Cond De Linhares, sent a representative to Muizzul Mulk, the *Mutasaddi* of Surat with a proposal that if the Mughal Emperor would expel the English and the Dutch from his ports, the Portuguese would undertake to bring as much trade as their opponents.⁴⁴ But the negotiations in this direction proved abortive. For even when these negotiations were continuing, the Portuguese fleet under Francisco Cutinho seized the *Musai* a Surat junk returning from the Red Sea 'laden with goods and passengers' demanding payment for Portuguese passes 'as in former times'. Though not in the league of direct evidence, the above incidence suggests that the English had grown slack in convoying Mughal junks to the Red Sea ports, and as a result of this the above ship had fallen prey to the Portuguese.⁴⁵

⁴⁴ *The English Factories in India, 1630-1633*, p. 36.

⁴⁵ Phanindranath Chakrabarty, *Anglo-Mughal Commercial Relations, 1583-1717*, Calcutta, 1983, p. 133.

However, when the news of *Musai* incident reached to the Governor of Surat, he went to the English for help. Apparently President Rastell despatched the English fleet to convoy the *Shahi*, the other ship arriving from Mocha, into the Swally Road. The English were extremely happy as the event occasioned an opportunity to prove themselves valiant in the eyes of the Mughals. The President and the Council at Surat reported, “ it added more to our nation’s fame than hath all our sea fights formerly acquired here in India.”⁴⁶ The incident of *Musai*’s capture infuriated Emperor Shahjahan and propelled him to lay siege of Goa. The *Musai* was consequently returned after the release of Portuguese goods and men seized by the Mughal authorities at Goa. The Surat Governor concluded peace with Goa and the Portuguese dropped their demand for the expulsion of the English and the Dutch from the Mughal ports.⁴⁷ However, the Portuguese claim for issuing passes for Mughal junks, as had previously been the norm, was accepted. The argument seems quite tenable that the Mughals might have formed the opinion that it would be better to pay for the passes to the Portuguese than to excessively depend upon the English for the conveyance of the native shipping.⁴⁸

After the *Musai* incident the relation between the English and the Portuguese improved during this period and it remained friendly throughout their presence in the East. In 1635, the English president Methwold visited Goa for personal negotiations with the Portuguese authorities and a treaty for the establishment of friendly and mutually helpful relations was agreed upon.⁴⁹

⁴⁶ *The English Factories in India, 1630-1633*, p. 122

⁴⁷ *The English Factories in India, 1630-1633*, p. X.

⁴⁸ Phanindranath Chakrabarty, *Anglo-Mughal commercial*, p. 133.

⁴⁹ B. G. Gokhale, *Surat in the Seventeenth Century*, Bombay, 1979, p. 153.

THE GUJARAT FAMINE

The early 1630's witnessed severe natural calamities like famine, pestilence, plague etc. much to the detriment of trade and commerce throughout western India.⁵⁰ The years 1631 and 1632 were marked with death and destruction of a great magnitude. A Dutch account written in December, 1631, gives a gruesome picture of the misery. It reads, "....And goinge ashore to a villadg called Swalley, wee sawe there manie people that perished of hunger; and whereas hertofore there were in that towne 260 famillyes, ther was not remaininge alive above 10 or 11 famillyes. And as wee travelled from thence to the city of Suratt, manie dead bodyes laye upon the hye way; and where they dyed they must consume of themselves, beinge nobody that would buirey them. And when wee came into the cytty of Suratt, wee hardly could see anie livinge persons, where hertofore was thousands; and is so great a stanch of dead persons that the sound people that came into the towne were with smell infected, and att the streets the dead laye so together, one upon thother, nobody buir[y]ing them. The mortallyty in this towne is and hath bin so great that there dyed above 30,000 people. [Sic.]"⁵¹

Large-scale migration of the weavers and peasants to other parts of the country became a normal phenomenon. One can imagine the low ebb of commerce during such period of 'want' and 'misery'. It has been demonstrated by utilising Dutch primary source materials

⁵⁰ W. H. Moreland, 'John van Twists Description of India', *Journal of Indian History*, vol. XV, part, 2, August 1936. van Twist has given a detailed account of famine and mortality in Gujarat during 1630-1631. Many hundreds of thousands died of hunger, so that the ground was everywhere covered with dead corpses, which lay unburied ... some Dutchmen, coming from Ahmadabad, found some people sitting at a little fire where human hands and feet were being cooked – a horrible sight to see; ... a village named Susuntra, where human flesh was sold openly in the market." Obviously, such accounts regarding cannibal practices could well be an exaggeration but the extent of prevalent misery can be imagined. pp.67-68.

⁵¹ *The English Factories in India, 1630-1633*, pp.180-81.

that the VOC merchants confronted acute problems in the procurement of piece goods. In 1632, the Dutch merchants were hardly in a position to obtain 80 to 100 pieces of *baftas* (per day) at their Broach factory and even that meagre quantity was faulty and quite unworthy of fetching any profit in the export market. The cotton yarn could be had only after paying 25% extra on the price of pre-famine period but fine quality piece goods were difficult to procure. On the other hand, the Governor was determined to buy whatever quantity of the coarser variety of textile was available in the market.⁵²

The impact of famine had been extremely disastrous as far as the English Companies export⁵³ to Europe is concerned. The famine in Gujarat in 1630 severely affected the activities and the orders of the English Company dropped to 100-120,000 piece calicoes together with other small quantities of fancy goods. The 1630's were characterised by difficulties as regards the supplies to Europe. One can see the huge difference between the quantities ordered and those actually supplied. This is attested by the records of the English Court of Directors complaints in 1636 which suggests that when "the factors were severely reprimanded for having provided only 1296 Pounds worth of calicoes against orders for 32,500 Pounds given in the previous five years." This reprimand resulted in large consignment sent home in 1639 and Gujarat contributed 38,883 piece goods out of total 66,141 pieces of textiles worth 20,620 Pounds.⁵⁴

The despatches of the 1630's are full of accounts regarding the severity of famine in India. The problem became more aggravated by the circumstances which were out of the control

⁵² Shantha Hariharan, *Cotton Textiles and Corporate Buyers in Cottonopolis*, Delhi, 2002, p. 60.

⁵³ Ruby Maloni, *European Merchant Capital and the Indian Economy: Surat Factory Records, 1630-1668; Outward Letter no. 6*. Due to the famine and mortality of cattle, the bullock-carts had become scarce. p. 133.

⁵⁴ Kristof Glamann, *Dutch Asiatic Trade 1620-1740*, Copenhagen, 1958, p. 139.

of the Company. The fatal competition of the Courteen's Association, their plundering cruise in India and consequent stoppage of trade at Surat along with the forcible purchase of pepper by the King accentuated the English Company's difficulties.⁵⁵ On the other hand, there was a general dearth and scarcity of all things in India. The Indian commodities were selling at double their usual rate, while the English and other European goods had a sharp fall in their prices.⁵⁶

GUJARAT ECONOMY AFTER THE FAMINE

From the second half of the 1630's we find the situation gradually returning towards normalcy. By 1636 many of the surviving weavers had returned to Broach and other affected cities and slowly started to resettle in their work of weaving, washing and making up of cloth which consequently led to an increase in the supply. Even by 1638-39, the calicoes sent from Broach were appreciated by the English Company, whose general remark was, "though high in price were good and well conditioned".⁵⁷ This, consequently, led to an increase in the volume of the order. Thus, it could be assumed from above remarks that by the end of the fourth decade trade was steadily gaining momentum and the economy of the region was gradually overcoming the affront of famine.

The English Company dealt with the difficult consequences following the rise in the prices and the financial distress at Surat by employing a number of mechanisms. It tried to tap the coastal trade of India and giving particular attention to the trade in Persian silk. It also devised mechanisms for the effective collection of customs duties at the Gombroon. The

⁵⁵ Bal Krishna, *Commercial Relations between India and England*, London, 1924, p. 65.

⁵⁶ *The English Factories in India, 1630-1633*, p. 173.

⁵⁷ *The English Factories in India, 1637-1641*, p. 56-57.

Company opened up new branches of trade with Orissa, Bengal and Sind, which gave them new opportunities for procuring cheaper commodities for the Asian as well as European markets. On the other hand, the war between the Dutch and the Portuguese and the Goa Convention of 1635 offered the English an opportunity to tap into a large part of the shipping trade controlled by those nations.⁵⁸

The value and volume of imports into England during the 1630's can not be exactly ascertained due to the unavailability of the data. However, the character of imports remained the same as it had been previously, though the supplies from Persia, Coromandel and Bengal grew in quantity. We can have an idea of the principle imports from the invoices of separate ships from 1630 to 1640 as far as they can be gleaned through the English Factory Records. Cargo for the *Charles* in 1630, for the *Reformation* and the *Discovery* in 1631 and for the *R. Mary* 1639 are as given below in the table:

Table: 1.1

Particulars	1630	1631	1639
Cloth	425 bales	579 bales	591 bales
Indigo	596 churles	456 churles	1'080 bales
Saltpetre	697 churles	597 bales	331 bales
Sugar	400 churles	-----	56 butts
Persian Silk	150 bales	1,400 bales	353 bales
Cotton yarn	166 bales	250 bales	327 bales
Cotton wool	22 bales	-----	15 bales
Pepper	2018bales/515,484lbs.	4,509 maunds.	1,895 cwts.

Source:⁵⁹

⁵⁸ Bal Krishna, *Commercial Relations*, p. 65.

⁵⁹ *The English Factories in India, 1630-1633*, p. 127, also see, Bal Krishna, *Commercial Relations*, p. 66.

The above data suggests that by 1639 the procurement of cloth, indigo and cotton yarn had returned to the pre-famine procurement level of 1630. It is also evident from the English Factory Records that the English purchase of cotton yarn, which was only 166 bales at that period, had led to protest at Broach and Baroda. It was noted, “the weavers grew into a mutiny and combined amongst themselves not to bring baftaes to our house untill wee gave them a writing not to buy any more cotton yarn. You may nott [Sic.] therefore expect such great quantities as required or heretofore sent you, for expect in this place itt is not to bee had.”⁶⁰ In 1639, the English purchase of the cotton yarn, however, had gone to the 327 bales.

The endeavour of the Mughal Emperor Shahjahan, to monopolise the indigo trade⁶¹ in 1633, led to a host of interesting developments as far as the Mughal State’s efforts in the direction were concerned. It has been held that such practices of monopolising trade adversely affected the English and the Dutch Companies.⁶² Apprehending a steep rise in the price, both the Companies entered into an agreement not to buy anymore indigo except at their mutually agreed price.⁶³ It has also been argued that the Mughal effort failed when the Dutch joined hands with the English to refuse purchase of that commodity.⁶⁴ The Companies’ boycott of indigo purchase compelled the Mughals to revert the decision. The failure of the indigo monopoly also put to question the Mughals’ efforts as well as plan of

⁶⁰ *The English Factories in India, 1630-1633*, p. 22.

⁶¹ *Ibid.*, p.324.

⁶² Phanindranath Chakrabarti’s argument (*Anglo-Mughal Commercial Relations*, p.134.) that the indigo monopoly had ‘adversely’ affected the Companies’ trade does not seem to be convincing enough. We know that even before the mid-seventeenth century, indigo import from the New World had depreciated the prices of this commodity in the European market. This point probably explains why the Companies afforded to boycott indigo purchase for two years and finally succeeded in compelling the Mughals to withdraw the monopoly over this commodity.

⁶³ *The English Factories in India 1630-1633*, p. 327.

⁶⁴ Winius and Vink, *Merchant-Warrior Pacified*. p. 63.

action in such matters.⁶⁵ Literature on the subject also, holds the opinion that, Asian mercantile interests were usually not free from government interference. M. N. Pearson taking instances of the sixteenth century Gujarati Sultanate, holds that the nobles of Gujarat were not actively involved in mercantile activities but showed a great interest in collecting revenue resulting from land and also from the activities of the merchants.⁶⁶ The Governments appear to be keen on regulating the trade in order to increase the state's share in the profits of trade.

The above propositions would appear to be justified only in view of a comparison between the Mughal State and the west European states, the latter being dependent, to a large extent, on the mercantile activities. But such comparison in itself would be unjustified, as the nature of the Mughal State was entirely different from that of the west European states. The indigo episode could be taken as a pointer to the fact that the Mughals were not averse to the idea of the state making a profit out of its participation in commerce.

Returning to the English Company, during the 1640's the English commercial enterprise in western India faced many challenges. The rivalry with the Dutch Company and Courteen's Association were making things difficult for the English Company as far as their coastal trade in India was concerned.⁶⁷ The Anglo-Dutch relations were turning into a protracted rivalry and the Anglo-Portuguese alliance added a new dimension to it. These relations were further conditioned and compounded by the Dutch hostility to English ventures in the

⁶⁵ Rudolph P. Matthee, in his work, *The Politics of Trade in Safavid Iran* (Cambridge, 1999), has given a treatment to the Royal silk monopoly of Shah 'Abbas I, pp. 99-105. It could be suggested that Shahjahan's effort to monopolise indigo trade was identical with his contemporary Safavid emperor Shah Abbas I.

⁶⁶ Michael N. Pearson, *Merchants and Rulers in Gujarat*, Munshiram Manoharlal, New Delhi, 1976, pp.88, 90.

⁶⁷ Bal Krishna, *Commercial Relations*, p.67.

East Indies, hostility between England and Holland in Europe and the competition between the two Companies at Surat and elsewhere in India⁶⁸.

While the developments in England were offering even less to the English Company's commercial prospects, the situation in the east was turning ever more difficult. The civil strife in England had a prejudicial effect upon the Company's trade. "The rigid and austere [attitude] of the Republicans had rendered silks less an article in demand than under the polished manners of a court." The tragedy of "king's behadinge [Sic.]" further threatened the loss of the Gombroon's customs.⁶⁹ After the seizure of an English ship laden with pepper⁷⁰ the Dutch hostility also intensified and they refused to give any compensation by declaring that "the English were traitors and had no king."⁷¹

The Dutch Company's order in 1642 was for 246,250 *fl.* worth of textiles, and its actual import during the three-year period of 1648-50 was on an average 222,720 *fl.* worth of textile per year. It has been shown that the English Company's order for piece-goods from Surat in 1620's were overwhelming and it can be assumed that these orders were executed by the English Company, the English imports during this period were much greater than the Dutch, originating from the western India. But the two Companies' import during 1630's and 1640's presumably were of the same order of magnitude.⁷²

⁶⁸ B.G. Gokhale, *Surat in the Seventeenth Century*, p. 153.

⁶⁹ *The English Factories in India, 1646-1650*, p. 269. One English traveller had been reported to tell the Shah Abbas that he had been a servant of King Charles and had witnessed his execution; whereupon the Shah angrily ordered him to be imprisoned as a coward and a traitor, who had looked calmly on while his master was beheaded. [Niccolao Manucci, *Storia Do Mogor*, vol. I, p. 248.]

⁷⁰ *The English Factories in India, 1646-1650*, p. 170.

⁷¹ Bal Krishna, *Commercial Relations*, p. 67

⁷² Kristof Glamann, *The Dutch Asiatic Trade*, p. 139.

Already existing literature on the subject believes that throughout the earlier half of the seventeenth century, the English had steadily taken over the Indian trade both north and westwards as well as south and eastwards. It has been further stressed that the English intrusion resulted in their taking over not only the Asiatic trade, but also the carrying trade of the Indian Ocean area from Indian hands.⁷³ This had a profound effect on the economy of the western coast of India and also on the profession of shipbuilding.⁷⁴ From the time of Thomas Roe the English objective was clearly stated which said that, the English should snatch the lucrative trade to the Red Sea zone from the hands of the Indian merchants⁷⁵ if they really need to halt the inflow of bullion from England. William Foster's remark that after the loss of south-eastern trade by the Indian merchants to the Companies⁷⁶, the former were primarily left content with the Red Sea trade.

It is virtually impossible to calculate the economic loss of the Indian merchants resulting from the encroachment by the Companies in the Red Sea trade in any concrete terms due to the lack of data. The merchants at Surat began to invest in shipping, with the decline of Portuguese power in the western Indian Ocean and the rise of northern Europeans in prominence. The Mughal shipping at the port was certainly strong in the 1650's but the growth of shipping owned by the Indian merchants began only in the second half of the seventeenth century. Van Santen notes that the shipping at Surat grew from about fifty around 1650 to between seventy and one hundred in the second half of the seventeenth

⁷³ B. G. Gokhale, *Surat in the Seventeenth Century*, 1979, Bombay.

⁷⁴ B. G. Gokhale, Early English Trade with Western India, *Journal of Indian History*, Vol. XL, Part I, 1962, p. 279.

⁷⁵ *The English Factories in India, 1618-1621*, p. 185.

⁷⁶ *English Factories in India 1618-1621*, p. XIII. An English factor put it, "The merchants of this place are alsoe undone by our southwards which hath taken (as wee may terme itt) the meates out of their mouthes and overthrowne their trade that way."

century.⁷⁷ It is also held that the growth of Indian mercantile shipping owes to the changed character of the North Europeans' trading methods; contrary to the Portuguese's who mostly confined their operations to the coastal areas; which required them to penetrate into the deep interior of the Mughal empire. Thus, in the air of reciprocity it appears that the Indian merchants benefited from the navigational aids and expertise of the North Europeans.⁷⁸

ENGLISH AND DUTCH IN WESTERN INDIA DURING THE MID-SEVENTEENTH CENTURY

It would, now, be pertinent to discuss the development of the English and Dutch commerce in the western Indian during mid seventeenth century. During this decade, especially when the charter of the English East India Company had not been renewed till 1657, they operated on a modest level.⁷⁹ It has been argued that at the end of the first half of the seventeenth century, the position of the Company's trade at Madras, as in Surat, was at the lowest ebb.⁸⁰ The severe wars of the Indian rulers, the opposition of the Dutch, and the threatened withdrawal of the Company's privileges in England combined to render the situation ever more difficult for the Company.⁸¹ A general decline in the commercial activities of the English Company⁸² was noted by the Dutch. It was reported that seven

⁷⁷ Van Santen is referred to in Ashin Das Gupta's article, 'The Ship-owning Merchants of Surat, c.1700' in Denys Lombard and Jean Aubin (eds.), *Asian Merchants and Businessmen in the Indian Ocean and the China Sea*, Oxford, 2000, p. 111.

⁷⁸ *Ibid.* p. 106.

⁷⁹ *English Factories in India, 1655-1660*, pp. 112-13.

⁸⁰ *Ibid.*, p. 112.

⁸¹ C. J. Hamilton, *The Trade Relations*, p. 29.

⁸² Ruby Maloni, *European Merchant Capital and the Indian Economy: Surat Factory Records*, Letter no. 13. The factory at Broach was to be closed down at this time. The Company decided to close the Ahmadabad factory as well. p. 317.

vessels of the private English merchants reached from England to Surat, which led the Dutch to believe that their commercial vigour would create hindrances to the Dutch trading projects also.⁸³

The western India in general and Gujarat in particular, offered fresh opportunities along with new challenges for the Dutch commercial enterprise during the mid-seventeenth century.⁸⁴ In the seventeenth century though all the European Companies issued passes to the native merchants shipping in their respective capacities but it was only the Dutch East India Company, given its high stakes in the inter-Asian trade, which took the system with a certain amount of seriousness.⁸⁵ The Dutch had gradually modified their stance of prohibiting the 'Moorish' merchants from navigation in the forbidden waters and issued them passes. The Batavia Council held that "...the Company has encountered many troubles in its outstanding affairs with Coromandel, Bengal, Surat, and Persia, as a result of the refusal of passes to the Moors..."⁸⁶ In 1651, the prohibition was lifted from the Indian vessels visiting 'Atjeh' [Acheh] and two years later, the Company extended passes to all Indian vessels to 'Atjeh and other quarters'. The Batavia Council thought it disadvantageous but the Indian trade interests were so closely linked to the Company's well being at Surat and elsewhere that it had to accept it. Between 1651 and 1663, the Mughals tried to expand the merchant shipping to the Red Sea in considerable numbers, in order to procure bullion as the VOC was bringing a meagre amount of the same. The

⁸³ Shantha Hariharan, *Cotton Textiles*, p. 117.

⁸⁴ *The English Factories in India, 1655-1660*, pp. 157, 308. It appears that the exclusive control over the Spice Islands fetched them high profit on the finer spices that were brought to Surat at regular intervals.

⁸⁵ Om Prakash, *European Commercial Enterprise in Pre-Colonial India*, Cambridge, 2000, p. 141.

⁸⁶ Van Santen, *VOC in Gujarat en Hindustan*, p. 78, cited in Winus & Vink, *The Merchant Warrior Pacified*, p. 64.

Dutch issuance of passes for the Far Eastern trade to the Indian ships⁸⁷ also caused economic losses to the Dutch Company. Fortunately for the Dutch, the Mughals abruptly discontinued the practice of plying on the triangular route between Bandar Abbas, Mocha and Gujarat, in 1663 – perhaps because, as one Dutch historian suggests, their main objective, the extension of their export activities, had largely been accomplished.⁸⁸

A comparative analysis of the European Companies investment in the Indies during first six decades of the seventeenth century yields important results. It is evident from Samuel Purchas that the English Company during early two decades of its foundation, sent out an even lesser amount of treasure compared to the quantity for which they were given the license. The Purchas note reads, “For it doeth plainly appeare in their bookes, that from the originall and first foundation of the trade in Anno 1601 until the moneth July, Anno. 1620 they have shipped away only five thousand and ninety pounds sterling in Spanish Rials, and some Dollars; whereas by licence, they might have exported in that time seven hundred and twentie [Sic.] thousand pounds sterling.”⁸⁹ The total investment of the English and the Dutch Companies from their beginnings in the East, till the 1660 was (see the table 1.2 below):

⁸⁷ *The English Factories in India, 1646-1650*, p. 212. The Nawab-Muizz-Mulk, *mutasaddi* of Surat received the Dutch Governor’s letter soliciting the issue of passes for the Indian vessels to Achin, Malacca, and the neighbouring ports on 16th August 1648.

⁸⁸ Cited in Winius & Vink, *The Merchant-Warrior Pacified*, p. 65.

⁸⁹ Samuel Purchas, *Purchas His Pilgrims*, vol. V, p. 274.

Table: 1.2

Years	No. of ships	Total value in thousand <i>£</i> .	Annual average
1599-1620	112	18,477	880
1621-1630	72	15,387	1,538
1631-1640	75	21,526	2,152
1641-1650	93	25,555	2,555
1651-1660	103	26,822	2,682

Source:⁹⁰

The analysis suggests that Holland received 7½ ships per year from the East during those sixty-one years whereas England received only 3 ships. It is interesting to note that during these sixty-one years the total invoice value of the goods originating from the East and reaching to the Europe was 9,806,000 pounds sterling. The data further informs us that in fifty-seven years the English exported about 3,865,000 pounds sterling in money and merchandise, without taking any account of the large amounts sent out to the East in the three years of open trade. This sum can be taken to represent their invoice of goods imported from the East, as the charges of factories and other establishments would have been defrayed by the earnings from their Asiatic commerce, the profits from the English merchandise sold in the East, the freights realised in carrying trade and customs of Gombroon. Even allowing more than 828,000 pounds sterling for three years of free trade export to the East, it is unlikely that the aggregate value of merchandise could far below three millions pounds sterling. It could be safely assumed on the basis of preceding data that the Englishmen spent no more than a third part of the treasure spent by their rich and prosperous Dutch rivals in the East.⁹¹ However, it would always remain a mystery as to

⁹⁰ Bal Krishna, *Commercial Relations*, p. 75.

⁹¹ *Ibid.*, p.76.

what proportion of this amount was invested in India and precisely in Surat or western India, due to the unavailability of any precise data.

The advantage of the Dutch Company over the English in terms of its capital and liquidity position always held it on a higher footing in the bullion consuming market of the East. It was not until Cromwell's time that the English Company's problems were partially overcome. It was in 1657, that the Company supported by a new charter from Cromwell, received the character of a true joint-stock enterprise thereby placing it on a firmer financial footing by subscribing 740,000 *l*⁹². Furthermore, several new charters granted by Charles II, allowed the Company same prerogatives.⁹³ Among these were rights to monopoly, minting, treaty making and raising of troops that the Dutch Company had already been enjoying for a long time.⁹⁴ Thus, it can be postulated that, by now, the English got to possess the weaponry in their arsenal to fight with their virulent rivals -the Dutch, on an equal terms and to create a commercial domain of their own.

SECTION-III

COMPETITION AND COEXISTENCE

THE ENGLISH AND DUTCH COMPANIES IN THE WESTERN INDIA FROM 1660 TO THE CLOSE OF THE CENTURY AND THE QUESTION OF DOMINANCE

The rivalry between the English and the Dutch continued throughout the seventeenth century in the East. Western India experienced a far more intense competition as the English had withdrawn to these parts, leaving the Eastern Archipelago open to Dutch domination. On the other hand, the Dutch Company was no longer content with the

⁹² *The English Factories in India, 1655-1660*, p. 113.

⁹³ *Ibid*, p. 144.

⁹⁴ Winius and Vink, *The Merchant-Warrior Pacified*, p. 56.

dominating the Spice Islands. They wanted to expand their commerce throughout Asia. It is held that the Dutch were determined to make the Surat factory a sub-capital second only to the headquarters at Batavia. In this enterprise, their potent rivals were the Portuguese and the English. 'To discountenance of their English competitors, the Dutch accused them of being involved with the Malabar pirates and of attacking and capturing pilgrim ships sailing for Jedda.'⁹⁵

The second half of the seventeenth century was a period of stiff competition as well as dominance over commerce in the Indian Ocean zone by the English and the Dutch Companies. It is curious to note that the fluctuations in relations between England and Holland in Europe always conditioned the relations of these two rival Companies in the east. However, it would be noted in this section that how the Dutch extended their overarching commercial dominance from the Spice Islands to the Western Indian Ocean, a field of comparatively brisk English operations and also a zone surrounded by mighty inland empires in contrast with the south-eastern Island states⁹⁶. It would also be examined how the Indian merchants and rulers responded to such a large scale Dutch commerce from about the mid-seventeenth century and how they exploited the situation to the best of their commercial advantage.⁹⁷ The commercial expansion vigorously pursued its course in the period due to the presence of the French, the Danes, and the privateers apart from the two

⁹⁵ Owen C. Kail, *The Dutch in India*, Delhi, 1981, pp. 61-69.

⁹⁶ In contrast with the Southeast Asian island states where the Dutch pursued a policy of subjugation and colonisation and acquired a 'monopsony right' [the right of sole purchasing] over the merchandises of the Spice Islands. However, their policy in dealings with the inland empires of Mughals and Safavid was entirely different from that of the far eastern island states. They sometimes outwitted their archival, the English, in the procurement of trading rights and privileges from the Mughals and the Safavids. For an instance see John Bruce, *Annals of the Hon'ble East India Company*, Vol. II, p. 217.

⁹⁷ T. I. Poonen, 'Anglo-Dutch Relations in India Proper (in two parts)', *Journal of Indian History*, 1950, vol. XXVIII. Poonen has taken up the issues as how the Indian merchants and rulers benefited from the two Companies rivalry.

north European Companies⁹⁸. To what extent this commercial expansion offered new opportunities for the commercial advantages of the Indian merchants? The question of bullion supply from home⁹⁹ and generation of such source in Asia itself attained high importance. The present section would be focussing on the advantages of controlling the inter-Asian trade and subsequent generation of indigenous source of money by the Companies.

The second half of the seventeenth century, notwithstanding shadows of the Anglo-Dutch war in Europe¹⁰⁰ and Aurangzeb's Deccan exploit and his resolve to bring the southern states under imperial control and his vexed political relations with the Maratha chief Shivaji¹⁰¹, witnessed the expansion of commerce. The trade between Western India and Europe shows some visible signs of constraint during 1660's and 1670's, but the inter-Asian trade of the Companies flourished during this period. It has been pointed out that the Dutch East India Company's commercial dominance in the western India came to saturation point roughly by about 1680 to 1740.¹⁰² The Indian commerce, however, continued to play a significant role in the Dutch Company's intra-Asian trade during this period.

⁹⁸ In 1673 Gerald Aungier reports to the Court that due to the influx of the European merchandises by the French and Dutch, they sell below the specified price and their demands having raised the price of Indian produce. John Bruce, *Annals of the Hon'ble East India Company*, vol. II, p. 342.

⁹⁹ We find heated debate in the English Parliament on the question of bullion supply from home by the East India Company. See specially Charles Davenant's essay in "*East Indian Trade, Selected Works, 17th Century*", England, Third Impression, 1970. Also see the Pamphlets against the East India Companies, cited in Bal Krishna, *Commercial Relations*, p. 123.

¹⁰⁰ *The English Factories in India, 1661-1664*, pp. 336, 349, 387. Also see, John Bruce, *Annals of the Hon'ble East India Company*, vol. II, London, p. 149.

¹⁰¹ Due to the unresolved political problems with the Maratha, Shivaji continued incursions into the Mughal territory and repeatedly attacked Surat in 1664 and 1670 and plundered it. "It was learnt that on Sunday, the 2nd October, 1670/ 27th Jamad. A., the accursed Shiva had attacked Surat, burnt and plundered the town for some hours, and then retired." Saqi Mustad Khan, *Maasir -i-Alamgiri*, 'A History of the Emperor Aurangzib- 'Alamgir 1658-1707' trans. by Sir Jadu Nath Sarkar, Calcutta, first published in 1947, 1990 reprint, p. 66. Also see, John Bruce, *Annals of the Hon'ble East India Company*, Vol. II, London, see pp. 144 and 244.

The English East India Company always considered the European market as their chief target to supply it with the piece goods and silk stuffs. However, during the 1660's, the English East India Company's imports to England were not as substantial as it was in the next decade. The factors responsible for such a development were the outbreak of wars with Holland and the Great Fire of London in 1666, which resulted in the burning of large stocks.¹⁰³ However, the decline was temporary. The textile trade received a fresh momentum and the annual average rose to 247,000 pieces in between 1669 to 1672 from that of 84,500 pieces in between from 1658 to 1664. In other words, the quantity of cloth to be imported from Surat almost trebled in these four years. In 1672 the English took further initiatives by bringing in throwsters, weavers, and dyers from England in order to train the Indian weavers in producing the quality, pattern and designs suited to the markets of the Europe. This gave a great encouragement to the vending of Indian cloths. The new pattern of Indian cloths ousted the German linens, Silesia cambrics and the lawns from the English market. As a consequence, the order of such easily vendible Indian cloth jumped to a considerable degree. An order list for Surat piece goods in the following table substantiates this proposition:

Table: 1.3

Years	Order for Surat piece-goods	Annual average figure
1673 to 1678	1875 thousand pieces.	312.5 thousand pieces.
1680 to 1683	2948 thousand pieces.	737 thousand pieces.

Source: ¹⁰⁴

¹⁰² Om Prakash, *European Commercial Enterprise in Pre-Colonial India*, Cambridge, 2000, p. 111.

¹⁰³ K. N. Chaudhuri, *The Trading World of Asia and the East India Company 1660-1760*, Cambridge, 1978, p. 319.

¹⁰⁴ Calculated from Bal Krishna, *Commercial Relations*, pp. 139-140.

If we look at the entire investment of the English Company for the procurement of Indian piece goods during the period of 1680-83, we find that the share of Gujarati textile stood at 34 per cent as against 66 per cent claimed by Masulipatnam and Bengal joined together. It has, thus, been appropriately argued that the continued Maratha depredations¹⁰⁵ in the manufacturing areas of western India had their effects in transferring a large part of the European trade from western to eastern India.¹⁰⁶ There is a reference suggesting substantial volumes of goods from Surat being shipped to the ports of Mocha, Jedda, Persia and Bussorah. The unpublished English despatch book's letter reads, "about sixty junks do yearly loade from Surat for Mocha, Judda, Persia and Bussorah, most of whose loading consists of Callicoes, drugs and Ahmadabad silks bought in the Bazar of Surrat."¹⁰⁷

During 1665 the Batavia Council cut down the orders for the Gujarati piece goods complaining dearness of this commodity. Even in 1666, Batavia Council again points towards the dearness of the Gujarati textiles. It appears that the Dutch Company's warehouses in the Southeast Asia had unsold stocks and therefore they were reluctant to make any substantial investment in that commodity at Surat. This situation perhaps continued even till 1669 when we are informed that the Batavia Council ordered only a small quantity of the Gujarati piece goods.¹⁰⁸ The orders from Holland for the Surat cotton piece goods show an increasing trend during the second half of the seventeenth century.

¹⁰⁵ *English Factories in India, 1661-1664*, pp. 296-316. Also see John Bruce, *Annals of the Hon'ble*, vol. II, p. 284. Shivaji twice sacked Surat. First, in 1664 and after six years later in 1670 he again looted and pillaged the city. Apart from that the last quarter of the seventeenth century had seen frequent Maratha raids in Gujarat and other adjoining Mughal territories.

¹⁰⁶ Bal Krishna, *Commercial Relations*, p. 141.

¹⁰⁷ I. A. Khan, 'Unpublished Documents Relating to English East India Company's Trade in Gujarat, 1669-1682', *Proceedings, Indian History Congress*, 52nd Session, 1991-92, p. 396. See the reference of the Despatch Book 5 July 1682, vol.90, and paras 3-5.

¹⁰⁸ Virender Bhushan Gupta, *The Dutch East India Company in Gujarat Trade, 1660-1700: A study of Selected Aspects*, Unpublished Doctoral Dissertation, University of Delhi, 1991, p. 311.

interestingly, during the last two decades of the seventeenth century the ordinary varieties of cotton calicoes far surpassed the number of fine calicoes.

Table 1.4

Years	Fine calicoes	Ordinary calicoes	Total cotton calicoes
1662	18,600	4,000	22,600
1672	45,700	16,000	49,200
1682	19,000	5,600	24,600
1692	46,000	48,000	94,000
1700	73-75,000	91,000	164,000-166,000

Source:¹⁰⁹

The mid-seventeenth century witness a general decline in the Persian silk trade of the English East India Company. This decline began to be checked in about 1669. This is further attested by the report of a Dutch agent at in Persia, which says, “ the trade of the English need not disturb us. They are, in fact, doing nothing, but are obliged to remain there on account of the tolls of Gombroon.”¹¹⁰ The Persian silk trade continued to remain at low ebb even in subsequent decades owing to the factors of bad quality and rigorous royal monopoly of the Safavids.¹¹¹

During the mid-seventeenth century the Arabian economy was reeling under recession. In 1660 an English junk proceeded to Mocha and since it was felt improbable to fetch entire return cargo from that port, the seafarer got instructions to touch Basra and Gombroon in way back, in order to lade the junk to its full capacity. As cited earlier from van Santen’s

¹⁰⁹ Ibid., pp. 231-32.

¹¹⁰ Dutch Records cited in Bal Krishna, *Commercial Relations*, p. 142.

¹¹¹ Rudolph P. Matthee, *Politics of Trade in Safavid Iran, 1600-1730*. Cambridge, 1999. See chapter on the Royal Monopoly.

work in the second section of the present chapter that the later half of the seventeenth century was a period when the Indian merchant shipping began to numerically multiply. The reason behind this development was the withdrawal of the English from the Red Sea shipping and their use of Gujarati shipping. Thus, particularly the last three decades of the seventeenth century saw a significant increase in Gujarati shipping. They plied not only in the Red Sea zone but also to Southeast Asia and China.¹¹² In 1662, a Surat merchant ship-owner Beni Das lent his ship to the English for 10,000 *mahmudis* to transport their goods to Mocha.¹¹³ The above reference shows that the English continued to purchase Mocha goods from the Surat merchants and usually paid two per cent after receiving them at Surat. The arrangement worked well for the English and they continued to purchase Mocha goods from the Surat merchants at least until 1671.¹¹⁴

In the period, the English Company's trade came under considerable pressure as the activities of private traders lowered the profit margin over the merchandise brought out from Europe. In 1663 Surat President reported to the Court, "this presidency was still exposed to the interference of the Private Traders." The Court, however, left it to the discretion of the President and Council to dispose of the English broadcloths and manufactures at small profit thinking that such an action would depress the sales of the Private Traders in those articles.¹¹⁵

The bullion supply from England during 1667-68 to 1673-74 gives us almost an equal figure of each year's export with slight fluctuations. Especially from 1669-70 to 1673-74

¹¹² Tapan Raychaudhuri and Irfan Habib eds., *The Cambridge Economic History of India*, Vol. I, 1982, p. 431.

¹¹³ Ruby Maloni, *European Merchant Capital and the Indian Economy, A Historical Reconstruction Based on Surat Factory Records 1630-1668*, p.447. Also see *English Factories in India, 1661-1664*, p. 109.

¹¹⁴ *The English Factories in India, 1670-1677*, p. 216.

¹¹⁵ John Bruce, *Annals of the Hon'ble East India Company*, vol. II, p. 120.

the figure maintains almost equal proportion except 1672-73. However, the import of bullion and merchandise in Surat shows an increasing trend. The arrival of the French Company further intensified the competition at the Surat market¹¹⁶ as they were also importing bullion and merchandise in ever-increasing quantities.

Table: 1.4

Years	Bullion sent to Asia	Sent to Surat in bullion & goods
1667-68	128,605 pounds	60,000 pounds
1668-69	162,394 pounds	75,000 pounds
1669-70	187,458 pounds	100,000 pounds
1670-71	186,149 pounds	100,000 pounds
1671-72	186,420 pounds	-----
1672-73	131,300 pounds	-----
1673-74	182,983 pounds	189,000 pounds

Source: ¹¹⁷

From the sketches of the English operations in the western India it reaffirms the argument that they had to overcome the procurement of necessary capital to finance their return cargo to England. The bulk of profits on this trade came not from the sale of European exports to India but from Asian imports sold in the markets of Europe, Africa, the New World, and even in the Middle East.¹¹⁸ The Gujarati cotton textiles were much in demand throughout the Asian markets and even in Europe. The significance of cotton textiles produced in Gujarat and their role in the international market can be properly understood in the light of the above statements.

¹¹⁶ J. J. Cummins, *The travels and controversies of Friar Domingo Navarrete, 1618-1686*, vol. II. p. 293. Navarrete writing in 1670 informs us that the French began to have trade in India and they have Factories at Surat, Rajapur, Masulipatam, Bengal, Siam and Sumatra.

¹¹⁷ Calculated and tabulated from the data presented in the *Annals of the Hon'ble East* Vol. II. See pp. 201, 224, 256, 278, 353, 357. The role of bullion streaming into Surat however, gave a major thrust to the commercial expansion in the region.

¹¹⁸ Tapan Raychaudhuri and Irfan Habib, *The Cambridge Economic History*, p. 398.

A look at the Dutch operations in the western India in this period tell us that they posed an intensified competition to the English especially in terms of establishing comparatively cordial relations with the Mughals and the Safavids as well as the native merchants. It is interesting to note that the English were given one years remittance of 1% of their customs at Surat in lieu of their effort in repulsing the attack by Shivaji.¹¹⁹ The Dutch, however, were enjoying such a privilege even without partaking in any such attacks.¹²⁰ During the mid-seventeenth century we find that the Indian merchants usually preferred the Dutch vessels for carrying their merchandises to the Persian Gulf and Red Sea regions as they found it cheaper and more accommodative. The export of goods and capital from Gujarat to various destinations in Asia and Europe by the Dutch Company during second half of the seventeenth century can be shown through the table presented below.

Table: 1.5

Years	Goods for Europe in <i>fl.</i>	Goods for Asia in <i>fl.</i>	Total value of goods in <i>fl.</i>	Cash for Asia in <i>fl.</i>	Grand total export in <i>fl.</i>
1661/2-1665/6	-----	-----	754,831	173,069	927,900
1666/7-1670/1	263,744	255,202	518,949	249,044	767,993
1671/2-1675/6	232,471	236,770	469,241	574,629	1,043,870
1676/7-1680/1	143,378	228,866	372,244	699,268	1,071,512
1681/2-1685/6	293,540	274,869	568,409	497,243	1,065,652
1686/7-1690/1	352,281	227,593	579,874	218,933	798,807
1691/2-1695/6	383,499	300,357	683,856	188,007	871,863
1696/7-1700/1	603,737	408,654	1,084,391	152,571	1,236,962

Source:¹²¹

¹¹⁹ Security of the port city of Surat caused worry to the Emperor Aurangzeb. On being informed of the capture and plunder of Surat, he ordered that the fortification of that port should be completed; and he placed Diler Khan and Khan Jahan in command of an army to punish Shivaji. See. Khafi Khan, *Muntakhab-l-Lubab*, ed. by John Dowson, First Edn. 1877, Calcutta, 1952, p. 75.

¹²⁰ John Bruce, *Annals of the Hon'ble East India Company*, vol. II, p. 217.

¹²¹ Om Prakash, *European Commercial Enterprise*, p. 185. Prof. Prakash has used various Dutch sources to calculate the data for the second half of the seventeenth century.

The goods exported by the Dutch Company to Asia and Europe from Gujarat represents substantial amount in total for forty years calculated as 5,031,795 *fl.* that is more than one hundred thousand florins per annum. During the last two decades of the seventeenth century, the average annual value of exports from the region went down to well under a million florins, though in the late 1690's it stood at a respectable *f.*1.23 million.¹²²

The English exports from the western India during last four decades of the seventeenth century has been presented below (see table 1.6). It can be gleaned through the data that the 1670's and 1680's noticed an increasing export from Asia and western India's share remained significant. The treaty of Westminster in February, 1673-74 concluded between England and the States General¹²³ led to an end to the hostilities between the two countries and perhaps the peace helped the English to expand their trading activities in Asia during the subsequent years.

Table: 1.6

Years	Total export from Asia by the English	Exports from the western India by the English	% of western India in the export from Asia
1664-1668	3,56,024 pounds	161062 pounds	45.24%
1669-1673	1142320 pounds	387684 pounds	33.93%
1674-1678	1328423 pounds	472012 pounds	35.53%
1679-1683	2051248 pounds	627015 pounds	30.56%
1684-1688	2208271 pounds	702265 pounds	31.81%
1689-1693	424503 pounds	146003 pounds	34.39%
1694-1698	671861 pounds	166340 pounds	24.75%
1699-1703	2106284 pounds	482136 pounds	22.89%

Source:¹²⁴

¹²² Ibid., p. 225.

¹²³ John Bruce, *Annals of the Hon'ble East India Company*, vol. II, p. 327.

¹²⁴ K. N. Chaudhuri, *The Trading World of Asia and the English East India Company 1660-1760*, Cambridge, New Delhi, 1978. The table has been calculated from the appendix of this book, pp. 508-509.

It has been noted that until 1670, the English Company was lagging behind the Dutch, accounting for only f.4.32 million worth of imports to Europe from India during 1668-70 against the Dutch figure of f.10.78 million. This gap had been narrowed down by 1698-1700 when the English imports had reached f.13.79 million against the Dutch figure of f.15 million.¹²⁵ The Gujarat had its share in the fast growing European market for the Indian textiles. What we find interesting is that the export of bullion in the form of silver went down by the late 1690's and the share of goods had correspondingly increased with an all time peak by the late 1690's.¹²⁶ The cotton piece goods continued to dominate and silk piece goods, as well as those made from a mixture of silk and cotton yarns, also began to figure in the exports from this point. The 1680's and 1690's also witnessed an expansion in the export of Gujarat textiles to Malay Archipelago. The export in 1680-1 amounted to 145,000 pieces costing f.250, 000. The number of pieces exported was 222,000 in 1692-3 and a record 323,000 pieces in 1696-7.¹²⁷

THE TRADING COMPANIES AND THE GROWTH OF THE INDIAN SHIPPING

It would be pertinent to examine as to which extent the heightened competition between the Dutch, the English and the French during the later seventeenth century offered fresh economic opportunities to the Indian merchants. This period witnessed the growth of Indian mercantile shipping at Surat and an increase in their Persian Gulf and Red Sea traffic.

¹²⁵ Om Prakash, *European Commercial Enterprise*, p. 118

¹²⁶ Prof. Prakash has pointed out that the export of silver rupees from Gujarat had come down to a mere f. 150,000 during the late 1690's from a peak of f. 700,000 during the late 1670's and export of goods increased correspondingly. see Om Prakash, *European Commercial Enterprise*, p. 226.

¹²⁷ Om Prakash *European Commercial Enterprise*, p. 227.

It has been argued that the English involvement in the carrying trade was prejudicial not only for the Surat merchants but for the Indian commercial enterprise as well. The Indian merchants lost their commanding position in the Asian trade and gradually reduced to mere intermediaries.¹²⁸ It has also been pointed out that the merchants like Tapi Das, Hari Vaishya, Haji Zahid Beg, Virji Vora and Bhimji Parekh etc. accumulated large fortunes out of the opportunities thrown open by the commercial expansion geared up by the activities of the Companies. Johan van Twist gives an account of the shipping at Surat during the first half of the seventeenth century and emphasises the badly built and ill defended junks. "The ships which sail annually from Surat to Mocha in the Red Sea are indeed large but badly built, and though they carry many guns, they are not protected by them... On each of these ships there are sometimes fully 1,000 men, who travel on them less for trade than to visit Medina or Mocha..."¹²⁹

The merchant ship-owner Mulla Abdul Ghaffur was most prodigious among the ship-owning merchants of Surat from about 1680 onwards. By 1701 Abdul Ghaffur became the principle ship-owning merchant, having seventeen ships out of one hundred and twelve merchants' ships of Surat. Even the Mughals had only twelve ships amongst which only five were of considerable tonnage.¹³⁰ While the Mughal ships were primarily intended for ferrying the *Haj* pilgrims, Ghafur's ships plied all over the Indian Ocean and at the time also visiting China and Manila. The tonnage of Ghafur's shipping has been calculated (excluding the missing one) at 15,200 *khandies* or 5067 tons. It has also been shown that

¹²⁸ B. G. Gokhale, *Surat in the Seventeenth Century*, p. 161.

¹²⁹ W. H. Moreland, 'Johan van Twist's Description of India', *Journal of Indian History*, Vol. XV, Part, 2, August 1936, p. 74.

¹³⁰ Ashin Das Gupta, 'The ship-owning merchants of Surat, c.1700', in Denys Lombard and Jean Aubin (eds.), *Asian Merchants and Businessmen in the Indian Ocean and the China Sea*, Oxford, 2000, pp. 106-107.

Ghaffur had employed Rs.6,08,000 capital in his entire fleet and at the time of his death on 3 January 1718 the Mughal government calculated his entire movable and immovable fortune as 8.5 million rupees. It can be said that he had employed a mere 7 per cent of his entire fortune in his shipping trade.¹³¹

The total tonnage controlled by the merchants of the Surat came to about 60,000 *khandies*, that is 20,000 dead-weight tons. This shipping was shared by as many as fifty-four persons of varying stature. The medium sized ship of 170 to 300 tons capacity was most popular and the days of the larger ships of more than six hundred tonnage were over.¹³²

The Indian merchant shipping continued to control a substantial part of the Indian Ocean trade except only an occasional fluctuation, especially in the early sixteen and early seventeenth century, when the Europeans threatened to encroach into it. Several propositions have been suggested to show the vitality of the Indian shipping and these seems to be quite plausible. It has been suggested that the European shippers charged almost double the usual freight rate usually charged by the Indian ships. Apart from that, the Indian merchants often preferred to stick to the ships of their own community because they wanted to avoid the inconveniences arising out of sharp differences in the customs known to the freighter and the owner. It was a practice of the Indian merchants to distribute their cargoes in different available shipping in order to minimise the risk of loss of cargo at the high seas. The undue exactions of the merchants by the European naval officers, which hardly figure in the properly recorded and organised European

¹³¹ Ibid., p. 107.

¹³² Ibid., pp. 107-108.

documentation, also economically offended them.¹³³ These factors can be taken as probable reasons for the growth of Indian mercantile shipping during this period.

The European ships were indeed better sailed and better defended and at times these qualities attracted Indian merchants who paid them handsome customs, but if we see a long-term trend over the century these hardly make a difference. The commercial expansion of the seventeenth century could, perhaps, have given enough scope for the Indian and the European shipping to expand their activities. And this assumption seems to be more than obvious at the turn of the seventeenth century when the Indian shipping makes its daunting presence having double of the carrying capacity as the English had in the western Indian Ocean waters.¹³⁴

Thus, it can be safely assumed that the seventeenth century had seen intense commercial activities of the European Companies involving Asian merchants. The western Indian assumed special significance as it housed one of the major textile producing region viz. Gujarat and a frequent interaction with the 'treasure chest' of the Mughal empire, Mocha. The Indian merchants continued with their enterprising skills even in the face politically indifferent Mughal officials, which seldom tried to grant some privileges to the Indian merchants against the Companies onslaught in the matter of trade and commerce. The instances of piracy and legal questions involving Companies and the mighty empires of the Mughals, Safavids and Ottomans figure prominently in the sources of this period,

¹³³ Tapan Raychaudhuri, & Irfan Habib, eds., *The Cambridge Economic History of India*, vol. I, 1984, p. 417.

¹³⁴ Holden Furber, *Bombay Presidency in Mid-Eighteenth Century*, Bombay and New York, 1965, p. 40.

nonetheless these aspects are parts and parcels of a period which witnesses such a flamboyant commercial expansion after the arrival of the English and the Dutch trading Companies.

In this chapter an effort has been made to project the seventeenth century commercial profile of western India. The European commercial expansion certainly had its impact on the economy of the region and this aspect has been given its due space in the present chapter. A reconstruction of the role of the English and Dutch Companies in the economy of the region has also been attempted. The question of commercial dominance by the Companies has been taken up in this chapter. It is observed that during the seventeenth century the exclusive control of the Dutch Company over the spice producing regions and its vigorous participation in the intra-Asian trade put it far ahead of the English East India Company. The Indian merchants and the growth of shipping at Surat have been briefly introduced. In the next chapter we will take up the issues of Indian merchants; intermediary as well as a few merchant magnates.

CHAPTER TWO

THE INDIAN MERCHANTS AND THE EUROPEAN COMPANIES: COMPETITION AND COLLABORATION

The term merchant in the context of the seventeenth century India is not a homogenous term. It includes a number of entrepreneurial communities, which had a tradition of being involved in the trade and commerce. By the western Indian community of mercantile groups we essentially refer to Vohras, Khojas, Gujarati Banias, Jain and Parsis. These were the people who had gained considerable expertise in the Asian marketing operations. They in course of time had established themselves in the region as well as in the long trading networks of the Indian Ocean. Along with these communities, it is also important to discuss the role of Arab and Armenian merchants who were active in the western Indian commerce. They, in due course, had gradually internalised themselves in Gujarati mercantile society. Some of the merchant families like Voras, Ghafurs, Chellabies can effectively be compared with the merchant families of the West like Fuggers, Tripps, Medici etc.

The Indian merchants were dispersed all along the littorals of the Indian Ocean. Some of the merchant magnates like Virji Vora, who centred at Surat, were successful in creating a web of important trading marts along the Indian Ocean seaboard through the employment of the agents.¹ In the mercantile operations of the Indian merchants kinship network was extremely important. Kinship networks on an extended scale were brought into service to

¹ William Foster ed., *English Factories in India 1624-29*, p. 212. Virji Vora had his trading interests at places like Mocha and Gombroon in the western part of the Indian Ocean and Malaya and Sumatra in the eastern part. Virji Vora also used the agency of the English Company in transmission of treasure at distant places.

manage trade in distant outposts with relatives being stationed in various terminal points of the trade. The picture that emerges in the seventeenth century is interesting indeed, as the mercantile communities reflect a plural character. They operated on both the lines of rugged individual entrepreneurship and as communal networks of established families.² Interestingly, we also find reference of Hindu merchants visiting Amsterdam during the seventeenth century.³ We will also take a brief account of the Gujarati merchant diaspora in the western Indian Ocean.

The merchants of diverse nationalities were involved in trade and commerce of Gujarat. John van Twist, a Dutch factor at Ahmadabad, noted "Gujarat is the most productive country in all India... consequently a large trade is carried on by the inhabitants and by other Indians and neighbours, also by Portuguese, English, Dutch, Persian, Arabs, Armenians, and nearly all nations of Asia except the Chinese and Japanese..."⁴

SECTION- I

THE INDIAN INTERMEDIARY MERCHANTS

The focus of this section of the present chapter would be to do an analysis of the Indian intermediary merchants and their capacity to withstand the pressure of the competition posed by the European Companies. It would also take into account the activities of the brokers, *shroffs*, and Mughal officials cum merchants. This would be followed by a

² Sinnappah Arasaratnam, *Merchants, Companies and Commerce on the Coromandel Coast, 1650-1740*, Delhi, Oxford, 1986, p. 215.

³ Philip D. Curtin, *Cross- Cultural Trade in World History*, Cambridge, 1984, p. 203.

⁴ W. H. Moreland, 'John van Twist's Description of India', *Journal of Indian History*, vol. XV, August 1936, p. 65.

discussion on some of the merchant magnates of the seventeenth century, their networks of trade and their ability to cope with the competition of the European Companies.

The native merchants at Surat⁵ had many grievances against the Portuguese and the arrival of the English Company raised the hope of finding some relief from the Portuguese highhandedness. Thomas Kerridge wrote to the Company in 1612, “concerning the people [merchants?] in general, we find their affection more to us than to our enemies, only the subjection which for these many years they have held them in fear, in regard of their shipping which they yearly sent to southwards and to the Red Sea, who dare not to departe [Sic.] from hence without their cartasse [Sic.] or license, whereof if it should please God to send us means to ease them, and by our trade bring them like profit, doubtless they would expel the Portingals.”⁶ Kerridge’s assessment of the situation proved to be true and the English force commanded by Thomas Best delivered what the former desired.

Kerridge’s catching phrases like ‘to ease them out’ and ‘by our trade bring them like profit’ were not merely aimed at the sympathetic treatment of the native merchants of Surat who were portrayed as ailing under the Portuguese affront. They also had other desires. The English too harboured the equally ambitious desire to dominate the sea and compel the native merchants to buy passes for protection of their shipping. Only a few years later in February, 1618 a letter by Thomas Roe to Kerridge made this hitherto camouflaged desire more apparent. The letter reads, “...all which take curtasses of our enemies [i.e. the Portuguese] and pay them duties for licences as lords of the sea, which wee will not

⁵ Here, the native merchants of Surat implies all the merchant groups of Asian stocks, holding different religious denominations, including Arabs, Parsis and Armenians diaspora settled and operating from Surat.

⁶ *Letters Received by the East India Company from its servants in the East*, vol. I, 1602-1613, 1896, p. 258.

acknowledge, and as their allies I would make them prize... I had rather wee begunn to compell them to take us for their protectors then another, and by this course wee shall hinder and bridle the Portugall of his profitts and force him to some composition with us, when he sees wee beginn soe [Sic.] round a course.”⁷

While taking note of the competition posed by the Dutch and the English to the Indian merchants in western India, Francisco Pelsaert wrote in 1626 “... so that the [Cambay] merchants gained largely on their purchases, as well as sales of cotton goods....we are cursed not only by the Portuguese, but by the Hindus and Moslems, who put the whole blame on us, saying that we are the scourge of their prosperity; for even though the Dutch and English business were worth of a million rupees annually, it could not be compared to the former trade which was many times greater...”⁸ It appears from the observations of Pelsaert that the Indian merchants were alarmed at the competition posed to them by the Companies.

The Gujarati merchants did feel threatened after the English encroachment in the Red Sea traffic. They protested against any investment in cotton textiles. The resistance of this nature, however, began only after 1618 when the English, as part of an official policy to engage in inter-regional trade, dispatched “Anne” to Mocha followed by the “Lion” the next year.⁹ The Mughal government properly anticipated this protestation by the Indian merchants. The English were prohibited to buy for the Red Sea and were ordered to

⁷ William Foster, *English Factories in India 1618-1621*, p. 3

⁸ W. H. Moreland & P. Geyl eds., *Jahangir's India, The Remonstrantie of Francisco Pelsaert*, Cambridge, 1925, p. 20.

⁹ See Farhat Hasan's article 'Anglo-Mughal Commercial Relations at Surat, Until the First Half of the Seventeenth Century', *Proceedings of Indian History Congress*, 51st Session, Calcutta, 1990, p. 275.

confine their purchases only for the European and Southeast Asian markets. In November, 1619 Thomas Kerridge wrote to the Company, "...after sundrie conferrences and publicke protests on both parts, an assemblie [Sic.] of all merchants were convocated by the Governour, where both in the Prince his name and for themselves they pubicklie protested against our trade into the Redd Sea, ...; and finallie prohibited our lynen investments in all places on this side Amadavad, confineinge our employments, both for England and southwards, to Baroch onlie, which, as it is the place of common recourse for all men, soe it is indeede the dearest of all other; the rest, as Surrat, Nunceree, and Baroda, they reserve for their own investments, which they alleadge afford not commodities sufficient to trade the Prince his shippe for the Red Sea, and therefore required the withdrawinge of our moneie...[Sic.]”¹⁰

Thomas Roe tells us that the English intrusion into the Red Sea trade highly perturbed Prince Khurram, the Viceroy of Gujarat. “He absolutely told me we should not trade to the Red Sea ...nor bring any corral into those parts to sell; and if [we] could not be contented to have free trade for all but Mocha, we might go out of the country if we would, for [he] must not beggar his people for us; but if [we] would have his firmaen for a house and free trade in all other places with good usage, we should have one.” writes Roe. Later also, it was reported that “For Mocha trade, he [the Prince] would not here [hear] of itt.”¹¹

The letter quoted above suggests that the merchants’ community identity was gradually being consolidated especially when they sensed a threat from the European competitors to

¹⁰ *English Factories in India 1618-1621*, p. 135.

¹¹ *Ibid.*, pp. 176-177.

their trade. Another reason for the consolidation in their ranks was the realisation that protest in groups could exert greater political pressure on the government. The sources also tell us that at this point of time that the Mughal government was safeguarding the interests of native merchants as it was recorded that “several complaints have been made to the Prince regarding the prohibition of English purchases of goods for the Red Sea; which he flatly and without any exceptions denyinge [alleaginge that thereby the merchants of Suratt would be impoverished]...”.¹² The Dutch reported that the English also carried on trade with Mocha. An English vessel that had been sent to Mocha in February 1619 with some spices and large quantity of textiles returned to Surat in October with an impressive amount of specie in the form of bullion. In due course, the Muslims, however, tried to put an effective check on this trade by banning the sale, to the English, of goods needed for Mocha.¹³

It can now be suggested that there was a gradual convergence of the trading interests of the Mughal officials [those who were active in trade] with that of the native merchants in the Red Sea traffic. Thus, for the protection of the mutual commercial interests of both parties, an opposition to the English trade was unavoidable. This point becomes more clear in the case of the coral issue. The English were prohibited to deal in this merchandise. In 1619 the Surat factors reported to the Company, “The merchants of Surratt will not suffer it to be brought into Surratt but by strong hand.”¹⁴ When the English fleet reached Swally Road

¹² Ibid, p. 165.

¹³ *The Dutch Factories in India, 1617-1623*, Document no.106, p. 131.

¹⁴ *English Factories in India 1618-1621*, p. 54.

with a considerable cache of coral on board to land it at Surat the native merchants got infuriated “all in an uproar, withstandinge you bringing of that commoditie [Sic.]”¹⁵

Though the Prince Khurram was much reluctant to give permission to the English to sell their ‘corral’; after Asaf Khan’s intervention the permission was granted for one year, the Indian Merchants, in 1623, agreed to purchase coral but on the condition that the English would not import it for more than two years: “next, for the currall tis concluded that all they have of the Companys the merchants dw[e]lling in Suratt, and those aboard the junks and toweryes [Hindi *Tari*, a boat] late arived, and the bannyans of Suratt, Amadavad, and Cambaya, shall buy the said currall as itt was rated in the custom howse, dividinge the quantety [Sic.] proportionately amongst themselves, allowinge for yt as the waight shall hould out; and the merchants that are come in the English shippes shall likewise beare a share. And also tis conditioned that the English shall not bringe currall to Suratt this two years.”¹⁶

Interestingly, it is not only the English who were dealing in coral trade. The Dutch too were involved, as is evident from the Dutch Factory Records: “in 1619 the Dutch enclosure of goods, which had been sent to Jan Pieterszoon Coen from Surat, also mentions coral among the commodities to be sent to the Surat factory though in a moderate quantity”.¹⁷ Again, Van den Broecke writing to the Directors at Amsterdam on 16th March 1623 says, “Surat could do with antique watches, some lead, quick silver, *red coral* from Marseilles,

¹⁵ Ibid., p. 137.

¹⁶ *English Factories in India, 1622-23*, p. 307.

¹⁷ Om Prakash, *The Dutch Factories in India 1617-1623*, Delhi, 1984, pp. 92-93. In a list of goods of 1619 that Dutch factors at Surat would require, only 2 to 3 packs of coral was ordered.

ivory and a small amount of spelter.”¹⁸ During 1623, when the English captured five Muslim ships to demand the compensation for the alleged losses suffered by them, a compensation of f.350, 000 was also demanded for not being allowed to sell coral that they had in their possession.¹⁹ However, we don’t find any explicit embargo issued to the Dutch merchants on the sale of coral, though it could be assumed that the Dutch under the Directorship of van den Broecke might have complied with the sentiments of the native merchants.

Pieter van den Broecke’s account informs that the Dutch traded with the Gujarati merchants throughout western Asia and Bantam. It has been opined that the Gujarati merchant community, about whom Broecke had mentioned as residing and trading outside Gujarat or peninsula of India, were Muslims with kinship ties to merchants located in Gujarat. It is curious to note that the Gujarati diaspora imitated the traditional commercial-administrative structure of Gujarat in terms of continuing with the tradition of *shahbander*, *nagarseth* or *seth*.²⁰ We also get the references of Gujaratis’ commercial activities at Shuhair on the Arabian coast. William Minor informs us that when they went ashore with Mr. Gelly, they were well received by the Governor and “there is 50 householdes of banians in the towne: the cheefe [Sic.] his name is Ramgee [Ramji].”²¹ The superstitions against crossing the sea seem to have receded to the background, where profits were involved.²²

¹⁸Ibid., p. 247.

¹⁹ Ibid., p. 274-275

²⁰ Ann Bos Radwan, *The Dutch in Western India, 1601-1632*, Calcutta, 1978, p. 51-52.

²¹ *The English Factories in India, 1624-1629*, p. 70.

²² Irfan Habib, ‘Merchant Communities in Precolonial India’ in James D. Tracy ed. *Rise of Merchant Empires: Long Distance Trade in Early Modern World, 1350-1750*, Cambridge, 1990.

BEING BOTH BROKER AND MERCHANT: A CASE OF MULTIPLE FUNCTIONS

We now turn to the intermediary merchants who functioned at times as brokers and merchants and at others combined both of the functions together especially when they were dealing with the European Companies. Like the Companies, the indigenous merchants of varying stature also had to deal with an agent who was indispensable in the procurement mechanism both at the primary level as well as at the production centres. Alexander Hamilton states that the Hindu merchants or the *Banias*²³ “were most numerous...are ✓ either merchants, bankers, brokers or pen-men, as accountants, collectors and surveyors.”²⁴ Hence, though the *Bania* had a long history of trading activities along the coast of the Indian Ocean, by the beginning of the seventeenth century, when the Companies arrived at Surat, the opportunity for them to amass large fortune increased manifold. However, it has been aptly suggested that the *Banias* should not be described as an offspring of European commerce as they had already established themselves in strong independent positions in the commercial parlance of the Indian Ocean much before European commerce began to ✓ have an effect on the Indian economy.²⁵ They operated with the Europeans on equal terms or as their commercial allies and their assistance for the latter’s successful trade in the ✓ eastern waters had become indispensable in course of the seventeenth century.

²³ *Bania* was a generic term used loosely for Hindu or Jain merchants of western India. Om Prakash, *Dutch Factories in India*, p. 134.

²⁴ Alexander Hamilton, *A New Account of the East Indies*, vol. I, London, 1930, p. 90.

²⁵ B. G. Gokhale, *Surat in the Seventeenth Century*, Bombay, 1979, p. 117.

The Indian merchants, however, were greatly accommodative to the Companies' merchants and offered them assistance and loans. In spite of this, the dearth of the ready money for the Dutch Company at Surat continued till 1619. This is attested by the reference, which says: 'Van Ravesteyn's relations with the local people were cordial. His only problem was the lack of capital. If this problem were solved, within one year he could arrange cargo for one ship to Java and another to Holland.'²⁶

The accommodation on the part of Indian merchants to the Companies continued. Around 1615-16, "A merchant called 'Kefou' by the Dutch was one of the principal commercial men in Surat. When it appeared that the *Verenigde Oostindische Compagnie's* [VOC] claim [claim over van Deynsen's proceeds] would not be immediately settled, he offered to arrange a loan for the Dutch with which to buy samples of commodities."²⁷ Loans and borrowings of money by the factors of the Companies from the Surat merchants were normal phenomena. This process was facilitated by the need on the part of the former to buy goods in the off season in order to save themselves from last hour rush for the purchase as well as the subsequent increase in prices of the goods. Sources of the period under study are full of instances of such loans and borrowing. The reference that reads, "...the loans taken from Virji Vora and the wife of Anthony Claesz. Visscher²⁸ were returned. Subsequently on the receipt of funds with the *Schoonhoven*, a loan of f.15,000

²⁶ *The Dutch Factories in India, 1617-1623*, p. 84.

²⁷ Ann Bos Radwan, *The Dutch in Western India*. See notes referred to from the Dutch primary source, p. 50.

²⁸ Anthony Claesz. Visscher was reported to be an assistant in August 1614. Van den Broecke had left him in charge of the factory at Shihir, a position he held until 1 January 1615. He came to Surat as an under-merchant in 1617 and accompanied Goeree to Agra in March 1618. On 6 November 1623, he was reported to be still working at the Surat Factory. It is interesting to note that wife of a Dutch factor, Anthony Visscher also lending money to the VOC's factory at Surat.

taken from a *bania* had also been returned...”²⁹ Thus, in other words, it can be said that the practice of borrowings and loans by the Companies from the Indian merchants, was a regular phenomenon all through the seventeenth century.

Moving from activities of the merchants to that of the brokers and agents, it becomes apparent that the latter had become an indispensable commercial ally for the European Companies. In all important cities of Gujarat and other parts of the Indies many brokers worked in the spice trade for the English. They also provided the Company with textiles and other merchandise. Some of them were the merchants of considerable standing and traded with Southeast and West Asia. Sources of the period indicate the presence of an impressive Gujarati merchant diaspora. Some of the members of this diaspora worked as brokers in Bantam, Jask, Mogustan near Bandar Abbas, Mocha, Gombroon, Suakin and Basra. Also some of them were small traders specialising in selling spices while others were primarily dependent on their affiliation with the English and the Dutch Companies in India.³⁰ Sometimes the Indian merchants and brokers traded with and on behalf of, both the English and the Dutch Companies. The European commercial expansion hence enriched the economic position of the Indian intermediary merchants. They started to operate on a wider scale as the Dutch and the English began now to increasingly rely on the use of brokers to obtain their desired commodities in western India.

The Dutch East India Company presents a remarkable example of the mutual adjustment with the Indian merchants in western India. Initially they refused to issue the passes of safe

²⁹ Om Prakash, *The Dutch Factories in India 1617-1623*, Document no. 245, p. 286.

³⁰ B. G. Gokhale, *Surat in the Seventeenth Century*, p. 124.

conduct or any lading and transporting of goods belonging to the Gujarati merchants in the Dutch vessels. But very soon they discovered that such measures would not be helpful to improve their positions in western India and only a cordial relation with the merchants and authorities could benefit the Dutch commerce. 'Based on reports sent from Surat, the *Heeren XVII*³¹ authorised the transporting of the "Moorish" ships [and the issuing of passports] in Company ships if by doing so the Company's merchants would be able to operate without injury, and if the Company would gain in prestige and respect among the Mughal authorities and merchants.'³²

There are, however, references of malpractice by the Dutch merchants at Surat; they otherwise were known for climbing to the high posts of the VOC through their honesty and hard labour. De Carpentier had written from Batavia to Van den Broecke at Surat on 8 August 1623 "some of the factors at Surat were known to buy cloth from brokers they knew and then sell it to the Company at a higher price. Such erring employees were to be sent to Batavia."³³

After the incident pertaining to the detention of Surat junks and restitution made with the Mughal authorities in 1623-24, the English Company also tried to soften its relations with the merchants of western India. The Company gave instructions to the Surat council that, "The native passengers are to be courteously and civilly treated, for that their kind usage

³¹ The *Heeren XVII* was the governing body of the VOC in the Holland, which took the major decisions pertaining to the commercial policies of the Company. The English Company also had a similar central control system, the Court of Directors in London.

³² Radwan, *The Dutch in Western India*, pp. 59-60.

³³ *The Dutch Factories in India, 1617-1623*, p. 269.

doeth greatly conserne [Sic.] our nacions repute, our pariculer friendship [Sic.] with these inhabitants, and consequently the Companies service, as well heare as in Persia.”³⁴

In the early phase of the Company’s commercial operations in western India Jadu seems to be an important broker for the English. It appears that he started dealing with the English around 1616-17 and by 1632 had gained considerable knowledge about the English Company’s commercial operations in western India. By this time he had extensively toured those commercial centres which were inextricably linked to the western India. In the course of his journey for the English Company he also travelled to cities like Agra, Ahmadabad and Burhanpur. He gradually developed links into the Imperial court and helped the English in a number of difficult situations.³⁵ Jadu also had his own trading interests as the English factors from Thatta reported to the President and Council at Surat in way of giving commercial intelligence, “The silk from Agra belonging to Jadu has made 25 per cent. profit, and might have made 10 per cent. more had it not got wet during the voyage.”³⁶

THE PAREH’S, BANIAS AND A FEW OTHER MERCHANTS

Sources of the period make reference to Tapidas Parekh who dealt with both the English and the Dutch Companies. The references from the English Factories’ Records indicate that the merchants took initiatives in the commercial expansion in hope of economic gains.

³⁴ *The English Factories in India, 1624-1629*, p. 165.

³⁵ *Letters Received*, vol. I, pp. 26, 227, 234, vol. II, p.142, vol. VI. p. 232. Also see William Foster, *Embassy of Sir Thomas Roe*, p. 221.

³⁶ *The English Factories in India, 1634-1636*, p. 131.

“ ‘Peerbora’ [Peer Vohra] and ‘Tappidas’ who have dealt very fairly, are both desirous that the English should keep a warehouse here [Baroda], ‘soe thatt they maye have a hand in itt’; and formers object in visiting Surat is chiefly to speak with the President and Council about the matter.”³⁷ Tapidas Parekh remained active in trading from 1609 to 1660, almost for half a century. It seems that money-changing or “*shroffage*” was his hereditary occupation apart from functioning as broker for the English Company.

In the above context, it would be pertinent to quote from the consultation held in Surat in 1634 which says, “ Tappidas Sheroff making request to this Counsaile [Sic.] for some yearely allowance for his service in the house upon all occasions in regard his father had such and now himself is become of ability to performe the like imployment [Sic.]: they, considering of his faire carriage to the English his honesty and readiness to accommodate the Companies occasions with money, when elsewhere it was not procurable but upon farr worse conditions, wherein he hath prevented many inconveniences by seeking to strangers, conceived his request very reasonably, and, have hereby conferred upon his request very reasonable, and have hereby conferred upon him the annual allowance of 500 mam[udi] being lesse by two hundred then his father had, till further tyme enable him to experience himself unto better deserts.”³⁸ Tapidas is last referred to in the records of English Factories in 1660.³⁹

³⁷ *The English Factories in India, 1622-1623*, p. 168-169.

³⁸ *The English Factories in India, 1634-1636*, p. 58.

³⁹ *The English Factories in India, 1655-1660*, pp. 371, 374, 376. It appears that during this time Tapidas was active as broker in Rajapur.

The other notable intermediary merchant from the Parekh family was Tulsidas Parekh, who was also a contemporary of Tapidas Pakekh. He worked for the English as broker from 1636 to 1667. In 1646, when Virji Vora refused to buy any coral from the English, Tulsidas bought a large consignment of it.⁴⁰ His sons Bhimji and Kalyan Parekh served the English Company till the end of the seventeenth century. The Parekh family, thus, was associated with the English Factory at Surat throughout the seventeenth century. It has, thus, been suggested of the Parekhs that their success and difficulties are also reflective of the fortunes and misfortunes of the mercantile broker communities of this time.⁴¹ About the Parekh family Samuel Annesley noted, "The Parracks [with whome chiefly wee have to doe] are the heads of the Gentues [Sic.] in this place, and whole body of them moves at their back in any dispute with the oppressive officers. They are wealthy, subtle and malicious, as well as powerful;..."⁴² According to the Court of Directors of the English Company Bhimji Parak had a fortune of "one million pounds sterling."⁴³

During 1669 Bhimji Parekh was charged with partiality to brokers, which was considered prejudicial to the interests of the Company. Though the Company reserved the discretion of dismissing Bhimji, however he escaped it. Bhimji enjoys a position of prominence in the contemporary documents of the period. He was probably chief among the five prominent *Banias* who had submitted petition to Gerald Aungier against the atrocities of the of the Mughal authorities at Surat and expressed strong desire to settle at Bombay under the Company's protection.⁴⁴

⁴⁰ *The English Factories in India, 1646-1650*, p. 36.

⁴¹ B. G. Gokhale, *Surat in the Seventeenth century*, 1979, p. 119.

⁴² Sushil Chaudhary, 'The Gujarati Mahajans', in *Proceedings of Indian History Congress*, 1980, p. 358.

⁴³ *Ibid.*, Letter Book, vol. 7., f.1, 5 July, 1682 cited.

⁴⁴ *The English Factories in India, 1668-1669*, p. 196.

During 1632 Kalyan Parekh was an active participant in the English trade. He also remitted large sum of money for the purchase of indigo. The English President directed that, “any surplus cash should be remitted by exchange to the Company’s *shroff* at Ahmadavad, ‘Cullian Parrecke’ [Kalyan Parak], who has been ordered to remit that and a larger sum to Agra for the purchase of 1,000 *fardles*⁴⁵ of indigo.”⁴⁶ It is significant to note that Kalyan Parekh did not exclusively deal with the English merchants only but also developed associations with the Indian merchants. As a result, the English harboured reservations against him. The English factor at Ahmadabad, Benjamin Robinson wrote to the Surat Council on 17th September 1636, “Doubt whether ‘Cullian Parrack’ can give the requisite attention to their business, as he is also agent for Mirza Mahmud and others.”⁴⁷

It seems that by 1662 Tulsidas Parekh’s economic conditions had deteriorated. Though a precise reason behind his economic deterioration is difficult to discern, the references of debts from the English Company as well as native merchants like Virji Vora which are frequent in the sources of the period, may be the possible cause. Details on Parekh’s activities suggest that he was an honest broker for the English and had lived in well off conditions for many years. The English, in a complementary gesture, tried to help him out during this hour of crisis and misery. This is illustrated by the reference which says, “Wee, being very sensible of the truth hereof, called to memory that many years since, when hee was in a flourishing condition, hee had an annuity of 500 mamoodoes allowed him by the Company; which wee doe againe revive, not doubting our masters approbation thereof,

⁴⁵ A *fardle* was amongst another set of terms used by the European merchants and it signified a package of weight with reference to indigo and sugar convenient in overland transportation. It was roughly equivalent to a pack animal, full or half buffalo, ox or camel-load.

⁴⁶ *The English Factories in India, 1630-1633*, p. 209.

⁴⁷ *The English Factories in India, 1634-1636*, pp. 292, 293.

since tis great charity and no less then his contynnuall attendance on their affaires marrits...”⁴⁸ The Company also took active initiatives to encourage other honest employees. Ranchore Motta (Mehta) who was employed on the Marine, for freighting of goods and receiving of money, impressed the president with his continued attendance on the Company’s affairs for three years. The President consequently proposed that he might have a salary of 300 Mahmudis a year from September 1, 1658, which was jointly concluded.⁴⁹

The English Company was infrequent in having a broker as honest as Tulsidas Parekh. The Factory Records are otherwise replete with the dishonest and fraudulent practices of the brokers. This is attested by the reference, “Upon the clamorous information of Lickmydas (Laxmi Das), broker of Baroch, touching some pretended abuses of late year’s in the broker’s secret cunning way of defrauding the Company in the provision of Broad Baftaes etc. we have need of this year’s waste book⁵⁰, comprehending the daily buyings [Sic.] and particular prices of all baftaes so bought, to compare with the broker Tappidasse’s book, which he hath also sent for, to justify himself against the crimes objected against him.”⁵¹ Another instance of embezzlement was in 1662 when Deoldas, the assistant of the Company’s broker Chhota Thakur, defrauded the Company of 2500 rupees. But things

⁴⁸ *The English Factories in India, 1661-1664*, pp. 89-90, 122, 318.

⁴⁹ Ruby Maloni, *European Merchant Capital and the Indian Economy*, Consultation: 28, New Delhi, 1992, p. 415.

⁵⁰ The ‘waste book’ was rough account maintained at every factory for the sale and purchases of the commodity.

⁵¹ Ruby Maloni, *European Merchant Capital*, 1992, Letter 25, pp. 207-208.

were resolved when Chhota Thakur declared himself responsible for his assistant's fraudulent activities and fulfilled the loss that the Company incurred.⁵²

At regular intervals the English initiated enquiries into the account books maintained by the brokers as they suspected them of being involved in malpractices, which in their opinion were prejudicial in the interests of the Company. Thomas Rastell wrote to Cambay, 'wherein little trust is to be reposed in the brokers who are ever falsest where they discern most negligence.'⁵³ This view is further attested by Thomas Rastell's write up to Broach factors, which said '...therefore do still detain your brokers, but sure we are of their falsity, whereof hereafter we will acquaint you at large the particulars.'⁵⁴

Beni Das was an important *Bania* broker of the English who was established at Surat. His operations included the regions of the Konkan coast, Tuticorin, Raybagh, Rajapur and Bijapur. He too had arranged substantial amount of capital for the English when they were in need of it. The Surat Council reported to the Company, "Have done their best to reduce the rate of interest paid by the Company, and, as no satisfactory arrangement could be made with Tapi Das, they approached Beni Das, who had agreed to furnish them with money up to Rs. 200,000 at 5/8 per cent per month."⁵⁵

In 1646 Beni Das proceeded from Surat to go to 'Tutta Coreen' by land. There he found the Dutch and the Portuguese busy in buying cloth; this situation forced him to buy only

⁵² *The English Factories in India, 1661-1664*, p. 90.

⁵³ Ruby Maloni, *European Merchant Capital*, 1992, Letter 39, p. 252.

⁵⁴ *Ibid.*, Letter 41, p. 256.

⁵⁵ *The English Factories in India, 1624-1629*, p. 300.

264 corge, out of the total order of 600 corge.⁵⁶ Unfortunately, Beni Das was involved in a tussle with the local Governor of Bijapur and consequently got imprisoned. The latter in the form of a punitive action had the English consignment of cloth seized. Later Beni Das reported that 'the King of Bijapur, while denying liability, had offered to allow, out of any customs falling due, one half the price of cloth (which was about 70 per cent. advance on prime cost)' and this offer of the king was rejected with the threat that 'the English will right themselves by seizing Bijapur shipping'.⁵⁷

Beni Das also participated in trading activities on his own account and through that he amassed a considerable amount of fortune which included ownership of ships. Beni Das' dealings were not just limited to the textiles for the English but included a host of other commodities as well. A reference of the period reads, 'Beni Das is to be sent to Raybag for pepper, cardamoms and saltpetre.' Around middle of 1650's one comes across those sources, which mention Beni Das as the English Company's *shroff*, who was having at least two ships named the *Nugdee* and *Diamond*⁵⁸ respectively. Actually, from the mid-seventeenth century, ship-owning by the Indian merchants had begun to get a new impetus. It has hence been suggested that though the Mughal official shipping at the Surat port was strong till 1650s, the merchants appear to have forged ahead from the next decade.⁵⁹

The Surat merchants chartered an entire ship for their trading voyages. We have interesting references of such chartered ships. During 1642 Tapi Das the chief *shroff* of the English

⁵⁶ *The English Factories in India, 1646-1650*, p. 15.

⁵⁷ *Ibid.*, p. 306.

⁵⁸ Ruby Maloni, *European Merchant Capital*, 1992, Inward Letter 8, p. 295. It has been indicated that the ship *Diamond* trading with the Persian Gulf, belonging to Beni Das.

⁵⁹ Ashin Das Gupta, 'The Ship-owning merchants of Surat, c.1700', in Denys Lombard and Jean Aubin ed. *Asain Merchants and Businessmen in the Indian Ocean and the China Sea*, Oxford, 2000. p. 106.

Company hired an English ship *Prosperous* for 5,000 mahmudis for a round voyage of Persia.⁶⁰ Sometimes Indian merchant ship-owners also lent their ships to the English merchants. Beni Das the English broker lent his ship [*Seaflower*] to the English Company's merchant Andrews in 1662 for 10,000 mahmudis for a voyage from Surat to Mocha.⁶¹

Mohan Das Parekh was yet another notable merchant who worked as a broker to the Dutch. He had extensive commercial stakes at Surat. Quite often he was involved in the independent trading activities of his own. He primarily dealt in the eastern goods like spice and tin, brought by the Dutch from Indonesia. Mohan Das also acted as *shroff* for the Dutch.⁶² He was known for his philanthropic works for the Hindus and the Christians. He sent to the Capuchin father rice, butter and vegetables to be served to the fellow Christians. Tavernier also mentions Mondas Parek⁶³ in his accounts.

The leading Parsi merchant of the time, however, was Rustamji Manekji. He was a broker to the Dutch before 1681 and later became a broker to the Portuguese and the New English Company. Apart from his role as broker to the Portuguese, he also issued passes to the Indian shipping on behalf of the Portuguese and dealt with the Mughal authority as the Portuguese attorney (*vakil*). On the lines of Beni Das, Rustamji Manekji also travelled extensively to various commercial cities of western India in order to advance commercial

⁶⁰ *The English Factories in India, 1642-1645*, p. 21.

⁶¹ *The English Factories in India, 1661-1664*, p. 109.

⁶² *The English Factories in India, 1651-1654*, p. 223.

⁶³ 'He was a rich man and very charitable, having bestowed much alms during his life on the Christian as well as on the idolaters; the Rev. Capuchin Fathers of Surat living for a part of the year on the rice, butter, and vegetables which he [Mohandas Parek] sent to them.' Tavernier quoted in the EFI, 1661-1664, p. 310.

interest of his patron. He went on to earn a large fortune from his involvement in trade and shipbuilding.

Santidas, the *nagarseth* of Ahmadabad, was a prominent Jain merchant.⁶⁴ His economic prosperity made him extremely influential in the political spheres at the Mughal court. The English often borrowed money from him in Ahmadabad. It was reported by the English factors at Ahmadabad that they “borrowed from Santidas Rs. 10,000 at one per cent. per month, with promise to see any ‘topha’ [gift] available.”⁶⁵ He made money in the jewellery business but also operated in banking and money changing.

Santidas played a significant role in the cause for the well being of the merchants of Ahmadabad. The beginning of Shahjahan’s regime spelt doom for the Ahmadabad merchants as the local governors and officials subjected them to economic exploitation. This exploitation and harassment of the Ahmadabad merchants could be stopped only after Santidas made a tour to the Mughal court and succeeded in obtaining an order from the Emperor forbidding the exaction of any further sum.⁶⁶ Interestingly, this order was issued through the intercession by the ‘Queen’ [Mumtaz Mahal] and her sister.

During 1636, the English pirates captured a Diu junk, which led Santidas to incur a loss of Rs.10, 000. The loss was compensated by the English factors. In this context, Benjamin Robinson wrote from Ahmadabad to the President and Council at Surat, “wherof Santidas

⁶⁴ Santidas was a wealthy Jain merchant of Ahmadabad and about 1638 built in that city a temple called Chintaman’s Temple.

⁶⁵ *The English Factories in India, 1624-1629*, p. 215.

⁶⁶ M. S. Commissariat, *A History of Gujarat*, Bombay, 1957, vol. II, p. 108.

here is a chiefe [Sic.] one and hath earnestly requested us to acquaint with his losse of 10,000 rupees;”⁶⁷

After having discussed the brokers and the intermediaries of non-Muslim faith, we now turn to notable Muslim merchants operating from Surat. Mirza Mahmud has been referred as to the principle ‘Moor’ merchant of Surat around 1628, who sent his goods to Batavia in English ships. He had commercial stakes in Maldives and had also placed his own agents in Bantam for whom he used to send provisions. The English President from Surat informed the Baroda factors, “ [we] will pay to Mirza Mahmud the money which is to be recovered from ‘Richondas’ .”⁶⁸ This reference attests to the effective presence of Mirza’s inland agents working at different trading centres of western India. In the western segment of the Indian Ocean he had considerable trade with Basra and the Persian Gulf. The English, however, were wary of Mirza’s growing presence. This was made evident in 1644 when the English factors from Surat complained to the Company that Mirza Mahmud, “our old false friend” together with a “company of credulous Moor and *Banian* merchants have persuaded [Sic.] Mirza Jam Quli Beg, our then Governor, that the English were spreading false scare of French piracy” to get Surat freight in their ships.⁶⁹ Mirza Mahmud also owned the ship *Taufiqi*.⁷⁰

⁶⁷ *The English Factories in India, 1634-36*, p. 136.

⁶⁸ *The English Factories in India, 1630-1633*, p. 92.

⁶⁹ *The English Factories in India, 1624-1629*, pp. 212, 330, also see *EFI, 1630-1633*, pp. 88, 92.

⁷⁰ *The English Factories in India, 1634-1636*, p. 241.

THE MUGHAL OFFICIALS AND THEIR MERCHANTILE ACTIVITIES

In a discussion on trade and commerce in the seventeenth century, it seems imperative to take into account the role of the Mughal aristocracy in it. The aristocracy did not show an aversion to trade and commerce but on the contrary took active part in it. It is interesting to note how the political power combined with trading endeavours of the Mughal officials acted to the detriment of other merchant groups.⁷¹ They tried to monopolise commodities such as indigo, lead and saltpetre, which helped them to make extraordinary profits at the cost of those merchants lacking political power to manipulate trade in their favour.⁷²

Mandelslo, who visited Surat during 1638, observed that the Muslims had an aversion to trade and commerce as a profession and preferred government positions.⁷³ Mandelslo's assumption, however, does not appear to be convincing. It is very much possible that he may have generalised his opinion by seeing the impressive number of Muslims employed in the government services. But sources of the period provide us with examples that say that it was generally the merchants who held the positions of the *mutassadi*, *shahbandar* etc. The contemporary records also attest to the existence of a large number of highly efficient and resourceful Muslim merchants in Surat.⁷⁴

⁷¹ Om Prakash, *Emergence of East India Company*, New Delhi, 2002, p. 342.

⁷² For detail analysis of the subject in question see: Chandra Satish, 'Some Aspects of the Growth of A Money Economy in India during the Seventeenth century', *Indian Economic and Social History Review*, vol. III, no. 3, 1966

⁷³ John Davies, *The Voyages and Travels of the Ambassadors*, London, 1662, p. 24. Cited in Makrand Mehta, *Indian Merchants and Entrepreneurs in Historical Perspective*, Delhi, 1991, p. 34.

⁷⁴ Geleynseen de Jong remarks that while inland trade was mostly in the hands of *Banias*, Muslim merchants dominated the overseas trade. W. Caland ed., *De Remonstrantie van W Geleynssen de Jongh's Gravenhage*, 1929, p. 43. Cited in Jawaid Akhtar's article 'Merchant Communities of Gujarat During the 17th Century as described by Geleynssen de Jongh', Papers presented in the *Indian History Congress 53rd session 1992-93*. Also see, W. H. Moreland, John Van Twist's Description of India, *Journal of Indian History*, vol. XV, Part, 2, August 1936, Sr. No.44. p. 75.

With the hope of having an increase in their profits and make a possible fortune, the Mughal officials of Gujarat took part in the trade and commerce. Their political clout and influence enabled them to surpass many hurdles that the other ordinary merchant faced in course of their trading activities. The governor of Cambay, Safi Khan⁷⁵ traded with the English in various commodities. The English factors from Cambay reported on 11 December 1623 that they had struck a bargain with Safi Khan to procure indigo at Cambay and ‘Mr. Leachland is about to go thither to receive it.’⁷⁶

In the sources of the period one can find many interesting accounts of how the collaboration between the English and the Mughal governor helped the former to relieve themselves from the undue exaction by the customs officials. Robert Young and other factors wrote from Broach to the Surat Council on 20 December 1623; “...[we] visited ‘Nahore Caun.’ He demanded the payment of customs, but this they refused, ‘standing upon our articles and agreement with Sife Caun; whereupon the question was deferred until the arrival of the latter...Saif Khan, on hearing of the dispute, wrote an order, of which they enclosed a copy; ‘the contents are that wee are not to pay custome for any goods which passeth Surratt, nether these goods which come thether from Amadavaz, Cambayett, Brodera, or bought in this cittie, except we shipp [Sic.] them from hence.’”⁷⁷ It appears from the above statements that Safi Khan was actually trying to enforce the terms of the agreement concluded between the English and the Mughals on November 10, 1623

⁷⁵ *The Dutch Factories in India, 1617-1623*, p. 283 (n). Safi Khan was son in law of Asaf Khan and had been appointed *faujdar* of Cambay by Empress Nurjahan.

⁷⁶ *The English Factories in India, 1622-1623*, p. 333.

⁷⁷ *The English Factories in India, 1622-1623*, p. 346.

regarding the transit duty. According to this agreement no transit duty could be collected overland, if they were already paid at one place i.e. at Surat.

A few years later, Safi Khan as customs officer bought a huge quantity of coral and persuaded the merchants of Ahmadabad to buy it. It resulted in a glut in the market and the English merchants consequently found it difficult to vend their consignment of that commodity. The English factors at Surat then reported to the Company on 29 November 1626, "Customer, when the government was Sife Chauns, used to engrosse [Sic.] it [coral] all, and at his resigning had quantities unsould [Sic.], which since he hath forced on the traders in Ahmadavad, whose hands being full wee shall sell little untill theirs be spent."⁷⁸

It is insightful to note that when Henry Middleton sacked the Surat junks in the Red Sea in 1611, at least two ships among the total of eight, belonged to the Mughal aristocracy; the *Rahimi* of 1500 tons belonged to Nur Jahan and *Adam Khani* to the *Shahbandar* of Surat.⁷⁹ Later in 1636, one discovers that the governor of Surat Masih-uz-Zaman owned the ship *Salamati*, which ferried in the Red Sea zone.⁸⁰ The name of the ship is significant in the light of growing piratical activities on the high seas. However, one needs to emphasise the fact that there is little information on how the goods were procured for these privileged ships of Royalty and the aristocracy.

⁷⁸ *The English Factories in India, 1624-1629*, p. 157.

⁷⁹ *Letters Received*, vol. I, p. 164.

⁸⁰ *The English Factories in India, 1634-1636*, p. 168.

It can, now, be argued that the philanthropic and religious convictions of the emperors like Jahangir and Shahjahan may have been an important factor in generating brisk economic activities. Jahangir sent about Rs.200, 000 to Cambay to be invested in goods for the Red Sea, which were intended to be sold in the markets of Jeddah. The profits made out of the sale of the Cambay goods needed to be invested in the alms to be distributed among the poor at the pilgrimage of Mecca.⁸¹ Similarly, Shah Jahan also invested around 2,40,000 rupees in the markets of Ahmadabad and Surat in order to fulfil his vow for distributing alms of Rs. 5,00,000 among the poor in the Holy cities of Mecca and Medina.⁸² Thus, it could be assumed that by combining the investment in merchandise of Gujarat with the distribution of alms to the poor out of the profit earned might have enhanced the prospects of trade in the region.

The English Factory Records bear a reference to Asaf Khan's dealing in indigo, over which he had a monopoly. Occasionally, he also purchased imported goods from the English Company. This is attested by Morris Abbot's sale of three emeralds worth 3,000 'rupes casanna' [*khazana*, i.e.treasure] to Asaf Khan. Later, at a point of time broadcloth, 'mercery' [Sic.] and jewel was also sold to Asaf Khan on a cheaper rate, with the objective to 'preserve his favour in our heate of troubles.'⁸³ In January 1618 the English gave a pass to Asaf Khan to send his ship to the Red Sea. They followed it with a pass to a ship belonging to Itimad-ud-daula, the father of Empress Nurjahan, to venture in to the Mocha trade.⁸⁴

⁸¹ *The English Factories in India, 1622-1623*, pp. 144, 171.

⁸² M. S. Commissariat, *A History of Gujarat*, vol. II, 1957, p. 111.

⁸³ *The English Factories in India, 1624-1629*, p. 33, 62.

⁸⁴ *The English Factories in India, 1618-1621*, pp. 2, 3-7.

Hence, it seems that the English were keen in winning over the most powerful groups of Mughal aristocracy, which would have given them an edge over the Indian merchants operating from Surat. In pursuance of this policy, the English decided not to harm the Mughal ships operating in the Red Sea and in 1627 the Company ordered the President and Council of Surat to protect a junk belonging to the governor of Surat.⁸⁵ At times the Mughal officials, in order to encourage the English investments in these regions and also to protect and promote their own private trading interests, went to the extent of bypassing the imperial edicts. Such a tendency benefited the English Company operating in the region.⁸⁶

In 1629, Asaf Khan bought the available Bayana indigo and put it on sale for the English, Dutch and other merchants at Agra. The Dutch and English resolved not to buy any indigo in order to frustrate Asaf Khan's monopolising tactics. However, the Dutch diluted their commitments and went on to purchase indigo from Asaf Khan. The Dutch inability to entirely comply with the agreement of not to purchase any indigo was premised on the fact that they had taken too many orders and hence could not afford to disappoint their customers. The Dutch were also highly sceptical of the monopoly lasting long and they believed that the other indigo merchants in Agra, notably the Armenians, Persians and others, who had powerful friends at Court, would negotiate an end to Asaf Khan's exclusive practices in indigo.⁸⁷

⁸⁵ *The English Factories in India, 1624-1629*, p. 166.

⁸⁶ Farhat Hasan, 'Conflict and Cooperation in Anglo-Mughal Trade Relations during the reign of Aurangzeb', *Journal of the Economic and Social History of the Orient*, vol. XXXIV, p. 356.

⁸⁷ Radwan, *The Dutch in Western India*, pp. 91-92.

Mir Musa, the governor of Cambay, involved in the transactions with the English in luxury goods, jewels etc. These goods appear to be in great demand among the ruling aristocracy. In 1625 two pairs of emeralds were sold to 'Meer Moza' who had been "sent by the Kinge expresslye [Sic.] for buying of jewells and other rareties."⁸⁸ Musa also dealt in 'the long covedo' [broad cloth?] and rated it 45 rupees a piece which the English refused to sell. "The Company's tapestry he will not buy, as it is too coarse for him. So all is now packed up in cotton wool, 'treble momjama'⁸⁹ and skins, to preserve it against the wet." The emeralds were also offered to Musa rated at four to five rupees ruttee⁹⁰, but he refused to make the purchase.

In 1632, the monopoly of trade in lead was in the hands of Mir Musa⁹¹, the governor of Surat. Citing monopoly, the English factors reported that 'the governor prevents all others from buying lead' and he monopolised trade in lead for himself. 'The Governor prevents all others from buying lead'. In 1633 the English factors again recorded, 'The Governor will not suffer us to sell it [lead] to anie but himself.' Musa also interfered in the trade of other commodities such as coral. The English factors reported to the Company on May, 1633, "The coral landed at Surat has been so highly rated by the Governor [to increase the duties payable] that it will not vend to any profit. The lead he takes into his own hands and

⁸⁸ *The English Factories in India, 1624-1629*, p. 73

⁸⁹ *Momjama* is Hindi form of wax-cloth. It should be noted here that the expensive cloths and other goods were packed with diligent care in multiple folds of the waxed cloth and skin cover.

⁹⁰ It is also a Hindi word, one *ratti* is equal in weight to a seed of *Abrus precatorius*, used as a goldsmith's weight.

⁹¹ Mir Musa was also known as Muizz-ul-Mulk, a favorite of emperors Jahangir and Shahjahan, was earlier a Governor of Cambay from 1626 to 1628. The Emperor Shahjahan gave him the title of Muizz-ul-Mulk. He was the Governor of Surat from 1629 to 1635. On the dismissal of Masih-us-Zaman as a Governor of Surat in 1638, Mir Musa was reappointed and he occupied that post until 1644. He was again appointed at the post in 1648 and continued till November 1649.

at what rates he pleases; so they are keeping on board that brought in their fleet, hoping to sell it more profitably next year 'at the coaste' .”⁹²

Mir Musa continued to extensively deal with the English in several commodities. At times, Musa facilitated the English to bypass the customhouse to the detriment of the Mughal exchequer. “Wee did therefore soe worke with this Governour this yeare that during the lading your shippes for Persia noe tobacco, cotton wooll, or rice was suffered to passe the customhouse...”⁹³ Sometimes the Companies managed to pass their goods at the custom house without checking by the customs officials. It was only possible with the help of a favour, which was often obtained, from the Governor and Customer through presents and gifts. Thus, after analysing the trading activities of Mir Musa, it can effectively be argued that he was perhaps the most commercially minded Mughal official. He sent his cargoes on Portuguese ships notwithstanding the strained political relations between the Mughals and the Portuguese.⁹⁴ He also collaborated with the rich merchants at Surat and sold wheat double the normal rate even during the years of famine.⁹⁵

In the sources of the period a passing reference of slave trade from Surat is also found. This is further illustrated by Thomas Rastell's write up in 1623 to the Pulicat Factory, “Although the *Unity* missed Pulicat and could not therefore carry to Batavia the slaves provided, they are glad to say they have been able to furnish some from Surat, having

⁹² *English Factories in India, 1630-1633*, pp. 304-305.

⁹³ *Ibid.*, pp. 26, 209.

⁹⁴ B. G. Gokhale, *Surat in the Seventeenth Century*, p. 60.

⁹⁵ *English Factories in India, 1630-1633*, p. 209.

dispatched twenty-two on the *Discovery*, besides some sent on the Fleet of Defence.”⁹⁶ Again, Justinian Offley writing from Broach to the Surat factory mentioned that the Dutch visited him, and “He [the Dutch] inquired of the English broker the date of the arrival of their [the English] ships from England and whether the English brought any slaves from Mokha;...”⁹⁷ It, however, seems unlikely that Indian intermediary merchants dealt in the slave trade. Slaves were rather expensive in Surat since the Muslims did not approve of this trade. It had to be carried on clandestinely.⁹⁸

SHIP-OWNING MERCHANTS OF SURAT

In course of seventeenth century the Red Sea trade assumed high importance and gradually became the mainstay of the Indian merchants operating in the western Indian Ocean. The English, because of its high profitable nature, were determined to have a share in the Red Sea trade. This would have proved detrimental to the Indian mercantile activities in this zone. Sir Thomas Roe believed that “Our establishment in this country will no longer continue to remain firm...unless we have some other means, either by trade or freight into the Red Sea to bear it out.”⁹⁹ The richness of the ships operating in the Red Sea network is further attested by the English sources which read, “as for the presumed poverty of the junks it need not to be doubted they will be rich enough to countervail the English goods ashore, [‘being per estimate about 26 or 27 thousand pounds sterling at most’], for often

⁹⁶ *English Factories in India, 1622-1623*, pp. 227-228.

⁹⁷ *Ibid.*, p. 228.

⁹⁸ *The Dutch Factories in India*, p. 287

⁹⁹ *Letters Received*, vol. VI, p. 176. Also see *English Factories in India, 1618-1621*, p. XII. Thomas Roe was much concerned about the drain of treasure brought out from Home, sharing the prejudices of his time. As a partial remedy, he advocated the establishment of a branch of trade between Surat and the Red Sea, which was largely paid in specie.

one ship from Jiddah is worth more in treasure alone; while as for the Dutch 'wee are noething [Sic.] interested."¹⁰⁰

The profit earned from the Red Sea trade was thus formidable. President Methwold wrote in his diary about the profit fetched in the Red Sea trade, "Indian commodities were fetching good prices; coarse baftas, costing about three mahmudis per corge, sold for 30 [3?] rials, and tobacco bought at five mahmudis [per maund?], was worth five rials of eight."¹⁰¹ It was also reported that in April 1636, eight ships reached to Mocha and six arrived at Aden. Consequently, Methwold feared that 'next year so many vessels will go that prices will fall very much.'

The inflow of the precious metal from the Red Sea and Persian Gulf into Surat by the Indian shipping comes into play here. The data presented below shows an uneven and fluctuating trend till the mid-seventeenth century. From 1653 onwards it appears that the precious metal importation continued to reflect an upward trend. However, we are presented with only fourteen years' data in the entire century. This fact renders any generalization about the trend of Indian shippers imports of precious metals subject to serious scrutiny. The data from 1657 to 1679 for more than twenty years are not provided. This was the crucial period when Indian merchant shipping into the Red Sea was recuperating

¹⁰⁰ *English Factories in India, 1624-1629*, p. 20.

¹⁰¹ *The English Factory Records, 1634-1636*, p. 300.

The precious metal imports into Surat from the Red Sea and Persian Gulf (in million rupees):

Table 2.1

Year	From the Red Sea	From the Persian Gulf
1622	2.9	?
1638	0.5	?
1641	3.5	?
1643	0.7	?
1644	1.3	?
1645	0.8	0.2
1646	1.1	0.2
1647	1.6	0.2
1649	1.8/2.4	?
1651	0.8	?
1653	2.0	?
1654	1.8/2.1	1.1
1657	?	2.0/2.5
1679	5.0	?
1685	5.0	?
1708	6.0	?

Source:¹⁰²

The English Factory Records mention a few ships along with some ship-owning merchants to whom the English had issued passes of safe conduct. Interestingly, the information provides us with an idea of the place of issuance of the passes and the destination for which ships were bound to. Apart from that the names of the ships are also interesting from

¹⁰² H W van Santen, *De Verenigde Oost-Indische Compagnie in Gujarat in Hindustan, 1620-1660*, Doctoral Dissertation, Leiden University, 1982, p. 76. Cited in Sanjay Subrahmanyam ed. *Money and Market in India 1100-1700*, Oxford, 1998, p. 199.

the sociological perspective. Unfortunately, we do not have information about the tonnage of these ships.

Table: 2.2

Date of the issuance	Name of <i>Nakhuda</i>	Name of the Ship	Bound to
5 Feb. 1633	Hussen Beage	Masihi	Mokha and back
7 Feb. 1633	Mahmud Abbas	Hasani	Ormuz and back
9 Feb. 1633	Shaikh Daud	Muniri	Ormuz
15 Feb. 1633	Shaikh Ali	Ahmadi	Mokha and back
15 Feb. 1633	Hafiz Khan	Salamati	Red Sea and back
15 Feb. 1633	Hafiz Khan	Gharib Hafiz	To the Red sea back to Gohga

Source:¹⁰³

In John Van Twist's description of India, the title of the last chapter refers to the trade carried on by the Muslims. The title reads 'Among the Dutch of the period the expression "Moors' trade" sometimes used in the wider sense of trade carried on by the Indians in general, presumably the Moslems were the principal ship-owners in the port which they frequented on their first arrival in India.'¹⁰⁴

Alexander Hamilton, an English private entrepreneur who was acquainted with Abdul Ghafur, wrote in his account, "Abdul Ghafur, a Mahomedan that I was acquainted with, drove a trade equal to the [New] English East India Company, for I have known him fitting out in a year about twenty sail of ships between 300 and 800 tons, and none of them had less of his own stock than 10,000 pounds and some of them had 25,000 and after that

¹⁰³ *The English Factory Records, 1630-1633*, p. 284.

¹⁰⁴ W. H. Moreland, 'John Van Twist's Description of India', *Journal of Indian History*, vol. XV, Part, 2, August 1936, Sr. No.44. p. 75.

foreign stock was sent away, he behould [Sic.] to have as much more of an inland for the following year's market."¹⁰⁵ If it is to be assumed that each of the twenty ships of Ghafur was carrying cargoes of 10,000 pounds on an average, the entire capital sent out would turn out to be approximately 200,000 pounds. It is also suggested that apart from sending 200,000 pounds on the ships, he went on to command even more than that sum to be shipped next year. Arnold Wright wrote, "He had built up a great fortune by successful ventures in shipping and was a conspicuous figure in the history of Western India in the closing decades of the 17th century."¹⁰⁶ Hamilton also notes that the Mughal subjects have a good many fine large ships that trade all over India.

In the English Factory Records the references to the names of Haji Zahid Beg, his son Mirza Masum and his grandson Mahmud Araff as ship owners and merchants are also found. Mirza Mahmud, the owner of *Toufiqi* and *Mahmudi*, was an immensely rich merchant having influential contacts among the ruling and business circles. Mirza Muazzam, Abdul Kadir, Haji Kadir, Agha Jafar, HaJi Abdul Nabi and Mir Nizami were among the other ship owners and merchants in the seventeenth century. It is referred that Sheikh Ahmid Sheikh Abdulla owned not less than nine ships.¹⁰⁷ These merchants ship-owner traded in the Red Sea and Persian Gulf networks of the western Indian Ocean and accumulated vast merchant capital.

¹⁰⁵ William Foster ed., *A New Account of East Indies by Alexander Hamilton*, vol. I, London 1930, p. 88.

¹⁰⁶ *Annesley of Surat and His Times*. Cited in *The Journal of the Bihar Research Society*, vol. XLVI, Jan-Dec. 1960. An article 'Mughal Naval Weakness and Aurangzeb's Attitude towards the Traders and Pirates on the Western Coast' by Syed Hasan Askari, p. 3.

¹⁰⁷ Makrand Mehta, *Indian Merchants and Entrepreneurs in Historical Perspective*, Delhi, 1991, p. 35.

The *Bohra* community, which practiced the Muslim faith, too played a pivotal role in the trade and commerce of Gujarat. “It should be known that *Bohra* means a merchant in the Indian language. As many of this tribe are merchants they have known by this name.”¹⁰⁸ Some of the prominent ship-owning merchants like Abdul Ghafur, Haji Kasim, Haji Kadir belong to this community. The rapid urbanisation of the Ismaili *Bohra* community led them to take the trade and commerce as their favourite calling. It may be assumed that the character of the Ismaili *Bohra* community as an exclusive trading community stemmed partly from its history of being a discriminated and persecuted community during the times of Gujarati Sultanate and also later.¹⁰⁹ The *Bohras*, in fact, due to their less than strict adherence to the tenets of the Islamic faith, were subjected to religious intolerance during the reign of Aurangzeb in Surat and other commercial towns of Gujarat.

MERCHANT MAGNATES OF GUJARAT

The merchant magnates of Gujarat had enormous capital at their disposal and operated on a wide scale from Surat. At times they even monopolised certain commodity and even vended them to the European Companies as well as to the Indian intermediary merchants. Virji Vora monopolised in pepper and vended it to all merchants operating from Surat. Likewise Santidas Jhaveri, Ahmed Challabi, Abdul Ghaffur also operated with considerable capital and issued bills of exchange. Some of these merchant magnates frequently lent money to the European Companies on interest.

¹⁰⁸ *The Maathir-ul-Umara*, Trans. H. Beveridge, Patna, 1979, p. 78.

¹⁰⁹ Satish Chandra Misra, *Muslim Communities of Gujarat*, London, 1964, p. 25.

It is pertinent to begin with Virji Vora¹¹⁰ who dominated the commercial world of western India, not only in terms of capital but also in terms of the power and influence that he wielded. “He awed all Banyan merchants to his observance.”¹¹¹ He traded in numerous commodities and employed millions of rupees in his commercial transactions. His commercial activities extended from Malaya and Sumatra in the Southeast to Mocha and Gombroon in the Northwestern Indian Ocean. The English Factory Records provide extensive information regarding Virji Vora’s commercial activities. Here, in this section of the present chapter, our main objective would be to discuss the extent to which the English and the Dutch Companies’ activities affected or enriched Virji Vora’s trade.

The concentration of economic power in the hands of Virji Vora had become so great that the English Council pointed out that if Virji Vora wished to deal in a particular chain of goods no other merchant in Surat could dare to challenge his wishes. The English Council at Surat reported in April, 1634, “Here in Surratt all merchants, as well towne dwellers as those that come from abroad, are so overawed by the overgrowne greatnesse [Sic.] of Verge Vora that, if it be a commoditie which he is accustomed or doth intend to buy, no man dares looke upon it, nor the broker [even our owne, which have sole dependence upon your businesse] dare not accompanie such a merchant into our house; from whence it comes to passe that although we sould the fine corral unto Tapidas almost two years since, which he not dareing to avowch, for feare of Verge Vora, continues still in our possession

¹¹⁰ It is established by K. H. Kamdar in his article “*Surat Bandarno Karodahipati Maharaj Virji Voro*” in *Journal of Gujarat Research Society*, 1968, that Vora was a Sthanakavasi Jain of the Lonkagacchhiya groups and may have been a member of the Srimali Oswal Porwal caste group.

¹¹¹ *The English Factories in India, 1642-1645*, p. 45.

under our names, there hath not bin in all this time one man that hath desired to see or buy it, butt here it lies still unrequeted and unregarded [Sic.].”¹¹²

The above reference reflects that even a broker of the English Company who had not much dependent on Vora’s good will or favour for the trading matters, also refused to come to the English Factory to receive the coral. He even failed to provide an alternative buyer for the Company’s coral. Thus, it can be assumed that the presence of such monopolistic buyer such as Virji Vora could have restricted any competition for the Company's goods. In such a situation the market for the Company’s export goods was completely predictable.¹¹³

It has been argued that the merchant prince assumed the role of a royal monopolist subservient to the bureaucratic apparatus of the state, following the decline of the guild power. His interests were then best served by effecting the concentration of economic power and not by its diffusion.¹¹⁴ It would be hard to suggest that a merchant’s guild in proper sense existed at Surat during the seventeenth century, even though the merchants’ collective resistance to safeguard their interests could be seen at certain occasions.¹¹⁵ It could be seen that the organisation of *mahajan* was always under the domineering influence of the chief merchant. Virji Vora was among the signatories of the treaty signed between the English and the Mughal authorities in September 1624 in Surat and he may be assumed to be the leader of Hindu-Jain *mahajan* organization and perhaps he was also the *Nagarseth* (leading merchant) of the city.¹¹⁶

¹¹² *The English Factories in India, 1634-1636*, p. 218.

¹¹³ Sanjay, Subrahmanyam, ed., *Money and Market in India 1100-1700*, 'Markets and Traders in India during the Seventeenth and Eighteenth Centuries', article by K. N. Chaudhuri, Delhi, Oxford, 1998, p. 264.

¹¹⁴ B. B. Mishra, *The Indian Middle Classes*, Delhi, Oxford, 1983 (reprint), p. 26.

¹¹⁵ *The English Factories in India, 1618-1621*, p.135.

¹¹⁶ B. G. Gokhale, *Surat in the Seventeenth Century*, p. 139.

Virji Vora can't be categorized as merely a broker for the English. He was a leading merchant and banker who independently dealt with the English, the Dutch and later the French as well as Indian merchants on his own terms. He acted as a banker and was known to have provided the English with substantial credit in the year 1630, "...our ancient acquaintance Vergee Vora, who hath also furnished us with a letter of credit to the amount of 25,000 rupees for your further supplie upon [Sic.] all occasions."¹¹⁷ It has thus been argued that in many instances Virji Vora was a peer and a serious competitor for the English and the Dutch at Surat.¹¹⁸

The English Council frequently purchased pepper in Surat though the practice was much disliked by directors of the Company. In this regard, at times the English were compelled by situation to purchase pepper from Virji Vora as he monopolised in that commodity. The Company's broker who had been sent to the Deccan in 1625 could not be able to buy any pepper. "The broker sent into the Deccan for pepper has been unable to obtain any, 'Virgee Vora' having offered to give the merchants a quarter of a *mahmudi* per *maund* higher than the English may tender." It was also reported from the same source that the Virji Vora had slightly modified the term and conditions for the sale of pepper to the English. On the other hand the English were also fearful that if they did not buy it, the Dutch who had recently received huge funds from the Holland would certainly make the purchase of the pepper.

¹¹⁷ *The English Factories in India, 1630-1633*, p. 56.

¹¹⁸ B. G. Gokhale, *Surat in the Seventeenth Century*, p. 138.

Thus, it was decided to 'close with him.'¹¹⁹ The English bought 20,000 maunds of pepper in 1629 from Virji Vora.¹²⁰

Virji Vora was an old customer for the coral brought by the European Companies. The English reported to the Company in 1629, "The coral was all disposed of to 'our accustomed merchant, 'Virgee Vora'..."¹²¹ We have already noted that Tapidas bought this commodity from the English but did not dare to receive it from the English warehouse in 1634. In 1644 the English reported that Vora bought up the entire consignment of coral brought by the English fleet. Vora commanded such a rigorous control over the market in coral that in a letter of 1644 the English complained that they could not sell their coral at Surat, as Virji Vora, "our almost only merchant" had a large stock on hand and was unwilling to take more unless at very low prices.

Again in 1646 when the *Eagle* brought coral and offered to Virji Vora, he refused to buy, as the southern country had been abundantly supplied from Goa. By this time Surat merchants also started receiving some consignment of coral from Mocha. In the same year the English complained that Virji Vora to whom "vast sums" are due "doeth us even to what himself pleaseth, much to your dishonour and prejudice, especially in the sale of your coral."¹²²

¹¹⁹ *The English Factories in India, 1624-1629*, p. 94.

¹²⁰ *Ibid.*, p. 327.

¹²¹ *Ibid.*, p. 334.

¹²² *The English Factories in India, 1646-1650*, p. 5.

The events of 1652 throw light upon the relations subsisting between Virji Vora and the English Company. It seems that their relations entered into the rough weather owing to certain outstanding account/ debt, which Vora seems to have failed to clear on time. As the case referred to the institution of the *Mahajan*, it is stated that a dispute with a merchant like Virji Vora could be adjudicated through this institution. The incident is also expressive of the politico-economic significance of such an institution in the commercial life of a city. Vora had insisted that the English should make some allowances and concessions to which the Surat Council strongly objected. The dispute continued for next two decades.

In 1662 two brokers Somji Chitta and Chota Thakur, working for the English Factory, were dismissed on the charges of defrauding the Company. These brokers turned to Virji Vora for the redress. 'the displaced brokers were holding many conferences with Virji Vora' and Vora cooperated with them requesting Surat merchants to deter from buying any copper and coral brought by the English ships.¹²³ Thus Virji Vora wielded his influence over the Surat merchants and imposed an embargo over the merchandise bought by the English.

Virji Vora also dealt extensively with the Dutch in finer spices like cloves, mace and nutmeg. In April 1648 he bought large quantities of cloves from the Dutch at Rs. 45 per maund¹²⁴ and sold them at Rs. 62 to 65 per maund. Thus a profit of Rs. 27 per maund as a result of almost monopolistic control over the market in spices. Hence, the English

¹²³ *The English Factories in India, 1661-1664*, p. 113.

¹²⁴ One Surat maund weighed at 27 lbs. and generally used by the merchants. However, another was great Surat maund not so frequently used weighed at 32 ½ lbs.

President Breton wrote to the Company, "Cannot promise a supply of cloves, 'their value here farr exceeding your limited price; being now sold in Surratt for 62 and 65 rupees per maund of 37 *lb*. But this is the rate which Virge Vora and some other merchants, which annually ingross [Sic.] all that come, redispouse them; who are said to pay unto the Dutch noe more then 45 rupees, and if I can possibly acquire them att that rate you shall not faile to bee furnished.' ”¹²⁵

In 1649 we find Virji Vora 'pressing of them both [the two Dutchmen] to the performance of their contract' according to which they were to supply him with all spices worth 10,000 *l*. which they brought from Java and the other islands. The president hoped to get some quantity of mace and nutmeg from Virji Vora but was constrained to admit that for these the 'prices [we]re too high' and both sorts were 'very meane and bad.'¹²⁶ Virji Vora's economic prosperity continued even till 1669-70 when we find that the French dealt with him. During 1670 Vora stopped lading of French ships because they did not clear the outstanding debt.

It seems that by 1670, his grandson Nanchand became active in the commercial dealings of Vora's estate and Vora seems to have retired from active involvement in trade.¹²⁷ It has been argued that the Voras had extensive dealings with the French during 1670s and even beyond that period. In his entry dated 1685, Francois Martin,¹²⁸ makes much of the indebtedness of the English Council to the Vora brothers. Even in 1685 Martin makes a

¹²⁵ *The English Factories in India, 1646-1650*, p. 206

¹²⁶ *Ibid.*, p. 257.

¹²⁷ B. G. Gokhale, *Surat in the Seventeenth Century*, p. 145.

¹²⁸ Francois Martin was a factor of the French Company and between 1681-1686 spent at Surat as head of the French Counter.

casual reference to the effect that the two brothers were *Banias*.¹²⁹ It seems quite plausible to assume that the Bora brothers might have been the descendents of Virji Vora. The English Factory Records maintain a complete silence about Virji Vora after 1670.

Santidas Jhaveri, a Jain from the *Srawak* community, could be mentioned as another merchant magnate of Gujarat from Ahmadabad. He was a famous jewellery merchant and the *nazarseth* of Ahmadabad during the seventeenth century. He had large stakes in money lending. He also financed the merchants as well as the State. It has been pointed out that Santidas, by virtue of his business connections and enormous fortunes, was able to exercise an influence at the Courts of successive Mughal emperors.¹³⁰ During the early years of Shahjahan's reign he secured a *farman* to end the undue exactions from the merchants by the local authorities at Ahmadabad.

During 1645, Aurangzeb, the then Viceroy of Gujarat, desecrated the beautiful Chintamani Jain temple¹³¹ of Saraspur, built by Santidas. The event did not pass without a contestation and a representation was made to the Emperor. After three years of the incident the Imperial *farman* was granted on July 3 1648, directing Ghairat Khan and other officials in Gujarat to restore the building to Santidas and make a complete restitution for the damage done.¹³² However, as a defiled temple could no longer be used by the devotees¹³³ Santidas managed to take the principal idol and reinstated it in another temple that he built for in the city.

¹²⁹ Lotika Varadarajan, 'The Brothers Boras and Virji Vora' (article), in *Journal of Economic and Social History of the Orient*, Vol. XIX, Part II, 1976, p. 226.

¹³⁰ M. S. Commissariat, *Studies in the History of Gujarat*, Bombay, 1935, p. 53.

¹³¹ This temple was built in 1638 at an estimated cost of nine lakh rupees.

¹³² M. S. Commissariat, *Studies in the History of Gujarat*, Bombay, 1935, p. 57.

¹³³ Surendranath Sen, *Indian Travels of Thevenot and Careri*, New Delhi, 1949, p. 13.

Santidas seems to have enjoyed great favour from the Mughal Court, which had bequeathed upon him an *inam*¹³⁴ for two lakh *dams*¹³⁵ worth the annual revenue earnings of the *pargana*¹³⁶ of Palitana by way of *altamgha*.¹³⁷ Similarly, we find Aurangzeb too, merely one week after the coronation, granting a *farman* on July 29, 1658, to Santidas conferring all the rights and privileges he had been enjoying on Palitana *pargana*.¹³⁸

It is interesting to note that the Prince Aurangzeb, who had desecrated and defiled the Jain temple at Ahmadabad, appears to have considerably changed his attitude towards the Jain community. One of Aurangzeb's *farmans*, discovered by Commissariat, bore contents of the grants to Santidas of the sacred Jain hills and temples at Girnar, Abu and Taranga.¹³⁹

More interesting are the financial transactions between the Mughals and Santidas and his sons. We come across the references to Santidas and his firm's valuable help extended to the Mughal armies on their marches during 1650's. Murad Bakhsh had secured a loan of five and half lakh rupees from Manekchand, the son of Santidas, and others on the eve of war of succession. In the *farman* issued on 22nd June, 1658 Murad Bakhsh as the self

¹³⁴ *Inam* was revenue-free land granted in reward for service.

¹³⁵ Owing to the rise in the silver price of copper the standard ratio of 40 *dams* to a rupee instituted under Akbar could no longer be maintained for purposes of actual payments. Since, however, the old rate continued to be used in the accounts, notably in connection with the *jama*' figures [assessed revenue] and the calculation of salaries, the *dam* of these accounts became an imaginary coin, a mere theoretical, fixed fraction of the rupee.

¹³⁶ A unit of land earmarked for the collection of the land revenue under the Mughal agrarian system.

¹³⁷ M. S. Commissariat, *Studies in the History of Gujarat*, 1935, pp. 65-66. The emperor Shahjahan and the provincial Viceroy of Gujarat, Prince Murad Baksh, granted the *farman* during 1656-57. This exalted *farman* clearly orders the competent authorities that the *Pargana* of Palitana should be granted to Santidas and his lineal descendants from generation to generation. *Altamgha* was the permanent revenue assignment to provide for assignee's family.

¹³⁸ M. S. Commissariat, *Studies in the History of Gujarat*, Bombay, 1935, pp. 67-68.

¹³⁹ *Ibid*, p. 69.

proclaimed emperor, ordered Haji Muhammad Quli to do his best for the earliest repayment of the loans to the creditors.

When Murad Bakhsh got imprisoned, Santidas turned to Aurangzeb for the repayment of the loan. Aurangzeb promptly issued a *farman* for the reimbursement of loan taken from Santidas's son and his partners. The language and tone of the *farman* was quite encouraging for Santidas. The *farman* reads, "Therefore on account of our kindness and generosity we grant the sum of one lakh of rupees from the royal treasury to the said person [Santidas], and in this connection an illustrious *farman* has been also issued to Shah Nawaz Khan."¹⁴⁰ The governor was further instructed that, "you should, with the concurrence of the above mentioned Khan [Rahmat Khan, to whom the *farman* was addressed, i.e. the *diwan* of the province at that time], give one lakh of rupees to the said person without any delay and hesitation so that he may, by making use of it, carry on his business and profit by it."¹⁴¹

Another *farman* was issued by Aurangzeb on 30th January 1659 to the son of Santidas, ordering the local authorities at Ahmadabad to help and assist the applicant in collecting whatever sum were due from his *gumastas* [the agents] and the inhabitants of Ahmadabad.

It could be suggested that, the merchants and big financiers could play a significant role during the war of succession. They could support one of the contenders to the throne and back him by giving huge sums of money on loan. Since Dara Shukoh had not been

¹⁴⁰ The first governor of Gujarat appointed by emperor Aurangzeb.

¹⁴¹ This *farman* was issued on 10th of August 1658. The translation of the *farman* is given in M. S. Commissariat, *Studies in the History of Gujarat*, 1935, pp. 72-73.

captured and entirely subdued, the victor Aurangzeb was anxious to win over the affluent merchant families and *nagarseth* of Ahmadabad.

Santidas of Ahmadabad and Virji Vora of Surat were contemporary merchant magnates of Gujarat. They gained enormously from the European commercial expansion in western India. As has been pointed out above, the Indian merchants collaborated with the Europeans as brokers and suppliers of merchandise and in turn, they greatly benefited from that. Tavernier says that the *Banias* were trained in the art of trade and business from their very childhood.¹⁴² The Indian merchants had traditionally acquired an in-depth knowledge of Asian markets and they posed a serious competition to the Europeans in western Indian, especially in the markets of the Red Sea and Persian Gulf zones throughout the seventeenth century and at least till the mid-eighteenth century. Throughout our period of study the Indian merchant capital continued to be accumulated and its growth was arrested in the eighteenth century when political anarchy crept in.¹⁴³

From around the mid-seventeenth century the Muslim ship-owners of Surat grew in numerical strength and frequented to the Red Sea and Persian Gulf markets. They competed with Europeans taking low profit on their merchandise. Thus, it may be assumed that the seventeenth century offered great prospect to the Indian merchants operating from Gujarat. The merchants continued to cash in the new opportunities thrown open by the commercial expansion in spite of some adverse political developments, like the Maratha incursions in Gujarat during the second half of the seventeenth century.

¹⁴² William Crooke ed., *Travels in India by Jean-Baptiste Tavernier*, Oriental Book Reprint, New Delhi, First Indian Edition 1977, vol. II, p. 44. 'The members of this caste are so subtle and skilful in trade that they could give lessons to the most cunning Jews...They are always with their fathers, who instructs them in trade...'

¹⁴³ Satish Chandra, 'Some Aspects of the Growth of A Money Economy in India during the Seventeenth century', *Indian Economic and Social History Review*, vol. III, no. 3, 1966, p. 331.

Aurangzeb's preoccupation with the Deccani states made the northern Indian administration somehow slack. It has been rightly held that the Indian merchants lost out only when the Mughals lost their political grip over the empire.¹⁴⁴

Thus, we have seen the trading operations of the Indian intermediary as well as merchant magnates. The interactions with the European Companies opened new opportunities for the accumulation of large merchant capital in hands of Indian merchants. After the initial phase of friction and adjustment between the Indian merchants and the Companies, both the parties were keen on aligning with each other in order to make profits in trade. As we have seen in the section one of present chapter that the Dutch and English Companies were desirous of developing friendly relations with the Indian merchants. The Indian merchants [the case of Virji Vora in point] operated with the Europeans on equal terms or as their commercial allies. The cooperation and assistance of the Indian merchants and brokers were indispensable for the Companies' trading operations in Gujarat. In the next chapter we will discuss the relations of the Mughal administration with the merchants [both Indian and the European] operating from western India.

¹⁴⁴ Tapari Raychaudhuri, & Irfan Habib eds., *The Cambridge Economic History of India*, vol. I, Delhi, 1984 (reprint), p. 429.

CHAPTER THREE

THE MUGHAL ADMINISTRATION, CUSTOM DUTIES, MINT AND MONETARY REGULATIONS

The Mughals had a centralized bureaucratic administrative structure.¹ In this chapter our focus would primarily be the administration of the commercial towns and ports of the Mughal Gujarat. The administration of commercial port cities like Surat and Cambay enjoyed certain special arrangements in comparison with other commercial towns of the Empire.² The Emperor appointed the Governors called *mutasaddi*³ for Surat and at times he intervened in the disputes arising between the imperial officials and the various merchant groups. Apart from the administration, the present chapter would also take an account of the custom duties as well as mint and monetary regulations.

The relation between the Mughals and the commercial groups of Gujarat has been the subject of a number of scholarly works.⁴ The relations between the European Companies and the Mughal officials assume particular significance in view of expanding commerce during the seventeenth century. However, it is extremely difficult to define these relations

¹ However, the notion of the centralized structure of the Mughal Empire should not be accepted without qualifying that there existed a number of autonomous states administered by the princely chiefs. These autonomous principalities used to have their own mechanisms for the collection of tolls and duties.

² B. G. Gokhale, *Surat in the Seventeenth Century*, Bombay, 1979, p. 51.

³ Syed Nawab Ali, *Mirat-i-Ahmadi* (Suppliment), Baroda, 1928, p. 214. The *mutasaddi* was the chief administrator or Governor of the port. He had a complete control over the fiscal administration. None of the ships could enter or leave the harbour, load or unload cargo unless he issued a permit. The port of Surat and the surrounding territories was placed under the *mutasaddi*.

⁴ M. N. Pearson, *Merchants and Rulers in Gujarat*, New Delhi, 1976. W. H. Moreland, *From Akbar to Aurangzeb*, London, 1923, New Delhi reprint 1972. D. Pant, *Commercial Policy of the Mughals*, Delhi, (first published 1930) reprint 1978.

in any particular framework as they present diverse aspects of hostility, cooperation and also mutual adjustment.

SECTION-I

THE MUGHAL ADMINISTRATION

The attitude of the Mughal administration towards the European commercial organizations, the nature of interaction between the port officials and the merchants, the degree of the control of the Imperial government over the port administration, and the internal dynamics of trade etc., are some of the issues which are still the subjects of academic debate. It is undeniable that the Persian sources are too scant on these issues to generate a new hypothesis, yet a new look at them becomes essential in order to review some of the continuing debates.⁵

It is a general tendency in the European sources to record the apathy and hardship that the Europeans faced in their day to day dealings with the Mughal officials. It is, hence not surprising that they do not give much heed to the concessions and other facilities extended by the port authorities to the Europeans. It may true that the *mutasaddi* of Surat Masih-uz-Zaman harboured certain personal grudge against the English, as he had been among the hostages of the ships taken by the English in 1623. Still, as Governor of the port of Surat, his policies had a positive approach in extending facilities to the merchants in order to attract more of the latter that in turn would have brought greater revenue to the exchequer. In a way it can be said, "It was rather a bad omen for the English that the Hakim [Masih-

⁵ Farhat Hasan has brought out the translation of some of the Persian sources (*Add. 24039 and 29095 preserved in the British Museum*) in his article 'Mughal Officials at Surat and their Relations with the English and the Dutch Merchants' published in 'Proceedings of the Indian History Congress' (Henceforth, *PIHC*) 1989-90.

uz-Zaman] had been one of the returning pilgrims captured by them in Surat junks in 1623; and there were other reasons for his maintaining an attitude of suspicion, if not of hostility, towards them.”⁶ In the context of the discussion, it becomes worthwhile to reproduce contents of the *Parwana* issued by Masih-us-Zaman to the important port officials along with the responsible merchants of Bandar Abbas and other ports and cities of the Empire:⁷

“...His Majesty ...has appointed this faithful servant, the writer, Masih-uz-Zaman, out of benevolence and compassion for his subjects over the country of Surat, and port and related jurisdiction, so that he may, supported by Divine favour and imperial prestige, properly rectify the injustices and oppression of his predecessors and not allow anyone to inflict oppression on any one to the slightest degree...The day I came to the custome-house (*farza*), I remitted the *sawai*, an innovation established during last fifty years...This action has attracted all kinds of people to come to this port and settle here. God willing, anyone who comes to their place, other favours too would be conferred on them in accordance with their circumstances...Some mischief-makers... to enlice the English so that the English may abandon their intercourse with Surat, and drawn by false expectations, establish intercourse with Cambay. Though the wise are sure that this cannot come to pass, still out of affection for the people of God, it is written so that they may not come to be cheated, and in pursuit of fancied profits, suffer a great loss. The ships of the English and the Dutch have all come by grace of god...”

⁶ *The English Factories in India, 1634-1636*, p. XV.

⁷ ‘Masih-uz-Zaman’s *Parwana*, dated 13th October, 1635’. Translation of this document is given in Farhat Hasan’s article ‘Mughal Officials at Surat and their Relations with the English and the Dutch merchants: based on a collection of Persian Documents of the reign of Jahangir and Shahjahan’ in *PIHC*, 1989-90, p. 292.

The above citation throws significant light on the way the port authorities dealt with the merchants in order to bring greater revenue to the customs house at Surat. The *parwana* can, hence, be cited as a document which put the generally accepted view that the Mughal authorities were indifferent to the interests of the merchants, as they did not bring revenue in any considerable scale to the imperial coffer to serious scrutiny. It also assumes significance when looked in terms of the initiatives taken by the port officials in their dealings with the merchants and the port administration. Sources of the said period suggest us that Governor Masih-uz-Zaman treaded cautiously as far as the English were concerned. His personal experiences of the English highhandedness and loss suffered because of them in 1623 gave him enough reasons to be unhappy. Still, he decided to opt for the conciliatory methods while dealing with the English.

In 1636 the Governor Masih-uz-Zaman was much outraged after hearing the news that the English ship '*William*'⁸ bypassed Surat and had proceeded thence direct to Masulipatam, without the customs clearance. This in effect was detrimental to his customs revenue. At the same time the news of *Taufiqi's* capture by the English ship *Roebuck* reached Surat. The Governor summoned Methwold and very soon imprisoned him. Asking for the restitution of the *Taufiqi's* merchandise Masih-uz-Zaman also claimed the money extorted from him while he was an English hostage on the Surat junk in 1623. The English realized that the Governor's claim for the restitution was probably legitimate. Apart from that it was also felt that they should not hesitate much in paying 850 *l.* taken from him in 1623. The English president was consequently released but only after having made the promise

⁸ The ship *William* was returning from Persia had put into Dabhol perhaps on 14th May 1636, and had then proceeded direct to Masulipatam.

that firstly, the English would not leave Surat without acquainting the Governor and secondly, that no seizure would be made of the Surat shipping. Methwold wrote in his diary, “and then haveing past mutuall imbracins and congratulations, they conducted me unto the Governor, who received me kindly, seeminge sorrowfull for the occasion of this difference and well pleased that it was reconciled;[Sic.]...”⁹

THE MUGHALS AND THE MERCHANTS

The English sources are full of details saying that the merchant communities were very often prone to heavy extortion by the Mughal officials. In other words, as per the information provided by English sources, the authorities never hesitated in extorting them, be it the occasion of the war of succession or raising the army to defend Surat from a general threat of Shivaji’s attack on the town. Abbe Carre informs us that; “He [the Governor] had all the gates shut, and posted guards everywhere for some days, while he levied a fine of more than a million dinars. This, he said, was for the pay of the soldiers whom he had brought to defend the town against Shivaji.”¹⁰ It is also said that Prince Khurram plundered Surat and extorted about twenty lakhs of rupees from the merchants to raise his army to fight the war of succession.¹¹ But the plunder and extortion of the mercantile communities was not always the case. From a later incident, it becomes much evident that the merchants used to give money on loan to the nobles, which they expected to be returned in due course of time. Santidas the *nagarseth* of Ahmadabad and three other merchants gave five and a half lakhs of rupees on loan, which later on was ordered to be

⁹ *The English Factories in India, 1634-1636*, p. 254.

¹⁰ *The Travels of Abbe Carre in India and Near East, 1672-1674*, Lady Fawcett (tr.), Sir Charles Fawcett and Sir Richard Burn, vol. I, p. 148.

¹¹ *The English Factories in India, 1624-1629*, p. 191.

paid back by Aurangzeb.¹² In the following sections we would take up the discussion first elaborating upon the relationship of the European merchants and the Mughal officials and then the Indian merchants.

THE EUROPEAN MERCHANTS

In order to have a balanced view of the relations between the Mughal authorities and the merchant groups, it is important to make efforts to discern the extent of the magnitude of oppression and extortions perpetuated by the Mughal authorities in Gujarat during the seventeenth century. The European sources, of course, are replete with such instances but in the light of their prejudices, it becomes must to be vigilant of such 'Eurocentric' biases.

Existing literature on the subject argues that the 'Indo-Portuguese interests' often dictated and fashioned the English and Dutch ventures in the western India.¹³ The interests that initially troubled the English the most were those that represented the Portuguese and those Indians, among the merchant and within the administration, who constituted a part of what may be conveniently called as 'Indo-Portuguese interests'.¹⁴ The Portuguese threat of force, in some senses, was directed against the Mughal authorities as is evident from the English letters, which were written when the *Ascension* reached to the Swally Road. They read, "[the Mughals] would not receive us unto the town, by reason that the Portugal did

¹² M. S. Commissariat, *Studies in the History of Gujarat*, Bombay, 1935, pp. 72-73. Also see, Ali Muhammad Khan, *Mirat-i-Ahmadi*, supplement, Baroda, vol. I, pp. 238-239 cited in the article 'Merchant and the local administration and civic life in Gujarat during the 17th century', by Mahendra Pal Singh in *Medieval India a Miscellany*, vol. II, 1972, p. 222

¹³ The over emphasis on the 'Indo-Portuguese interests' seems to be in contradiction with the argument that the Mughals were looking for an alternative force to counter the Portuguese highhandedness. Eventually, they found it in the English when Thomas Best inflicted crushing defeat on the Portuguese in 1612.

¹⁴ Farhat Hasan, 'Anglo-Mughal Commercial Relations at Surat, Until the First Half of the Seventeenth Century', in *Indian History Congress Proceedings*, Calcutta, 1990, p. 273.

threaten them to burn their town and take their ships if they entertain us.”¹⁵ It, hence, appears that in following years the English did not want to loose any opportunity to show their naval superiority over the Portuguese in order to impress the Mughals. The naval engagement between the English Captain Downton and the Portuguese in January 1615 off the Swally Road, in fact, generated the desired impact on the Mughals.

It seems that the Emperor was acquainted with the happenings at Surat as a reference in *Tuzuk-i-Jahangiri* reads, “The third piece of news was that the defeat of the *Warza*¹⁶, who had done his best to take the castle and port of Surat. In the roadstead of the port of Surat a fight took place between the English who had taken shelter there, and the Viceroy. Most of his ships were burnt by the English fire. Being helpless he had not the power to fight any more and took to flight. He sent some one to Mukarrab Khan, who was the Governor of the ports of Gujarat, and knocked at the door of peace, and said that he had to come to make peace and not to make war. It was the English who had stirred up the war.”¹⁷

It now becomes relevant to suggest that the Mughal authorities had started recognizing the English as potential force to disrupt the Red Sea traffic from 1612 onwards. This is evident from the writings of Nicholas Withington, “towards the end of the month, one of the junks that had suffered at Middleton’s hand arrived at the port [Surat], the chief officials assured the English factors that what had occurred would make no difference in their attitude....,

¹⁵ F. C. Danvers, and William Foster eds., *Letters Received by the East India Company from its Servants in the East*, London, 1896-1902, vol. I, p. 39.

¹⁶ ‘The *Warza*’ was the Portuguese Viceroy D. Jeronimo de Azedevo. He himself headed a massive force of ten galleons, two galleys and sixty frigates.

¹⁷ Henry Beveridge ed., *Tuzuk-i-Jahangiri, or Memoirs of Jahangir*, trans. by Alexander Rogers, London, 1909, pp. 274-75.

the leading merchants were much impressed by this proof of power by the English, and recognized that the intercourse with Mokha... was at the mercy of any nation that was strong in shipping; while the absence of Mukarrab Khan, who was at Court, also facilitated the establishment of improved relations.”¹⁸

In January 1613 Thomas Kerridge wrote to Thomas Smyth underlining Portuguese efforts to expel the English from Surat. He also mentioned that it is ‘necessary to gain the goodwill of the King and certain principal persons’.¹⁹ It seems that after the incident of Portuguese piracy on the Mughal ships in September 1613, the inhabitants of Surat turned to the English with great hope and lent all possible support. As Aldworth wrote to the Company that “Now for the state of this country and affection of these people towards us we find it as well now as at first, insomuch you shall not need to fear the sending of those ships and goods formerly wrote for...”²⁰

Now, we turn to Governor Mukarrab Khan and his liaison with the Portuguese. On February 24, 1611 Nicholas Downton wrote in a letter that the English had two enemies, the Portuguese ‘our ancient adversaries’ and the ‘deputy commanders of the country’. It has been postulated that the English were facing much opposition from Mukarrab Khan, the *Mutasaddi* of Surat and Cambay, because the latter being a ‘great favourite of theirs [the Portuguese]’.²¹ In 1614 when Jahangir had waged a war against the Portuguese²² at

¹⁸ William Foster, ed., *The Voyage of Thomas Best*, p. 188.

¹⁹ *Ibid*, p. 253

²⁰ *Letters Received*, vol. I, p. 307.

²¹ *Letters Received*, vol. IV, p. 292.

²² *Letters Received*, vol. I, pp. 300-301. The Mughals waged a war against the Portuguese after they had taken the Royal junk in September 1613. The junk was carrying the Portuguese pass.

Daman and other Portuguese settlements, the English suspected Mukarrab Khan as secretly siding with the Portuguese²³ as Mukarrab Khan had close association with a number of Portuguese merchants.²⁴

It can be argued that the English had derived hopes of the betterment of their trade mainly from two sources. Even in the face of Mukarrab Khan's harassment, they were optimistic about obtaining the Emperor's favour, as they had already been granted a *farman*. Secondly, they were encouraged by the merchants of Surat to continue with their trade. As William Edward reported to the Company in on 2nd December, 1615, "...since our coming thither, though the imbecility and weak judgement of Mocrab Chan, Viceroy of Suratt, we have had many delays in the discharge of our goods unto our great loss of time; yet the general encouragement we have by the town, of all the better sort of people, and appearance of fear in the Viceroy that our uncourteous entertainment should come to the ears of the Mogore, gives great hope of better [Sic.] in this place hereafter."²⁵

Moving on to the Dutch, it is found that they had a different experience than their English counterpart while dealing with Mukarrab Khan a few years later when he was the Viceroy of Gujarat. Wouter Heuten was utterly dissatisfied with the poor condition under which the Dutch were trading at Surat and sought an audience with Mukarrab Khan. He requested the

²³ The English's suspicion seems to be in contradiction with the Dutch source (K.A.971), which is a translated copy of the letter written in Persian by the *Shahbandar* of Surat Khwaja Hasan Ali to the Director van Berchem. 1614; ff. 111-112. The letter reads: "Presently the Governor Mukarrab Khan is at war with the Portuguese, if you were to come with two or three ships...Daman and Div would be taken from the Portuguese." Cited in Ann Bos Radwan, *The Dutch in Western India*, Calcutta, 1978, p. 26 n.

²⁴ *Letters Received*, vol. II, pp. 151, 258. Also see Farhat Hasan, 'Anglo Mughal Commercial Relations' *IHCP* 1990.

²⁵ *Letters Received*, vol. II, p. 149.

Viceroy to issue a *farman* to the VOC, ordering the Mughal officials at Surat to treat the Dutch with greater civility, and ensuring that the Dutch should not be molested. Though for the time being the matter was referred to the *Khankhanan* at Burhanpur, later on Mukarrab Khan issued *farman* granting the Dutch greater freedom to trade within the city of Surat.²⁶

The relations between the English and Mughals were made much cordial by Thomas Roe's industrious efforts. Roe's diplomatic efforts were aiming at sidelining the Portuguese from the Imperial favour. It is evident from Roe's negotiations with Prince Khurram on August, 1618: "As the Portuguese are 'common enemies to their peace and traficque, it shall be lawful for the English to land with their armes and to pass with them for the defence of their persons and goods'. If the Portuguese assail the English ships, the Surat officials shall assist the later with 'frigatts' [Sic.] and in all other ways."²⁷ Other clause of the negotiation which was more significant from the commercial point of view was, "It shall be lawful for the English 'to land any sort of goods and to relade at their pleasure; and upon the land any part to trade, traficque, [Sic.] buy and sell according to their will..., and no tolls to be demanded on the way to or from the port."²⁸

By the end of 1617 and the beginning of 1618 the Dutch received the much-awaited *farman* from the Prince Khurram, which granted them substantial privileges. Some of the important clauses of the *farman* are reproduced below:²⁹

²⁶ Ann Bos Radwan, *The Dutch in Western India*, pp. 34-36.

²⁷ *The English Factories in India 1618-1621*, p. 38.

²⁸ *Ibid.*, p. 39.

²⁹ Om Prakash, *Dutch Factories in India*, Document no. 32. New Delhi, 1984, p. 59.

- (a) That the Dutch factors stationed at Surat would be allowed to carry on their trade without hindrance.
- (b) That the duty on goods carried out of Surat would be charged at the usual rate.
- (c) That the native merchants would be allowed to buy whatever they wanted from the Dutch.
- (d) That rare items brought in by the Dutch for sale or for being given as gifts would not be opened by the authorities.
- (e) That the personal effects of a deceased Dutchman would be allowed to be handed over to his people.
- (f) That the disputes among the Dutchmen would be settled by their own superiors.
- (g) That no Dutchman or anyone else living in their territory would be converted to Islam by force.
- (h) That all eatables and drinks would be allowed to be brought in duty-free.

The Mughal officials in Gujarat were issued specific orders regarding the *farman* which had earlier been issued to the Dutch. The *farman* provided the Dutch with the tool, which they later used to build the commercial organization in Gujarat. The terms of the *farman* were almost identical to the same issued to the English and guaranteed the Dutch all the privileges that were granted to the English. Possibly, as the Mughals did not want to be reliant upon any particular European power regarding their maritime affairs, hence they tried to balance their power to have maximum advantage out of their competition. ‘...they [the Mughals] soon began to seek ways of balancing off what until then had been a Portuguese *dominium maris*.’³⁰ The Indians did gain by the mutual rivalry of the Europeans. The Mughals who had no navy of their own, however, continued to be apprehensive of the safety of the pilgrim ships to Arabia. This was also one of the factors responsible for them to look for ways to establish friendly relations with the newcomers.³¹

³⁰ D. Winius & Marcus P. M. Vink, *The Merchant-Warrior Pacified*, Delhi, Oxford, 1991, p. 23.

³¹ T. I. Poonen, Anglo-Dutch Relations in India Proper, *Journal of Indian History*, April 1950, vol. XXVIII, part -I, p. 19.

It is important to note that the “Dutch won the favour of Prince Khurram, if for no other reason because the English and the Portuguese had been spreading the canard that the Dutch were just rebels and did not have a king.”³² The bitterness experienced during initial years of the Dutch beginning in western India very soon manifested against the English when Herman Van Speult was departed from Batavia for Surat. It should be noted here that Van Speult was responsible for the Amboyna massacre. When the English protested against his appointment to the Governor General at Batavia, the later responded by saying, “Surat was too important a charge to be left in the hands of inexperienced people...”³³. Van Speult subsequently joined the Dutch factors at Surat around 1625.

In order to redress their grievances against the Mughals on land, from the first quarter of the seventeenth century, the piracy on the Indian junks by the English and the Dutch became a recurring phenomenon. ‘Towards the close of 1621, President Rastell and his Council had boldly tried a fall with the Surat authorities by causing a considerable sum of money to be taken out of the Prince’s junk to satisfy their claim against Malik Ambar; with the result that they had been turned out of their factory and compelled to seek refuge with the Dutch until a reconciliation was resulted by the English surrendering their booty.’³⁴ It has, hence, been argued that the Mughals were placed better off in dealing with such problems with the English and the Dutch than their predecessor, the Portuguese. The Portuguese, who had essentially been a coastal and maritime power, hardly ventured into

³² *Dutch Factories in India*, op.cit. p. 139

³³ T. I. Poonen, Anglo-Dutch Relations in India Proper, *Journal of Indian History*, April, 1950, vol. XXVIII, part II, p. 141.

³⁴ *The English Factory in India, 1622-1623*, introductory part.

the deep interiors of the Mughal dominions. Furthermore, this factor coupled with Mughals' own limitation of the naval strength gave the Portuguese a free hand at the high seas. Conversely, the North Europeans invested money in far inland places in the Mughal Empire. And this aspect of their trading made them amenable to the land power of the Mughals.³⁵

The Mughals always kept the English and the Dutch under pressure to convoy their junks and protect them from the pirates. William Martin reported from Broach on October, 1623, to the president and Council at Surat, "Hee [Safi Khan] saith hee is counseled by some chefe men about the Prince to make stopp of our goods, but yett hee will not doe that; but worse, for if the junk bee not carried to Gogha he will cut and slice the English and Dutch into [as?] many peeces [Sic.] as he hath hairs [hairs] upon his head..."³⁶ The Mughal officials' 'unjustified extortion' and 'increased height of present insolencie' on the land was retaliated by the English by seizing the Surat junks in October 1623. Rastell and his Council formulated demands amounting to over two millions of mahmudis [about 100,000 *l.*], and threatened that unless their demands were quickly met along with an agreement made for the future regulation of the trade, the junks and their contents would be carried away and the English factory, would consequently be abandoned.³⁷

This incident highlights the delicate nature of the relation between the Mughals and the English. The North Europeans had powerful commercial organizations backed by a

³⁵ Ashin Dasgupta, 'A note on the Ship-owning Merchants of Surat, c.1700' in *The World of Indian Ocean Merchant 1500-1800*, compiled by Uma Dasgupta, New Delhi, Oxford, 2001, p. 343.

³⁶ *The English Factories in India, 1622-1623*, p. 272.

³⁷ *The English Factories in India, 1622-1623*, p. 283.

formidable naval force, which were always prepared to take retaliatory actions against injustices committed on the land. The Mughal's relation with the English and the Dutch were punctuated by such occasional armed conflicts and they often seized Indian junks on the high seas to compel the Mughal authority to deal with them justly.³⁸

However, the incident of 1623 reached the conclusion³⁹ when the two parties came to terms on 10th November. It was agreed that the claim on account of the caravan plundered by Malik Amber's soldiers should not be insisted upon, but the English should recoup themselves as far as possible by seizing the goods of Chaul and Dabhol merchants wherever they could find them, including those in the detained junks.⁴⁰ The English were reimbursed the money extorted from them at Ahmadabad, Agra and Baroda by the Mughal authorities. More significant were the stipulations made regarding the future regulations of trade. The English were granted free trade throughout the Mughal's dominions, their goods were freed from land tolls, they were permitted to rent the house of Khwaja Hasan Ali for their Surat factory and also permitted to build or buy four frigates each year.⁴¹ Most significantly, an arrangement was made by which a sum of 40,000 mahmudis [nearly 2000/.] was to be paid yearly in lieu of all customs at Surat⁴², both outward and inward.⁴³

³⁸ B. G. Gokhale, *Surat in the Seventeenth Century*, 1979, pp. 56-57.

³⁹ The incident of seizure of the Indian junks by the English seems to be overshadowed by the rebellion of Prince Khurram in Gujarat during the same time. The Mughal Court appears to be preoccupied with the later incident and gave secondary consideration to the English overtures.

⁴⁰ The junks originating from the ports of Chaul and Dabhol generally belonged to the merchants of Malik Amber's territory.

⁴¹ *The English Factories in India, 1622-1623*, pp. XXXIII, 311.

⁴² *Ibid.* pp. 305, 311.

⁴³ As a matter of fact this stipulation regarding a fixed amount of customs was withdrawn by the revised agreement of September 1624. The right to buy or build frigates in the country was also abandoned. See *EFI-1624-1629*, p. VIII.

This agreement can, thus be interpreted as a great symbolic victory of the English for the time being. It was revised next year.

As mentioned earlier, at times the Emperor adjudicated the disputes between the Mughal officials and the European merchants, arising out of their trading activities. All the rules governing the Surat city had the imperial sanction and matters of their violations were, generally, referred to and resolved by the Emperor. The translation of a Persian document pertains to such an incident in which Mir Sharfuddin Hussain and Mir Hashim Yaqub, two officials complained to the Mughals Court in September, 1645 that the English had trespassed the rules ordered by late Afzal Khan. The complainants said that the English were piling up huge cache of arms in their factory, they were constructing a building and congregating around two to three hundred people at their residence.

The imperial *hasb-ul-hukm* ordered, “they [the English] should not have more than twenty to thirty people stationed at one place.”⁴⁴ This document focuses on two important aspects of Mughal policy regarding the European Companies and port administration, that they were not to bring weapons with them in their factories and secondly, they were not to fortify their factory.

After the incident of seizure upon the Mughal shipping in 1623 and subsequent agreement with the Mughal officials at Surat, the English considered such acts as an effective check on the Mughals. As regarding the English Company’s future strategy, they professed their

⁴⁴ Sadullah Khan’s *hasb-ul-hukm* dated 19 Rajab 1055/10th September 1645 (Doc. 16) mentions some of the conditions, which governed the port city. The translation of this document has appeared in the article by Farhat Hasan in *PIHC* 1989-90 Golden Jubilee Session, Gorakhpur.

readiness, if their employers desired, to repeat the seizure of the Junks and thus take 'a just revenge on these people.'⁴⁵ In spite of the Companies strategy to seize Indian junks to pressurize the Mughals, they still considered it more important to cultivate friendly relations with the native merchants and officials. The departure of Rastell and resumption of the post of President by Thomas Kerridge could have contributed to the improved state of affairs for the time being. If one would see the long pattern of Mughal- English relations during the seventeenth century, one finds that it was full of ruptures and was not harmonious in nature. Emperor Shahjahan was frankly suspicious of the English and his successor Aurangzeb was occasionally hostile. The pivotal cause behind this rupture was the English acts of piracy and venturing into the Red Sea traffic.⁴⁶ Evidences can be found about the Indian merchants protesting against English encroachment into the Red Sea trade to the Mughal authority. The Mughals on their part tried to restrict the English but still the English succeeded in slicing away a part of the Red Sea trade during the course of the seventeenth century.

✓ The Europeans tried to control Indian shipping by issuing passes to them.⁴⁷ By 1630 the English fleet at Surat kept busy themselves protecting Indian shipping plying on the Red Sea run. The incidents of capture of richly laden ships like the *Musahi* by the Portuguese made the requirement of the English convoyance extremely relevant in the eyes of the Mughals. Even during Aurangzeb's reign, the English continued to escort the Indian junks

⁴⁵ *The English Factories in India, 1624-1629*, p. VIII.

⁴⁶ B. G. Gokhale, 'Some Aspects of Early English Trade with Western India (1600-1650)', *Journal of Indian History*, 1962, vol. XI, Part One, p. 285.

⁴⁷ This practice of issuing passes of the safe conduct by the European Companies at the high seas was in accordance with the precedent led by the Portuguese who issues '*cartazes*' to the native junks if they had to avoid seizure and confiscation of cargoes. The Portuguese earned large amount of revenue through this redistributive enterprise and this practice earned them the title of 'custom officials'. However, for the Companies this practice was more significant in view of the recognition their authority at the high seas by the native merchants than the revenue it actually entailed.

plying in this zone. The Surat Factory Diary of August 25, 1668 notes the consultation held at Surat:

“The Governor, the Shawbunder (*Shahbandar*) and the rest of the King’s officers of this Town, upon a current report of some pirates being on the Coast which lie in wait for the Junks now daily expected from Mocha and other parts, met in a General Council concerning the business the result whereof was to desire us to send forth *Bantam Pinke*, now lay up at this Town, to meet the King’s Junks and convoy them in, which service they declare they will advise the King of, whom it will be very acceptable and who may own it by some future favours, as he did formerly the President’s sending out his *Royal Welcome* upon a like location, and did therefore press it upon us as our obligation for those late privileges [reduction of customs duty] granted by the King...”⁴⁸

It is amply clear from the above cited document that the English were obliged to convey the Royal junks on account of the concession they procured from the Emperor from time to time. The English wanted to placate the Mughals by convoying their junks. At this point of time [1668] the Mughals were unhappy about the Bombay Governor’s declaration that the passes to the Indian junks should be issued from the newly acquired island.

There were occasions when the law and order situation deteriorated in Surat and the European merchants were plundered by a band of robbers. A report of the period reads, “in Surat their [the Dutch] factory had been assaulted and robbed without any assistance or

⁴⁸ Ruby Maloni, *European Merchant Capital and Indian Economy, A Historical Reconstruction based on Surat Factory Records 1630-1668*, Consultation: 37, Manohar, 1992, p. 433

compensation being afforded by the local authorities.”⁴⁹ In 1648 around 150-armed freebooters attacked the Dutch factory. It seems hard to rule out connivance between such looters and the Mughal authorities.

The increasing events of piracy on the Mughal shipping became central cause behind the recurring conflict between the Europeans and the Mughal authorities. When Aurangzeb's ship *Ganj-i-Sawai* was captured by the English pirate Henry Every, the Mughals became infuriated. It was commonly believed in Surat that the servants of the English Factory had dealings with English pirates.⁵⁰ It has also been held that Aurangzeb was capable of reaching to an amicable solution to the growing piracy in the Arabian Sea by an agreement with all the Europeans nations trading into his dominion.⁵¹ It is doubtful that such an agreement could be implemented in the prevailing situations as the European freebooters were swelling into the Arabian Sea. They were involved in the piratical activities on the ill-defended Indian shipping.

✓ It has rightly been held that the Europeans tried to manipulate the Indian shipping through *cartazes* and armed shipping but they could not completely succeed in controlling the maritime activities of Indian merchants.⁵² The Indian merchants were traditionally rooted

⁴⁹ *The English Factories in India, 1646-1650*, p. XVII.

⁵⁰ Ruby Maloni, 'Piracy in Indian Waters in the Seventeenth Century', in *Proceedings of Indian History Congress*, 1992, p. 413.

⁵¹ Jadunath Sarkar, 'The affairs of the English Factory at Surat 1694-1700' (from original Persian records), *Indian Historical Records Commission* (henceforth IHRC), Proceedings, 1923, p. 8. Here, Sarkar's assumption seems to be a hypothetical one. The Europeans were not in hurry to end the menace of freebooter's piratical activities in the Arabian sea. Actually, these activities had indirectly benefited the Companies as the Mughals and native shipping came to heavily rely upon them for their protections of the Indian shipping and the Companies in turn enjoyed concession and privileges in trading matters for the service.

⁵² Ruby Maloni, *PIHC*, 1992, p. 414.

in the Red Sea and Persian Gulf trade. The Europeans found it hard to compete with the Indian merchants as they could operate on taking modest benefit on their merchandises and in spite of that they could still accrue substantial profits. On the other hand the Europeans had to rely upon the Indian merchants to procure their merchandises available in the Indian markets. It was only by the mid-eighteenth century that the Europeans were able to take over and direct the Indian Ocean trade.

THE INDIAN MERCHANTS

It would be imperative to redirect our focus on the relations between the Indian merchants and the Mughal officials during the period under investigation. The practice of farming the customs of the Surat to the highest bidder led to a predilection to collect money on a large scale regardless of methods involved. This practice in turn, led to the extortion of merchants by the custom authorities. The occupant of the office also resorted to the practice of farming (*ijara*) out offices and collection agencies under his control.⁵³ Since the customer's greed for extortion of money was a central aspect, they hardly made a distinction between the Indian and the European merchants when it came to making money. Delay in clearing goods at the customs house was common with the definite object of extorting bribes. It was deliberately done to bear pressure upon the merchants to fall in the official's schemes.⁵⁴ The practice of *ijara* seems to have continued until 1640's when Shahjahan ordered to abolish it.⁵⁵ This imperial order might have been an outcome of the report that the Indian merchants of Ahmadabad were transferring their capital investment

⁵³ B. G. Gokhale, *Surat in the Seventeenth Century*, 1979, p. 54.

⁵⁴ W. H. Moreland, *From Akbar to Aurangzeb*, 1990 (reprint), p. 274.

⁵⁵ Farhat Hasan, 'Anglo Mughal Commercial Relations' *Indian History Congress Proceedings*, 1990, p. 278.

from Surat to Lahari Bandar on account of the oppression practiced by the Surat customs officials.⁵⁶

As has been stated above, in the wake of custom officials corrupt and extortionist attitude it would be rash to assume that the Indian merchants had cordial relations with them. In their resistance against economic extortion, the *Bania* merchants resorted to mechanisms of general strike, complaining to the imperial Court, and general exodus etc. The organization of *mahajan* tried to protect the corporate interests of merchant class. It could be assumed that such an organization might have some degree of political influence in the ruling circles of the Mughal State.

Sources of the period and specifically the Gujarati and Persian contemporary sources give an impression that Santidas, the famous jewelry merchant and *nagarseth* of Ahmadabad commanded respect among the ruling elites of the realm.⁵⁷ It is worthwhile to note that Virji Vora was among the signatories of the treaty concluded between the English and the Mughal authorities in September 1624.⁵⁸ It amply demonstrates the political-economic significance of merchants like Virji Vora, who later became *nagarseth* and wielded far greater influence, in the commercial life of Surat.

The *Qazi* [the clergy] in their fanatic zeal started to persecute non-Muslims in Surat and other commercial centers where they held economically significant positions. The *Banias*,

⁵⁶ W. H. Moreland, *From Akbar to Aurangzeb*, 1990 (reprint), p. 274.

⁵⁷ Makrand Mehta, *Indian Merchants and Entrepreneurs in Historical Perspective*, Delhi, 1991, p. 24.

⁵⁸ *The English Factories in India, 1624-1629*, p. 59.

consequently started to migrate to Broach, which was detrimental to the economy of Surat *Sarkar*. The English factors noted, “the people of Surat suffered great want, for the *Banias* having bound themselves under severe penalties not to open their shops without order from their Mahager [*Mahajan*] or General Council, there was not any provision to be got; the *tanksal* [mint] and custom house shut; no money to be procured, so much as for house expenses, much less for trade which was wholly at a standstill.”⁵⁹ These incidents created a tense situation at Surat and the *Bania* merchants came back to Surat by December 1669, only after the state assured them safety of their religion.

The reference of merchants complaining against the extortion of the Surat Governor to the Imperial Court could be found in Abbe Carre’s account. He furnishes vivid description of an event as to how a complaint was made against the Surat Governor Mirza Saifulla in 1670. This Governor had his brother at the Court and ‘he had the ear of the ministers and skillfully managed to intercept all the Surat letters to the court.’ These letters were sent back to the Governor and in his utter rage he had beaten the leader of merchants with his slippers and seized at least two ships of an Armenian merchant Khwaja Minas.⁶⁰ It could be assumed that the complain to the Court was perhaps another possible deterrent against the tyrannical Mughal officials along with other mechanisms like general strike and mass exodus. It appears that the Governors much feared such letters of complaints to fall into the hand of the Emperor. Sometimes the Governor was panelized either by being sacked from his post or being transferred to a distant place. During Jahangir’s reign we find the

⁵⁹ *The English Factories in India, 1668-1669*, pp. 190-192.

⁶⁰ *The Travels of Abbe Carre in India and Near East, 1672-1674*, Lady Fawcett (tr.), Sir Charles Fawcett and Sir Richard Burn, v. I, p. 148

Emperor sacking the Governor of Gujarat Abdullah Khan Firoz Jang after acknowledging his misbehavior through the report of *bakhshi*.⁶¹

The Emperor often disapproved some of the actions of the local administration at Surat such as exactions of money from the mischief-mongers, the flight of good bankers (*Sahukars*) etc. It was written to the administration, "such things have been frequently reported to the sacred court. What is the reason for all this confusion of affairs? Send a detailed and proper reply for regarding these matters, the enlighten court has issued strict and emphatic injunctions."⁶²

The Mughal government did not always remain non-cooperative to the Indian merchants. There are references of their cooperation as well. During 1618-19 when it was reported that the English and Dutch were involved in seizure of the Gujarati junks for not carrying the passes issued by them in the Arabian sea, the Surat merchants appealed to the Mughal officials to cooperate with them to get the restitution made by them.⁶³ The *mahajan* also took the decision to not supply with goods needed by the English and the Dutch in order to protest against their taking of the Gujarati ships.⁶⁴ It has, hence, been argued that as a rule, perceptive Governors did not work without taking the principal merchants of the city into their confidence. They knew it well that their own tenure and prosperity depended to a large extent upon a good working relationships with the merchant community. It is

⁶¹ Paramatma Saran, *The Provincial Administration of the Mughals, 1526-1658*. Asia Publishing House, Bombay, 1973(reprint), p. 185.

⁶² Hasan Askari, 'Mughal Naval Weakness and Aurangzeb's Attitude towards the Traders and Pirates on the Western Coast' *The Journal of the Bihar Research Society*, vol. XLVI, 1960, p. 10.

⁶³ *The English Factories in India, 1618-1621*, Introduction.

⁶⁴ William Foster, *England's Quest of Eastern Trade*, London, 1933, pp. 291-293.

important to recall here that the Governor of Surat took up the matter of the English encroachment into the Red Sea trade with the imperial Court.⁶⁵

It appears from the sources that while the *Qazi's* actions were charged with the religious fanaticism, on the other hand the Governors and *subahdars* acted sensibly taking pragmatic approach during religious persecution of *Banias* at Surat and elsewhere. When the *Banias* were leaving Surat for Broach, the *Qazi* protested and threatened that if *Banias* would leave Surat he could destroy more temples and burn their holy books. The *subahdar* warned the *Qazi* and told that the *Banias* were the subjects of the Emperor and they could travel wherever they wish.⁶⁶

In the context of the discussion, it is also important to point out here that the state gave loans to the merchants on generous terms. The case of indigo monopoly and the contract given to Manohar Das Dunda is important in this respect. The English factors reported to the Council at Surat on 12th November 1633, "the later is granted the sole right of buying all indigo grown in the kingdom, and in return is to pay at the end of three years the sum of 1,100,000 rupees, viz. 200,000 rupees per annum out of his profits and 500,000 in repayment of a loan made to him out of the royal treasury; if the merchants refused to buy from 'Munnodas', and the indigo remains on his hands, he is excused from all payment to the King except in respect of the loan."⁶⁷ This example could be taken as a pointer to the fact that the state encouraged an enterprising merchant like Manohar Das Dunda.

⁶⁵ *The English Factories in India, 1618-1621*, pp. XIV-XV.

⁶⁶ B. G. Gokhale, *Surat in the Seventeenth Century*, Bombay, 1979, p. 134.

⁶⁷ *The English Factories in India 1630-1633*, pp. 324-325.

Sometime the Governor of the port city of Surat was assigned with the special duty. On 15 September 1671, a *dastak* addressed to Karim Beg, authorising him to equip a ship and bring it to the harbour of Surat for the special use of Sarkar Nawab Ulyatul Alia (Jahanara Begum) who intends to proceed for this year to Mecca on pilgrimage. Saifulla, Governor of Surat, was ordered to provide all the necessary facilities for the departure of the ship.⁶⁸

SECTION- II

THE CUSTOMS DUTIES AND CUSTOM OFFICIALS

The custom duties and custom administration involved a number of disputes between the Mughals and the European Companies throughout the seventeenth century. The Mughals tried to maximize their customs revenue of Surat through *ijara* system.⁶⁹ Though Shahjahan abolished the *ijara* system in 1640's but it was an uphill task to end the corrupt practices involved in the procedure of custom clearance. In this connection the Dutch historian of the seventeenth century Pieter van Dam's observation is important, " It is significant that in spite of Kings farman you can negotiate in this country, because mostly the governor is changed every year and therefore his only object is to fill his purse. And, since the court is distant, they even reign like kings."⁷⁰ However, time to time the Mughals sacked or transferred the corrupt *mutasaddis* of Surat on the charges of corrupt practices.⁷¹ Mu'izzul Mulk's (Mir Musa) dispute with the Dutch led his removal from the post of *mutasaddi*.⁷²

⁶⁸ Yusuf Husain Khan (ed.), *Selected Documents of Aurangzeb's Reign, 1659-1706*. Hyderabad, 1958, p. 101.

⁶⁹ Farming out the customs house to the highest bidder.

⁷⁰ Pieter van Dam cited by Karl Fischer in 'The Beginning of Dutch Trade with Gujarat', *Indian History Congress Proceedings*, Allahabad session, 1965, p. 210.

⁷¹ *The English Factories in India 1637-1641*, p. XV, EFI-1646-1650, p. 127-128, and EFI-1661-1664, p. 205 refer to the *mutasaddis* of Surat Masih-uz-Zaman in 1638, Mir Musa in 1649, Mustafa Khan in 1663, etc. were dismissed on various charges of illegal extortion and corrupt practices.

⁷² *The English Factories in India, 1646-1650*, pp. 286-287.

The hub of the functioning of the fiscal administration at Surat pertaining to trade was the customs house. Its usual transactions and procedures involved the passengers and goods coming inward or going outward. The customs house was situated into a strategic location at Tapti river.⁷³ Whenever a boat approached the customs house the custom officials stopped it and afterwards the passengers and goods were carried ashore. The passengers were led to the large Court of the customs house and thence to the hall of the customs house for the checking where the *shahbandar*⁷⁴ or chief customer used to 'sit in his *diwan* or the Court and his Clerks underneath'.⁷⁵ The passengers had to be taken in the hall one by one and the clerks used to prepare detailed particulars of goods carrying by him. This was followed by a thorough search of his person. It was a rigorous exercise and the passenger was required to take off his clothing, shoes, cap and turban. Thomas Roe refers to the customs checking, "the kings officers to search everie thing that come ashore, even the pocketts of mens clothes on their back for custom."⁷⁶ After passenger's checking was over in customs house he could not carry his belongings with him. He had to come next day at the gate of customs house to collect his belongings.⁷⁷ The 'chop' or marking the goods with the King's seal was an important function and only after receiving that the

⁷³ Surendranath Sen ed., *Indian Travels of Thevenot and Careri*, New Delhi, 1949, p. 3. Also see Hawkins, in William Foster ed. *Early Travels in India (1583-1619)*, 1927, p. 63.

⁷⁴ Abbe Carre calls the *Shahbandar* or chief customer the king of the port. Fryer informs us that the customer appears certain hours to chop [*chhap*, Hindi of seal] that is, to mark goods outward-bound, and clear those received in; upon any suspicion of default he has a Black Guard that by a 'Chwbuck', a great whip, extorts confession. John Fryer, vol. 1, p. 247.

⁷⁵ Surendranath Sen ed., *Travels of Thevenot and Careri*, p. 3.

⁷⁶ William Foster ed., *The Embassy of Sir Thomas Roe (1615-1619)*, pp. 28-29.

⁷⁷ Surendranath Sen ed., *Travels of Thevenot and Careri*, p. 3. Also see Edward Grey ed., *Travels of Pietro Della Valle in India*, vol. II, London, 1892, pp. 126-27.

goods could be taken out of the customs house.⁷⁸ Only those items brought as present to the King and princes bearing seal of Surat Governor were not required to be marked with the royal seal or 'chop' at the customs house.⁷⁹

The chief customs officer or *shahbandar* usually functioned under the *mutasaddi* of the port.⁸⁰ Haji Muhammad Zahid Beg's was the holder of the post of *shahbandar* between 1629 and 1669.⁸¹ It was the discretion of the *shahbandar* to value the goods, which were presented before him for export or import at the customs house. In the course of present paper who would discuss the implications of the practice of over valuation by the customer. Such practices led serious disputes with the European Companies.⁸² Other officials in process of the valuation of the goods assisted the chief customer. The accounts of the customs house proceedings were written in Persian as well as Gujarati. "...the real customhouse books were kept in Persian, whereas those produced were 'written in Banian.'"⁸³ When the Governor had taken the customs house on *ijara* or farming, he worked with the customer with a proper understanding. More often than rare the office of custom was re-farmed to the customer by the Governor. This practice resulted in increased corruption and harassment of the traders. Thus, Shahjahan finally abolished the practice of *ijara* for the Surat customs house in 1640's.

⁷⁸ *The Travels of Abbe Carre in India and Near East, 1672-1674*, Lady Fawcett (tr.), Sir Charles Fawcett and Sir Richard Burn, p. 247. Also see 'Pieter van Den Broecke's Surat Diary', tr. W H Moreland, *Journal of Indian History*, vol. XI, part I (1932), pp. 5, 210. [Preserved in microfiche in the ICHR library, New Delhi.]

⁷⁹ *The English Factories in India, 1618-1621*, p. 40-41.

⁸⁰ John Fryer; vol. I, p. 247. Also see Surendranath Sen ed., *Travels of Thevenot*, p. 38.

⁸¹ M. N. Pearson, *Merchants and Rulers in Gujarat*, p. 127.

⁸² *The English Factories in India, 1618-1621*, pp. 187-188.

⁸³ *The English Factories in India, 1630-1633*, p. 154.

J. Ovington informs us that ‘all strange coyn, whether Imported or Exported, pays to the Mogul’s officers Two and a half per cent and other Goods more.’⁸⁴ The custom charges at Surat on goods were fixed as two and a half per cent.⁸⁵ and for bullion either silver or gold, two per cent.⁸⁶ But in practice the merchants were exacted at least one per cent. extra on the name of custom and precedent or *dasturi* on all imported or exported goods. It has been noted by Thomas Best who visited Surat in 1612, “...all English commodities shall pay custome, according to the value or price that it beareth at the time that it is put into the custom house, after the rate of three and halfe the hundred.”⁸⁷ Though the imperial regulations always held that the custom should be taken at two and a half per cent. but one per cent. was always incurred as the customer’s brokerage. It was reported by the English factors that, “ inhabitants pay 2 ½ % custom and all other strangers, besides the said custom, do pay one per cent extorted, which they call the customer’s brokerage.”⁸⁸ Mandelso also refer to the custom duty paid at Surat, which three and a half per cent. on goods and two per cent. on bullion. The Dutch account also speaks, “The rate of custom-duty payable is 2.5 per cent. Goods transported inland or brought from there have to pay an additional duty of 1 per cent.”⁸⁹

It would be pertinent to take an account of the functioning of the customs house and how the goods were valued. The everyday functioning of the customs house involved a huge

⁸⁴ J. Ovington, *A voyage to Surat in the Year 1689*, ed. by H G Rawlinson, London, 1929, p. 132.

⁸⁵ Abul Fazal, *Ain-i-Akbari*, vol. I, ed. H. Blockmann, p. 204.

⁸⁶ W. H. Moreland, & P. Geyl eds., *Jahangir’s India , The Remonstrantie of Francisco Pelsaert*. Cambridge, 1925. p. 42.

⁸⁷ Foster William ed., *The Embassy of Sir Thomas Roe to India, 1615-19*, Oxford, 1926, p. 137. Also see *Early Travels*, p. 28

⁸⁸ *The English Factories in India, 1624-1629*, p. 92.

⁸⁹ Om Prakash, *The Dutch Factories in India, 1617-1623*, Document no.107, New Delhi, 1984, p. 135. The document also emphasizes that one should have a cordial relation with the *faujdar* [probably the Governor] who was practically a sovereign authority, in order to get his goods cleared on time at the customs house.

amount of goods passing through inward and outward. The valuation of goods was most crucial function of the custom authorities. It has been held that the *mutasaddi* along with the prominent merchants of Surat formed a 'jury' and helped the customer to dispose off his business.⁹⁰ It has been shown that the Mughals were quite specific about the percentage to be taken *ad valorem* on the inward and outward cargoes. But the system of valuation was quite vague and the custom officials made use of it to maximize the illegal exactions from the merchants by over valuing the price of commodities. This was a natural outcome of the *ijara* system and *mutasaddis*, to meet the initial contractual obligation, reimbursed themselves by overvaluing goods.⁹¹

Masih-uz-Zaman in his *parwana* dated on 13th October, 1635 records about the customs house, "The day I came to the customs-house (*farza*), I remitted the *sawai* an innovation established during last fifty years, whereby the valuation of the goods and merchandise of merchants was first enhanced (by 25% of the actual figure), and then *ushur* (customs dues, lit. 'tithes') collected..."⁹² It is evident from this source that the practice of collecting 25% extra was in vogue till Masih-uz-Zaman remitted it in 1635. It seems that the practice of over valuation continued during Masih-uz-Zaman's tenure. As it was written to the Company by William Fremlen on May 1, 1636, "For here the Governors will is a law; so that hee settts what prices hee pleaseth on commodities, that thereby it cometh to passe that, whiles you thinke you pay but 3 ½ per cent., your customes stands you in twice as much, for the goods are oftentimes rated at double the prizes they cost, as was that indico I

⁹⁰ M. P. Singh, 'The Custom and Custom House at Surat in the Seventeenth Century' *Quarterly Review of Historical Studies*, 1970-71, p. 83.

⁹¹ Farhat Hasan, 'The Mughal fiscal system in Surat and the English East India Company', *Modern Asian Studies*, 27,4 (1993), pp. 714-715.

⁹² *Masih-uz-Zaman's Parwana*, translation is given in Farhat Hasan's article 'Mughal Officials at Surat' in *PIHC*, 1989-90, p. 292.

bought in Agra, which costing 61 rupees per maund was here rated by Mazel Mulk at 110 ruppees, because (he said) it was worth so much in Persia. But at Bandar Laree it is not so; for there the prizes are knowne and sett downe in a rate booke, not to bee innovated or altered at every covetous or unjust Governours will...”⁹³

It is quite evident from the above reference that while the goods were over-rated at Surat, the customs house at Lahiri Bandar’s followed a set pattern regarding the valuation process. Here the values of different goods were laid down in the rate book and customs were charged according to the rate. This factor regarding the custom collection at Lahiri Bandar could perhaps have attracted the merchants who otherwise frequented to Surat. Masih-uz-Zaman faced competition from that port and his *parwana* bears testimony to the fact that he was anxious to bring more merchants to the Surat port by granting concessions like *sawai* and *ushur* to them. But the real problem of over valuation seems to be left untouched by him.

The Persian sources inform us that Shahjahan issued regulation (*zabita*) against the practice of over valuation of goods at the customs house. After the Dutch sent the representation to the Mughal Court, Shahjahan issued a *farman* in 1642 which directed the custom authorities that ‘the goods purchased at Agra shall be assessed by raising the cost price by ‘ten twelfth’ that is 20% and those purchased at Ahmadabad by ‘ten half’ that is 5%. The assessment of merchandise bought at Surat, Baroda and other places ‘in the vicinity’ of Surat to be at cost price stated in the account books (*bihchak*).⁹⁴

⁹³ *The English Factories in India, 1634-1636*, p. 244.

⁹⁴ Farhat Hasan’s article ‘Mughal Fiscal System’, *MAS*, 1993, p. 715. Translation of the Persian document, B N Suppl. Persan 482, ff. 7(b)-8(a) cited.

It would be pertinent to take an account of the Companies' as well as Indian merchants' dealings with the custom officials at Surat. We will discuss the Companies' claim for remittances of the customs and duties from time to time. What role did the representations and embassies of the trading Companies to the Mughal emperors play in the procurement of favorable terms for their commerce in the Mughal Empire? Did the Indian merchants enjoy certain immunities from tolls and customs duty vis-à-vis European Companies by the State? We would try to delve into these questions in the following pages.

During the time William Hawkins arrived at Surat in 1608, he approached the chief customer, "who was the only man that seafaring causes belong unto," to unload the cargo and open a factory. The customer excused himself saying that 'in Surat hee had no command, save only over the Kings customs' and the government of Surat belonged unto two great noblemen, the viceroy of the Deccan *Khankhanan* and the viceroy of Cambay and Surat 'named Mocab Chan'.⁹⁵

It appears that the presents and gifts played a significant role in getting favour from the Mughal authorities. The English were quick to learn this tactic and used it frequently. Nicholas Withington wrote, "There is an order in this cuntry that strangers cominge to visite an inhabitante (bee hee a man of anye fasshion) doe presente him with somethinge or other, and not to come to him emptye-handed; insomuch that our people which we sente firste on shore, having nothing but money aboute them to give for presents, were fayne to

⁹⁵ William Foster, *Early Travels in India, 1583-1619*, p. 71.

presente the Governor of the cittye and other chiefe men with each royall of eight, which they kyndlye accepted, takinge [Sic.] yt for a great honour to be presented, though the presente bee but small.⁹⁶ Signifying the presents Thomas Kerridge also wrote from Surat to Sir Thomas Smyth on 25th January, 1613, “It is therefore necessary for us to gain the goodwill of the King and certain principal persons; the which may be obtained with some triffls [Sic.] from our country, rather than by the gift of other things of greater value.”⁹⁷

It is interesting to note that the early English adventurers in the Mughal Empire realized that a representation by the merchant could not be entertained at the Royal Court. “...Mr. Aldworthe’s opinion was that whosoever should go up to the king under the title of a merchant should not be respected, as by experience in the entertainment of Paul Canning, for that merchants generally are not regarded by the king.”⁹⁸ The realization of the ‘oriental truth’ about the social recognition of the merchants by the Englishmen resulted in the Embassy of Sir Thomas Roe ‘the man of noble blood’ in 1615. In 1616, we find that Thomas Roe received two *farmans*, which freed them from any inland duty or tolls. “...the Prince had signed two *farmans*, authorizing the residence of the English at Surat and their free passage inland, and ordering redress for the abuses they had suffered.”⁹⁹ Regarding the payment of customs duty at Surat Sir Thomas Roe had come up with an idea of making annual payment of Rs.12, 000 but this sum was considered insufficient.¹⁰⁰

⁹⁶ William Foster, Nicholas Withington in *Early Travels in India 1583-1619*, p. 197.

⁹⁷ William Foster, *Voyage of Thomas Best*, p. 253.

⁹⁸ *Letters Received*, vol. II, p. 133.

⁹⁹ William Foster ed., *The Embassy of Sir Thomas Roe to India, 1615-1619*, London, 1926, p. XXXVII.

¹⁰⁰ William Foster ed., *The Embassy*, p. 187.

In spite of the *farmans* received by Thomas Roe in 1616 for the free passage of the goods from the inland transit duty, the English continued to face problems and were occasionally exacted duties by the authorities. We find Thomas Kerridge and Thomas Rastell wrote from Surat to William Martin at Broach in November, 1619, "...have acquainted the Governor of Broach with dispute regarding the customs, and has sent a *parwana* ordering the customer to treat the English properly." In the same letter it has also been informed "A further *parwana* received from 'Hemett Chan [Himmat Khan, the Governor of Broach] blaming the customer for his 'ruff dealinge.' 'The Mirza Muhammad Yar has also written to the latter, ordering him to leave the payment of the customs to Kerridge.'"¹⁰¹ The citation is significant in more than one way. Could it be inferred that while custom officials were bent upon collecting duties by hook or crook, the Governors and high officials shown their sensibility to the *farman* and *parwana*? Himmat Khan's accusation of the customer for his 'ruff dealinge' could perhaps supports the assumption made above.

Such wrong doing by the customs officials were not confined to Broach only. The English and the Dutch had their own grievances as they suffered at the customs house in the clearance of their goods. Thomas Kerridge wrote from Surat on June 6, 1619, "Wee procured these cheefes to require of the Dutch as well the custom of English and all other Cristian[s] [Sic.] in this particular; which, after sundry delays uppon consideracion or distrust of ther own damage..., and the same sente by Mr. James to Brampore [Burhanpur], together with our second petition to the Nabobe, expressinge these wroges."¹⁰² Here again we could trace out that the dissatisfaction with the local officials of Surat compelled the

¹⁰¹ *The English Factories in India, 1618-1621*, p. 133.

¹⁰² *The English Factories in India, 1618-1621*, p. 103.

English and the Dutch to approach the office of 'Nabobe' at Burhanpur. In the year 1623 [September, 25] we hear from the letter of Joseph Hopkinson that "The customer promises to pass the English goods without delay, and 'the people of the castle have allso, upon the mediation of Harivesie [Hari Vaisya] and other banians, licensed boats to pass over att the custom-house."¹⁰³ The problems existed at the customs house in different many forms.

The agreement between the English and the Mughals after the seizure of Surat junks in September, 1623, was interesting as far as custom arrangements were done. It was stipulated that the English goods were free from any inland tolls and they needed to pay a sum of 40,000 mahmudis [2,000l.] annually in lieu of all customs at Surat, both inwards and outwards.¹⁰⁴ Van den Broecke insinuates that in stipulating for this [the fixed custom] the English merchants were chiefly studying their own interests, as the annual payment would be made out of the Company's treasury and their private trade would escape duty.¹⁰⁵ It could have been advantageous to the Company, since it would have done away with all delays and opportunities for petty exactions arising from the necessity of passing goods through the customs house. As a matter of fact this agreement never came into force. However, one year later in September 1624, this arrangement for the fixed custom payment by the English was formally withdrawn by a revised agreement.¹⁰⁶

The Mughal State's intervention in the jurisdiction dispute between the *shiqdar* of Oplar and the *mutasaddi* of Surat is significant. This dispute caused the Dutch and the English to

¹⁰³ *The English Factories in India, 1622-1623*, p. 263.

¹⁰⁴ *The English Factories in India, 1622-1623*, p. 311.

¹⁰⁵ *The English Factories in India, 1622-1623*, p. XXXIII (n.)

¹⁰⁶ *The English Factories in India, 1624-1629*, p. VIII.

pay the dual custom at both the places. President Kerridge wrote from Surat to Johan Bangham at Lahore on February 6, 1627, “We pray you take knowledge that that Pellewan Saphed, Cojah Abullasan his shekdare [*shiqdar* or revenue collector of a district] of Urpale [Olpar] hath requied us to paye him custome of goods we this year shipt for the southward and Persia, alleaging the port of Swallye to belonging unto his pregona [*pargana* or district], and may in truth with as much reason demaund custome for all our goods laden and discharged on Swally sands, which hetherto [you know] hath been paide at the custome house of Surratt...”¹⁰⁷ This practice of dual customs did not involve the Indian junks because they enjoyed the freedom to come up the river. After the English petitioned to the Emperor Jahangir in this regard, he issued a *farman* on 16 December 1626 ordering the Olpar authorities to desist from making claim on the English customs at Swally and reaffirmed the claim to the revenues of Swally belong to the *mutasaddi* of Surat.¹⁰⁸ The imperial *farman* was issued on December 16, 1626 and we find the English were complaining against the dual custom till February 6, 1627. Eventually, we don’t find any complain in this regard in later correspondence of the English. The Dutch also got a *farman* with the similar contents dated on December 19, 1627.¹⁰⁹

Pieter van Dam, the seventeenth century historian of the Dutch East India Company, gives an account of the customs imposed on various commodities at time of the Governorship of Pieter van den Broecke at Surat. Details of the prices and customs duties can be seen through the table (below).

¹⁰⁷ *The English Factories in India, 1624-1629*, pp. 175-76.

¹⁰⁸ Farhat Hasan’s article ‘The Mughal Fiscal System in Surat and the English East India Company’ in *Modern Asian Studies*, 1993, p. 716. Cited Persian document, B. N., Supple. Persan 482, ff. 121 (a)-122(a).

¹⁰⁹ The translation of the *farmans* issued to the English and the Dutch are given in the article by Farhat Hasan in *PIHC*, 1989-90, pp. 289-290.

Table: 3.1

Commodity	Current price (in mahamudis)	Customs (in mahmudis per man)	Total price
Cloves	130	10	140
Mace	50	5	55
Nutmegs	15	2	17
Saffron	11	1	12
Tin	18	2	20
Elephants' teeth	78	2	80

Source:¹¹⁰

Goods on which customs duty had been paid were formally exempted from paying *zakat* or any other cesses or levies at any other places. This seems to be an ideal situation but in practical dealings the merchants had to pay *zakat* or *rahdari* etc.¹¹¹ It appears that Jahangir in 1624 issued *farmans* against illegal levies and ordered that they should not be levied in the Imperial dominion.¹¹² These *farmans* regarding the prohibitions of illegal cesses brought little relief to the English but largely they were ineffective. The English President Kerridge reported on February 1627, "...it pleaseth him last yeare, at instance of Mr. Young, to procure King's firmaen in the behalf [Sic.] of our nations good usage and restoracion to freedom of trade in this kingdome, with other priviledges, mongst which is a prohibition of rahdarees on our goods; but little effect it seemes, for though wee have shewed [Sic.] the same in all places, our caphila this yeare from Agra, being only saltpeteer

¹¹⁰ Karl Fischer, 'The Beginning of Dutch Trade with Gujarat', *Indian History Congress Proceedings*, Allahabad session, 1965, p. 210.

¹¹¹ The *zakat* and *rahdari* were the transit duties.

¹¹² *The English Factories in India, 1624-1629*, p. 21

and some shuger, hath been forced to pay at severall places on the way from Agra above 2,500 rup[ees];...”.¹¹³

Apart from the above-mentioned levies, there were some other lighter taxes levied upon the merchants. Cart-duty and *sad yak* [1%] fall in this category. It has been rightly held that cart-duty being only two rupees per cart was perhaps a lighter duty and we find scant references of it in the English sources. Presumably, either this duty was not consistently realized or the English thought it not worth complaining.¹¹⁴ The *sad yak* an illegal cess of one per cent. was also occasionally realized by the English on purchase or sale of their merchandises.

The chieftains who held autonomous territories sometimes notoriously dealt with the caravan passing through their principalities. The Dutch sources refer to an incident in 1618, ‘Notwithstanding the fact that Van den Broecke had with him a document granted by the great Mughal, they had met with violence in the land of the Hindu raja, Pratap Shah [Raja of Baglan]. In the attack led 2,000 soldiers, 12 Dutchmen had lost their lives while another 23 had suffered injuries.’¹¹⁵

Even before the attack of Shivaji the Dutch had procured a concession of one per cent. in 1663 and the English were also contemplating a similar remittance. It was reported by the English, “An endeavour was being made underhand to procure a similar concession as that

¹¹³ Ibid., p. 176.

¹¹⁴ Farhat Hasan, ‘Mughal Fiscal System’ *Modern Asian Studies*, 1993, p. 718.

¹¹⁵ *The Dutch Factories in India, 1617-1623*, Document no.43.p. 73.

obtained by the Dutch, viz. a reduction of one per cent. in the customs.”¹¹⁶ After Shivaji’s attack at Surat in 1664 the English wrote, “wee were then writteing a petition to the King for a reward for our good service done him; which since wee are informed was by our freinds in Court (to whom your President wrote) delivered into the Kings hand; wherein wee hinted our expectations that hee would remitt us your customes. Whereupon the King, after hee had taken it into his most gracious consideration, hath sent down an order that the whole customes of all merchants should bee remitted for one intire yeare.” It was also noted that “...after the expiration of the yeare, the King, in leiw [Sic.] of our good service, will give us the ¼th part of all your customes free...”¹¹⁷

The Dutch sent an embassy under Dirck van Adrichem, with great pomp and lavish expenditure to Delhi in 1662. As the English factors noted, “...soe great a summ is required to correspond [to] his greatness and our nations honour, especially to follow the Dutch, whose great Commandore of Surratt is butt lately returned from thence much unsatisfied, after the expence of six monthes time and 100,000 rupees which he hath given away to the King; his nobles and attendance for admittance; a considerable summ, and yett he vowes it was not regarded or scarce lookt upon, nor hath he gott any grant considerable.”¹¹⁸

In 1665 Aurangzeb issued an order fixing custom duty on all commodity at 2 ½ per cent. *ad valorem* in the case of Muslims and 5 per cent. in that of Hindus. Further, in 1667

¹¹⁶ *The English Factories in India, 1661-1664*, p. 193.

¹¹⁷ *The English Factories in India, 1661-1664*, p. 311.

¹¹⁸ *The English Factories in India, 1661-1664*, p. 120-121, also see Niccolao Manucci, *Storia Do Mogor*, vol. II, Calcutta, reprint (1967), pp. 57-58.

Aurangzeb waved the Muslim merchants from paying any custom duty.¹¹⁹ It has been argued that a burden of 5 per cent. custom duty on Hindu or *Bania* merchants could have given commercial advantage to the Europeans as well as the Muslim merchants.¹²⁰ But it is doubtful that such an advantage was taken over the Hindu merchants. It is quite probable that many Muslim merchants passed off the Hindu merchants' goods in their name at the customs house to the detriment of the imperial customs. Probably for this reason it was ordered, "Great care should be taken to see that these persons [Hindu merchants] should not mix up their goods with those of the Muslims for evasion of duty."¹²¹ The discrepancies of the order were quite obvious and it was extremely difficult to enact such an order. Thus, it was formally withdrawn in 1681.

SECTION III

MINT AND MONETARY REGULATIONS

The mint performed an important function for the regulation of the coins as a mark of sovereignty. It was under strict imperial control.¹²² The coinage from one perspective also formed a commodity, which could be exchanged to compensate trade imbalances, in our case especially between Mughal India and Safavid Iran. Apart from its use to enforce the sovereignty, Mughal, Safavid and Uzbek rulers all had shown an interest in maintaining a

¹¹⁹ *Mirat-i-Ahmadi*, A Persian History of Gujarat (English Trans.), M. F. Lokhandwala, Oriental Institute, Baroda, 1965, p. 237.

¹²⁰ Farhat Hasan, 'Mughal Fiscal System' in *MAS*, 1993, p. 718.

¹²¹ *Mirat-i-Ahmadi*, A Persian History, 1965, p. 237.

¹²² It has rightly been argued that the early modern Islamic rulers usually asserted absolute authority over minting of the coins, even if their ability to choose the size and purity of coins was determined by economic and political circumstances. Stephen Frederic Dale, *Indian Merchants and Eurasian Trade, 1600-1750*, Cambridge, 1994, p. 30.

stable, high quality coinage which could facilitate revenue collections and the commercial transactions.¹²³

The Mughals followed the policy of mintage charging a nominal rate for anyone bringing bullion to the mints. The intrinsic value broadly corresponded to the apparent or stated value of a coin. However, the parity between the gold *muh*r and the silver rupee was not fixed and hence, determined by the market.¹²⁴ The Mughal coinage system operated with its uniform standards of weights, measures and purity. The centrally appointed functionaries of the imperial mints regulated the standard and minted out the bullion received from the Europeans, *shroffs*, and other private individuals. The system of 'free' mintage ensured that the Mughal coins retained their high degrees of fineness without any known debasement.¹²⁵

We come across an interesting reference that even before Shahjahan's formal enthronement as Emperor on February 4, 1628, the mint authorities at Surat, in their official zeal, issued gold *muh*rs (coins) in his name. The English factory reads, "what money is coyned in this towne bares the stampe [Sic.] of Shawselim [Shah Salim], by the princes owne order att his being here, till hee bee crowned in Dillie [Delhi]; so that the quoyaning [Sic.] of moniey in Surrat under his name is affirmed to be done by the Governour there without his order; neither will they passe here [Ahmadabad] without some

¹²³ Stephen Frederic Dale, *Indian Merchants and Eurasian Trade, 1600-1750*, Cambridge, 1994, p. 30.

¹²⁴ Om Prakash, 'Foreign Merchants and Indian Mints in the Seventeenth and Early Eighteenth Century', in J. F. Richards ed., *The Imperial Monetary System of the Mughal India*, Oxford, 2000, p. 173.

¹²⁵ Om Prakash, *The Dutch East India Company and the Economy of Bengal, 1630-1720*, Princeton, 1985, p. 4.

losse.”¹²⁶ However, in Ahmadabad the coins were continued to be issued in the name of his late father Salim Shah, as desired and ordered by the Prince.¹²⁷ The English sources inform us that the prematurely issued coins of Surat could not be circulated for sometime at Ahmadabad without a small discount.¹²⁸

Ahmadabad remained the largest mint of Gujarat till 1635. The mint's output had been an increasing trend till 1595 and then it started to decline. During 1588-1597 its total contribution was around 35%, which is a large figure of output for any individual mint. It has been postulated that the contraction in the output of the Ahmadabad mint is accompanied with the rise in the Surat mint. It replaced Ahmadabad as the largest mint of the region since 1627.¹²⁹

During Akbar's reign the principal mint was to be located at Fatehpur-Sikri with other mints at Lahore, Bengal, Jaunpur, Patna and Ahmadabad. There was a mint at Surat, which used to coin silver and copper. The mint appears to have been discontinued for sometime but it was started again in 1620.¹³⁰ The mint had the capacity to issue currency worth 6000 rupees a day¹³¹ but it worked quite irregularly as the officials in charge worked only a few days in a month. The capacity of the Surat mint gradually increased as demands grew in course of the seventeenth century.

¹²⁶ *The English Factories in India, 1624-1629*, p. 232.

¹²⁷ M. S. Commissariat, *A History of Gujarat*, Bombay, vol. II, 1957, p. 110.

¹²⁸ *The English Factories in India, 1624-1629*, p. 232.

¹²⁹ Aziza Hasan, 'Mint in the Mughal Empire; A Study in Comparative Currency Output' *PIHC*, 1967, p. 322.

¹³⁰ *The English Factories in India, 1618-1621*, p. 36.

¹³¹ *The English Factories in India, 1634-1636*, p. 218.

We find English factors complaining in delay of getting ready money coined out of bullion. The President of the English factory Thomas Rastell raised the issue at the consultation held at Surat in January 1621, ‘...the exportation of royalls, through occasion of a minte erected in this towne [i.e. Surat], being utterly debarred us, and wee havieng sould 4,000 royalls unto the Captaine of the Castell, deputie in the Governours absence [Sic.], with condition to receive the greater partt in redye moneye and the resedue in bills of exchange for Ahmadavad and Agra, the said captaine of the castell att bargaine making havinge promised us to enforce the shroffs to secure each other, if any should faile, and they utterly refuseing soe to joyne,...; the rather for that the certaintie of their paymentt hath bine often qsttioned before the Governor etc. cheefs, whoe have promised the uttermoste effects of justice case of any should faile us [Sic.]’¹³²

The merchants always required newly coined rupees as they valued more in comparison with the older ones. Tavernier notes that, “the longer a rupee of silver has been coined the less it worth in comparison with those newly coined, or which have been coined a short time, because the old ones having often passed by hands, become worn, and they are in consequence lighter...it is necessary to say that you require to be paid in Shahjahani rupees i.e. in new silver, otherwise your payment will be made in rupees coined fifteen or twenty years or more, upon which there may be up to 4 per cent. of loss.”¹³³ It has been pointed out that the new coins of Surat valued more even if they were inferior to the old coins. John Francis Gemelli Careri advised the merchants in 1695 to strike (or rather restrike) their silver coins ‘to the coins of the land ...and above all the die should be of the same

¹³² *The English Factories in India, 1618-1621*, p. 218.

¹³³ William Crooke, *Travels in India by Jean-Baptiste Tavernier*, First Indian Edition, New Delhi, Vol. I, 1977, p. 24-25.

year otherwise a loss of half a per cent will be incurred.¹³⁴ This capacity for minting money is found in all the towns on the Great Mogul's frontiers'.¹³⁵

The Companies imported precious metals usually in the form of bullion and hence required it to be exchanged with the local currency. For this purpose they had two available options; either to send the bullion to the imperial mint or have it exchanged against rupees through professional dealers in money known as *shroffs*. Each course had its advantages and disadvantages. However, on an average, it was more profitable for the Company to go to a mint, because the *siccas* obtained from the mint carried a premium over the current rupees and the Companies occasionally made profits out of newly coined *sicca* rupees. But the risk factors involved in the processes of minting compelled Companies to deal with the *shroffs*.¹³⁶ But there was another set of problems in dealing with the *shroffs*.

The English factors at Surat felt dejected at the attitude of the *shroffs* who held a virtual monopoly over the ready money. They reported from Surat on November 8, 1628, "Such is the misserie of our trade in these parts, where we lye at the mercy of the Xaroffs [*shroffs*] or exchangers of monie, who at their pleasure raises and fall the price of either specie as themselves please. Hereby you may perceive how farr we are plunged into a laborinth of debts, without meanes of reliefe [Sic.]."¹³⁷

It has been argued that from the third decades of the seventeenth century the amount of silver imported at Surat exceeded the normal coining capacity of the Surat mint. The

¹³⁴ Surendranath Sen ed., *Indian Travels of Thevenot and Careri*, New Delhi, 1949, p. 26.

¹³⁵ Fernand Braudel, *Capitalism and Material Life 1400-1800*, London, 1973, p. 338.

¹³⁶ Om Prakash, 'Foreign Merchants and Indian Mints in the Seventeenth and Early Eighteenth Century', in J. F. Richards ed., *The Imperial Monetary System of the Mughal India*, Oxford, 2000, p. 173.

¹³⁷ *The English Factories in India, 1624-1629*, p. 296.

problem in the procurement of ready money was so acutely felt by the English that they were contemplating to move their headquarters to Ahmadabad. The problem was resolved by increasing the minting capacity of the Surat mint. It appears that by 1636 the mint's output matched the general demands.¹³⁸ It has been suggested that the regular capacity of the Surat mint during mid 1630's grew somewhere between 8,000 to 9,000 rupees coins per day and by the mid-seventeenth century the capacity of Surat mint appears to have been increased to 30,000 rupees per day.¹³⁹ The coined money was extremely important for the commercial transactions at Surat. In 1620 the Dutch factors reported to Amsterdam that the trade is conducted entirely in cash through the medium of a coin called *sicca* rupee which is worth 22 stuivers.¹⁴⁰

The English met their requirements of ready money by borrowing from the Indian merchants on credit. The rate of credit ranged between 1 to 1½ per cent till the first half of the seventeenth century. In October 1635 the English borrowed from Virji Vora 30,000 ruppees at the rate of 1 per cent. per month.¹⁴¹ Again around 1646 we come across the reference that the English borrowing from Virji Vora in 'Goolconda at 1½ per cent.'¹⁴² In 1639 the Governor of Surat, Muizz-ul-Mulk promised to lend the English rupees twenty to thirty thousand from the mint and the Governor's treasury, which the English proposed to remit from Ahmadabad to Agra by the bills of exchange or *hundi*.¹⁴³

¹³⁸ W. H. Moreland, *From Akbar to Aurangzeb*, 1972, p. 177.

¹³⁹ M. P. Singh, *Town, Market, Mint and Port in the Mughal Empire*, New Delhi, 1985, p. 183.

¹⁴⁰ *The Dutch Factories in India, 1617-1623*, p. 135.

¹⁴¹ *The English Factories in India, 1634-1636*, p. 147.

¹⁴² *The English Factories in India, 1646-1650*, p. 18.

¹⁴³ *The English Factories in India, 1637-1641*, p. 193. The use of *hundi* or bills of exchange was widespread for the purposes of the safe remittance of money.

The cost of credit in India remained higher than in Europe during the seventeenth century. During the season of 1662-63 the English Company sent two ships, and the stock and money was estimated at 65,000 pounds sterling.¹⁴⁴ The Court of Directors claimed that by sending 'great stocks of money' to Surat they had forced down the rate of interest from between 7.5 to 9 per cent prevailing there, to 6 per cent.¹⁴⁵

Jahangir's stay in Gujarat led him to a peculiar innovation in the field of Mughal numismatics. It was during his sojourn in Gujarat he conceived the idea of issuing the famous Zodiacal coins which are considered the most beautiful coins of his reign. These celebrated coins instead of the name of the month of issue, there was stamped the figure of the sign of the Zodiac corresponding to the particular month. It is held that the issue of the gold *muhrs* bearing the sign of Zodiac generally confined to the imperial mint at Agra, we find that it was during his five month's stay at Ahmadabad that the most of these ruppees were struck at the mint of that city.¹⁴⁶

We may conclude this chapter with the assumption that both sympathy and apathy determined the Mughal administration's attitude towards mercantile groups. They simply did not want to hatch the hens, which lay golden eggs. At the same time they tried to make use of every opportunity to extort them and fill their coffers. We have noticed in course of discussion on customs duties that how Himmat Khan and Mirza Muhammad Yar complied with the Prince's *farman* issued to the Company for the exemption from any inland duty. The successive emperors issued *farmans* prohibiting the collection of illegal cess like

¹⁴⁴ John Bruce, *Annals of the Hon'ble East India Company*, vol. II, p. 119.

¹⁴⁵ K. N. Chaudhuri, *The Treading World of Asia and the English East India Company, 1660-1760*, Cambridge, 1978, p. 159.

¹⁴⁶ M. S. Commissariat, 'Political and Economic Condition of Gujarat during the Seventeenth Century' in *Indian Historical Records Commission Proceedings of Meetings*, vol. III, Calcutta, January 1921, p. 43.

rahdari, *sad yak*, cart-duty etc. but they were continued to be levied from the merchants. The brisk commercialization and gradually growing quantities of bullion supply in western India necessitated the reestablishment of Surat mint around 1620. From 1627 it replaced the Ahmadabad mint in terms of coinage output. In spite of that the European factors frequently complained of undue extortions and delay at the customs house. The Indian merchants also had a mixed lot as far as their relations with the Mughals were concerned. However, it would be unsafe to suggest that the Mughal administration had a communal bias against any particular merchant community.

CONCLUSION

The Seventeenth century presents a broad spectrum to gauge some of the trends in the socio-economic aspects of Gujarati merchants. The commercial expansion triggered by the European trading Companies opened up new vistas of economic gain for the mercantile groups of the western Indian seaboard. The brokers and intermediary merchants assumed greater significance in view of unprecedented demand generated by the Companies from 1620's onwards. However, famine and other natural disasters as appears from the John van Twist's Description of India,¹ temporarily halted the process of economic growth for a few years in 1630's. However, the region soon recuperated the loss and continued to supply goods in ever increasing quantities.

The arrival of trading companies resulted in a sharp increase in the demand for commodities. This created a multiplier effect at numerous levels of the socio-economic stratum. The commercial expansion necessitated the employment of brokers or *dalals*, moneychangers or *shroffs* manifold. The host of *dalals* and *shroffs* were not content with their brokerage or *dalali* but invested their earnings in commercial speculations too. Moreover, the intermediary merchants had made great fortunes out of the European commerce. They rose to a position from where they could lend money to the English and Dutch Companies on interest. Virji Vora, the merchant prince of Surat, is referred as English broker and *shroff* of the Company in the English Factory Records. The development of banking in India during the seventeenth century owed very much to the

¹ W. H. Moreland, 'John van Twists Description of India', *Journal of Indian History*, vol. XV, part, 2 August 1936, pp. 65-66.

operations of Virji Vora of Surat, Malaya of Coromandel Coast and Chetty of Malabar. These three bankers controlled an extensive and highly lucrative banking trade.²

Growing participation of the Mughal royalty and upper echelons of the nobility who were commanding high positions in the western territories of the empire boosted the Gujarati trade. From the first decade of the seventeenth century the ships owned by the members of the Royal³ family sailed to the Red Sea and to Southeast Asia. In the early decades of the seventeenth century there is evidence of continued sailing from Surat and Dabhol to Acheh and Bantam.⁴ The Dutch perhaps hindered the Gujarati trade to the Southeast Asia for some time as they were aiming to dominate in the Indonesian Archipelago; by mid seventeenth century, however, the Gujarati merchants were permitted to travel frequently to Southeast Asia.⁵

The interplay of religious and commercial activities has been accounted in the preceding chapters. The Mughal emperors sent cotton piece goods from Gujarat to be sold at Mocha and the profit thus earned could be invested in alms to be distributed among the poor at the holy cities of Mecca and Medina.⁶ Thus, the practice of combining religion with commerce could have further enhanced the commercial activities of the region.

² D. Pant, *Commercial Policy of the Mughals*, Delhi, 1930, reprint, 1978, p. 137.

³ One Royal ship of considerable burden *Musai* was returning from the Red Sea and captured by the Portuguese by 1614. This ship belonged to Jahangir's mother.

⁴ S. Arasaratnam, *Maritime India in the Seventeenth Century*, Oxford, 1994, p. 58.

⁵ *The English Factories in India, 1646-1650*, p. 212. The Nawab-Muizz-Mulk, *mutasaddi* of Surat received the Dutch Governor's letter soliciting the issue of passes for the Indian vessels to Achin, Malacca, and the neighbouring ports on 16th August 1648.

⁶ It is possible that the Mughal nobles and high officials in their eagerness to ape this Imperial practice were also drawn into the ambit of commercial ventures of this kind.

The theory of “rationalization of conduct” and “a puritanical ethic to work hard” seems to be inapplicable in the case of Gujarati merchants who had insatiable desire to amass vast merchant capital. In refutation of Max Weber’s theory in Indian context it has been pointed out that had the ‘Protestant ethic’ been the only factor, the progressive minded English educated Bengalis, after the success of their initial ventures in collaboration with the Europeans would not have faded out after 1848; nor would the *Marwaris*, an intensely conservative community, have emerged thereafter as the most successful Indian business group in Calcutta.⁷

The Gujarati merchants, both Hindus and Muslims, did not belong to any ascetic religion. Still, they worked hard to earn fortune and gained vast experiences in the finer nuances of trade and commerce. In fact, they had great enterprising skills and spread themselves throughout the Indian Oceanic littorals. Thus, it does not seem necessary that a movement bearing the puritanical ethics should always be succeeded by economic development. We have discussed in the preceding chapters that Indian merchants showed strong tendencies to accumulate great fortunes and some of them operated on a wider scale, even without any Protestant like ethic.

The reference has been made about Santidas and his firm’s valuable help extended to the Mughal armies on their marches during the war of succession. Murad Bakhsh had secured a loan of five and half lakh rupees from Manekchand, the son of Santidas, and others on the eve of war of succession. In the *farman* issued on June 22, 1658 Murad Bakhsh as the

⁷ Rajat Kant Ray, *Entrepreneurship and Industry in India 1800-1947*, Delhi, Oxford, 1992, pp. 3-4.

self proclaimed emperor, ordered Haji Muhammad Quli to expedite repayment of the loans to the creditors. With Murad Bakhsh worsted, Santidas turned to Aurangzeb for the repayment of the loan Aurangzeb promptly issued a *farman* for the reimbursement of the loan taken from Santidas's son and his partners. The language and tone of the *farman* was quite encouraging for Santidas; it reads, "Therefore on account of our kindness and generosity we grant the sum of one lakh of rupees from the royal treasury to the said person [Santidas], and in this connection an illustrious *farman* has been also issued to Shah Nawaz Khan." This interaction between the great business firm of Santidas and the Imperial family reveals how great financiers came to assume a big role during wars of succession, a vivid testimony to a newfound economic clout that had its ramifications in the political arena.

In 1665 Aurangzeb issued an order fixing custom duty on all commodities at 2 ½ percent *ad valorem* in the case of Muslims and 5 percent in that of Hindus. Further, in 1667 Aurangzeb waived the Muslim merchants from paying any custom duty.⁸ It has been argued that the burden of 5 percent custom duty on Hindu or Bania merchants could have given commercial advantage to the Europeans as well as the Muslim merchants.⁹ But it is doubtful that such an advantage was taken over the Hindu merchants. It is quite probable that many Muslim merchants passed off the Hindu merchants' goods in their name at the customs house to the detriment of the imperial exchequer. Probably due to such subversions it was ordered, "Great care should be taken to see that these persons [Hindu merchants] should not mix up their goods with those of the Muslims for evasion of

⁸ *Mirat-i-Ahmadi*, A Persian History of Gujarat (English Trans.), M. F. Lokhandwala, Oriental Institute, Baroda, 1965, p. 237.

⁹ Farhat Hasan, 'Mughal Fiscal System' in *MAS*, 1993, p.718.

duty.”¹⁰ The discrepancy of the order was quite obvious and it was formally withdrawn in 1681. Such cooperation between indigenous merchants across the religious divide was remarkable and needs to be emphasized.

It is also important to be careful enough in accepting the view that the Mughal administration at Surat had biases against certain community. We have discussed in the third chapter that how the Mughal administration tried to put a check on the fanatic activities of the *Qazi* during the reign of Aurangzeb. Apart from that, we also find some Hindu merchants as having amicable relations with the Christian missionaries and fathers. In the second chapter we have noticed that a Hindu *shroff* and broker for the Dutch Company Mohan Das sent alms and goods of general use like rice, butter, vegetable etc. to the Capuchin father to be served among the fellow Christians.

During the sixteenth and the seventeenth centuries on the whole, the Indian Ocean remained firmly in the hands of the Indian ship-owning merchants with occasional fluctuations. The Indian merchants always managed a competitive edge over the European Companies.¹¹ Their inexpensive trading methods, and the little amount of money spent in fitting out ships enabled them to sell merchandise at a cheaper rate and thus posing stiff competition to the European merchants in the Asian markets. At the turn of the eighteenth century when the Gujarati shipping was at its height, the increased volume of Gujarat's exports had glutted markets not only in the Red Sea but also elsewhere. Throughout our

¹⁰ *Mirat-i-Ahmadi*, A Persian History, 1965, p. 237.

¹¹ Thus B. G. Gokale's contention that 'the English and the Dutch had made serious incursions into the carrying trade and the inter-Asian trade of Surat and the Companies' activities undermined the business activities of the Surat merchant to a very significant extent. This incursion by the Companies pushed the Indian merchants to a role of intermediaries for the Europeans' needs to be qualified.

period of study the Indian merchant capital continued to be accumulated and its growth was arrested only in the eighteenth century when political anarchy crept in.¹² It would be hard to deny that the Indian merchant was more than a match for the Europeans on his home grounds; he failed where his rulers failed him.¹³

The scholars have held that the economic system of the Asiatic world continued to work on its own and the venturing of the Companies superficially affected it. In the case of Indonesian Archipelago, the Dutch Company did not make any innovations but continued to operate into existing channels and patterns, adopting the local conventions for the conduct of negotiations and for issuing commands. There appeared no radical change before the mid-nineteenth century.¹⁴ The situations in the western India was not much dissimilar and it was only during the mid-eighteenth century that the English Company gradually started to take over the Indian merchants.

From around the mid-seventeenth century the Muslim-shipowners of Surat grew in numerical terms and frequented the Red Sea markets. They competed with Europeans taking low profit on their merchandise. Thus, it may be assumed that the seventeenth century offered great prospects to the Indian merchants operating from Gujarat. The merchants continued to cash in on the new opportunities thrown open by the commercial expansion in spite of some adverse political developments like the Maratha incursions in Gujarat from the second half of the seventeenth century. Aurangzeb's preoccupation with

¹² Satish Chandra, 'Some Aspects of the Growth of A Money Economy in India during the Seventeenth century', *Indian Economic and Social History Review*, vol. III, no. 3, 1966, p.331.

¹³ S. C. Mishra, 'The Medieval Trader and his Social Worlds', in *Business Communities of India: A Historical Perspective*, Dwijendra Tripathi ed., New Delhi, Manohar, 1984, p. 55.

¹⁴ Maurice Aymard, *Dutch Capitalism and World Capitalism*, Cambridge, 1982, p. 10.

the Deccan states made the northern Indian administration somewhat slack. It has been rightly held that the Indian merchants lost only when the Mughals lost their political grip over the empire.¹⁵

It is also important to specify the limitations of this work. I have tried to pose the Indian merchants in parallel to the European Companies and also tried to analyze former's methods of operation, competitiveness, alliances with the later and the opportunities to gain fortunes in the new circumstances of the seventeenth century. No definitive conclusions can be drawn on the basis of the work that I have undertaken. The major constraint of the work is posed by my limited knowledge of the Dutch language. The entire work has been done on the basis of the sources available in the English language. I could not go beyond the confines of some translated Dutch sources. In the further course of research I would like to delve into the issues concerning the 'world of the Indian intermediary merchants.' An analysis of the aspects related to the Indian merchants would throw many interesting lights regarding trade and commerce as well as related developments in the society. A simultaneous use of the sources of more than one European power and pitting one against the other would perhaps give us a clearer picture of the commercial life of the Indian merchants.

¹⁵ Tapan Raychaudhuri & Irfan Habib eds., *The Cambridge Economic History of India*, vol. I, Delhi, 1984 (reprint), p. 429.

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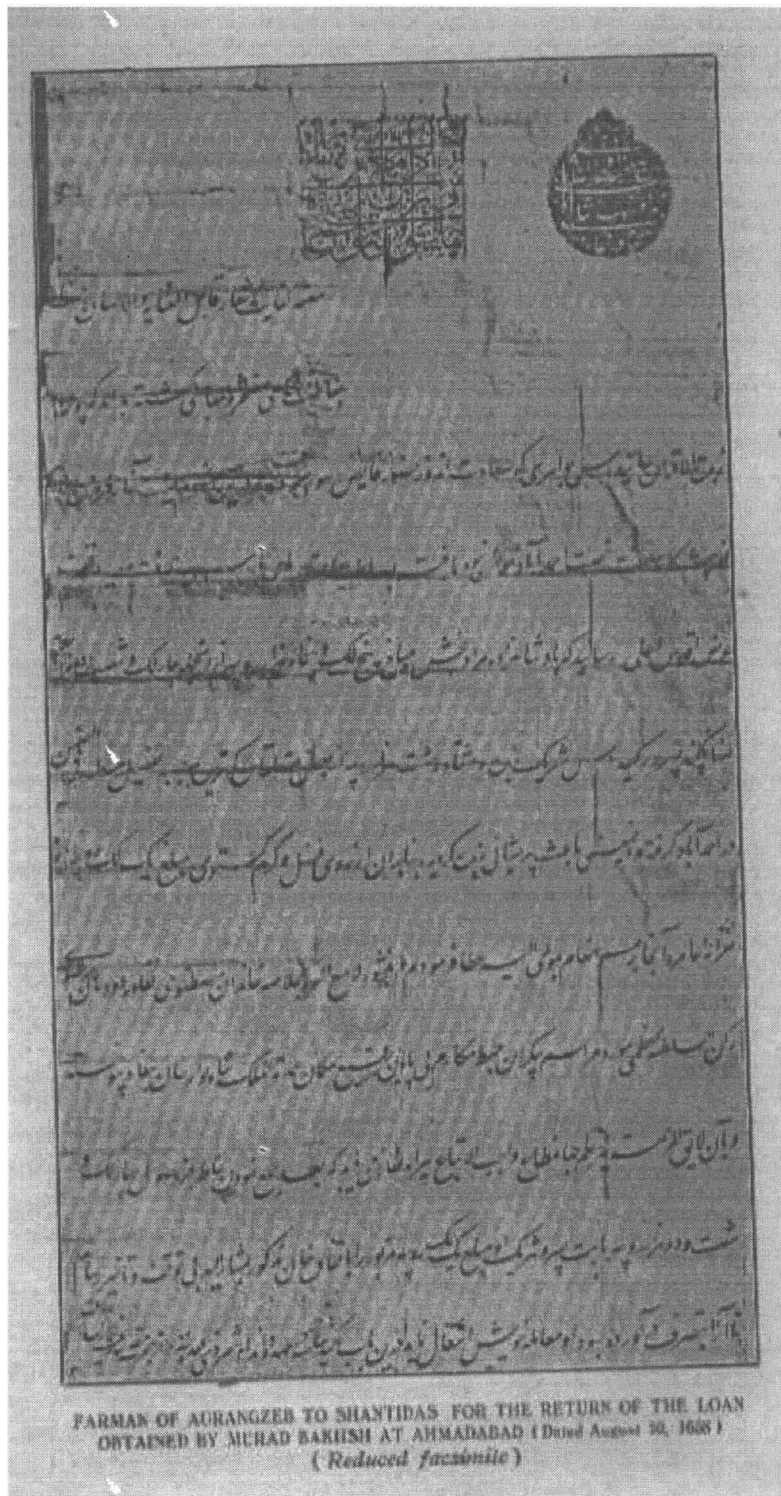
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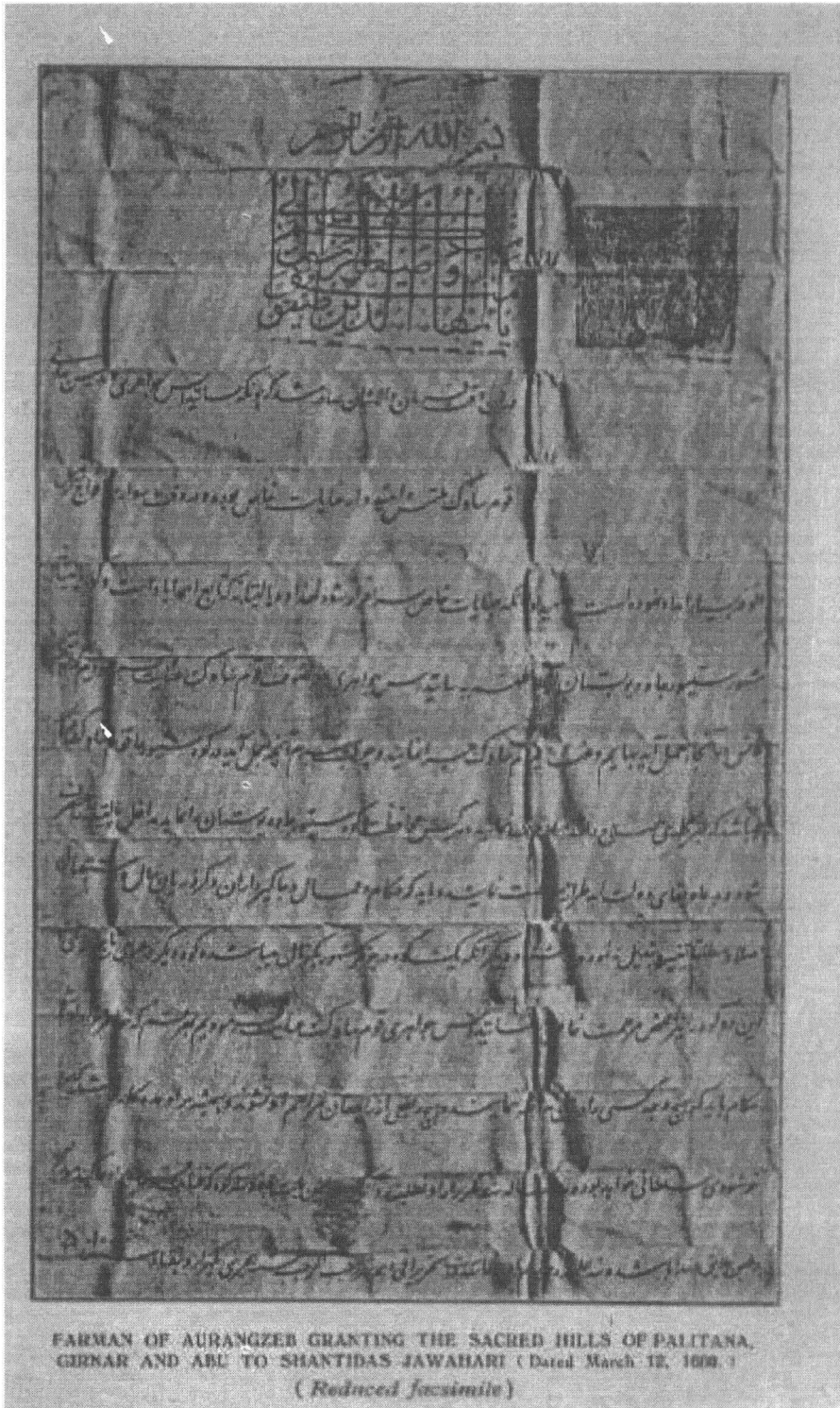
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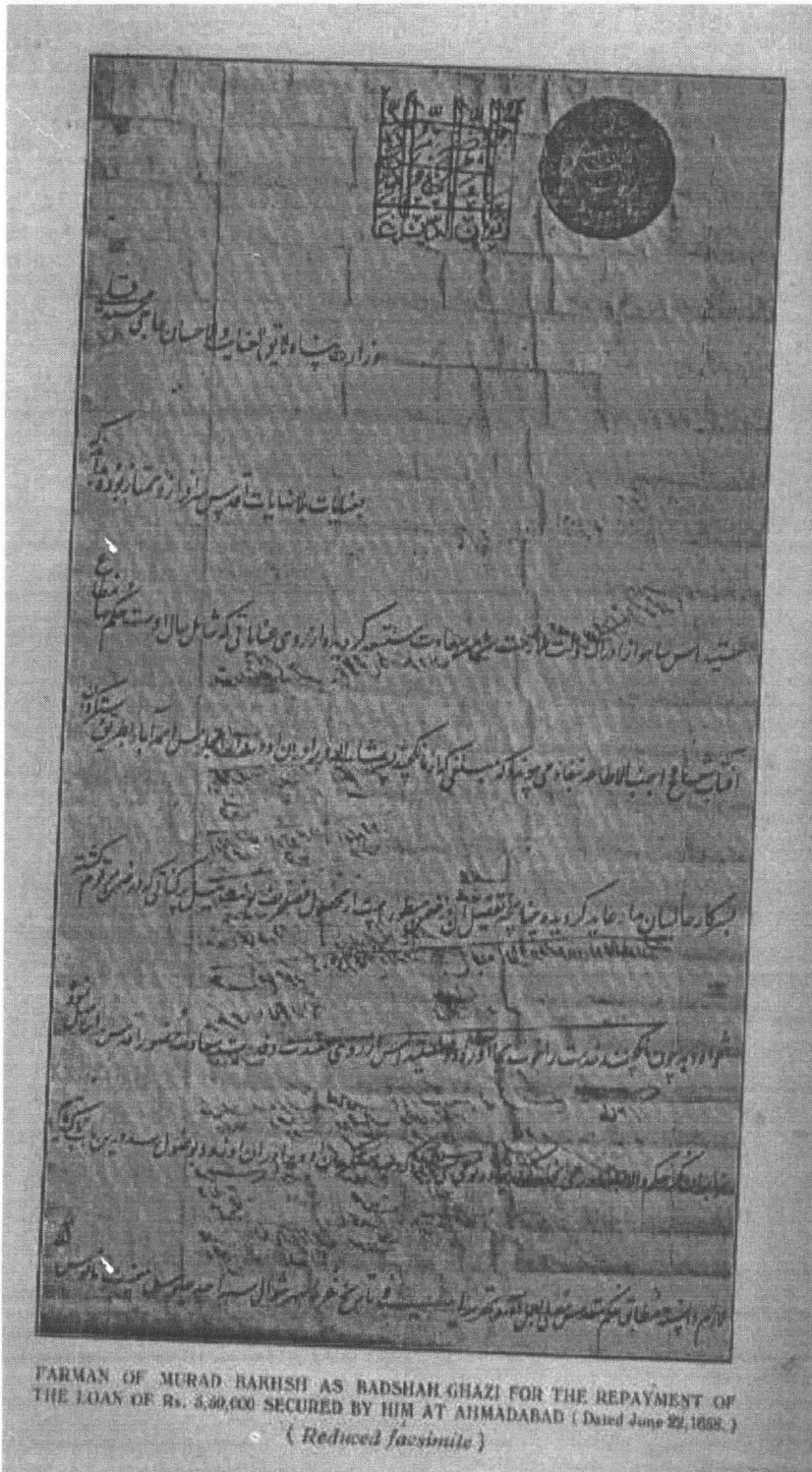
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